# ANALYSIS OF COMPETITIVENESS ON THE MEAT MARKET AND MEAT PRODUCTS IN ROMANIA

## Ionuț Laurențiu PETRE[1]

[1] PhD, Student, The Bucharest University of Economic Studies, Romania,
email: laurpetre15@gmail.com

**Abstract**

*The world's meat industry is in a phase of major structural changes, with visible advances in reproduction and genetics, slaughter and development of new automation technologies for processing. The new challenges and opportunities on this market lead to greater product uniformity and quality, and more and more emphasis will be placed on issues related to the competitiveness of the sector. Meat is an important product of human consumption, and meat consumption is an indicator of living standards. The analysis of the competitiveness of this sector will be achieved from both point of view, of the companies in the market, and the economically one; in the first part there will be conducted a marketing research designed both in qualitative and quantitative terms, and in the second part will be presented an economic analysis of the main brands of meat and meat products. Thus, an image will be formed about the differences between consumer perceptions and economic efficiency.*

**Keywords:** Competitiveness, meat market, economic performance

**Introduction**

In some situations, the definition of competitiveness is subject to confusion between the authors, some of whom consider the competitiveness of a society as the ability to adapt to competition; but other authors say that the term competitiveness suggests a situation where products are produced at low cost while assuring and controlling quality, which leads to a direct association of competitiveness with profitability, efficiency, productivity and, implicitly, profit (Hchaichi, 2014, p.203).

The adherents of the term competitiveness, bearing in mind that there are also anti-supporters of competitiveness, associate this word as a description of productivity and resource management (financial, human, natural, technological and even knowledge) that each society (Chițea, 2015, p.298).

Competitiveness usually refers to the effects of a policy on the ability of regulated entities to compete in international markets. These effects can be felt at several levels.

At the firm level, a business is competitive if it can produce better or cheaper products or services than its domestic and international competitors.

Competitiveness at sector level expresses how some countries are attractive to a particular industry and is often measured in terms of international trade (net exports, investment flows).

Country Competitiveness is a popular concept, measured for example by the "Global Competitiveness Report" or the "World Competitiveness Yearbook". These indicators generally measure country leadership, long-term attractiveness such as living standards, health, local pollution and employment, as well as economic growth and economic security.

Meat is an important product of human consumption, and meat consumption is an indicator of living standards. Trade has led to a strong bond between peoples, contributing to the development of economies and societies, taking into account that they are based on strong competition.

The analysis of the competitiveness of this sector will be achieved both from the point of view of the companies that have the market and economically.

## 1. Literature review

With the rise of globalization, the term "competitiveness" has become ubiquitous. Most associate this term as synonymous with productivity; Michael Porter said: "The only significant conception of competitiveness at national level is productivity."

The World Economic Forum: The "Global Competitiveness Report" defines competitiveness as "the set of institutions, policies and factors that determine the level of productivity of a country." Also, the World Competitiveness Yearbook describes competitiveness in a similar way, but in a wider sense, in which "an economy manages all its resources and competencies to increase the prosperity of its population" (Atkinson, 2013, p.2).

According to the literature, marketing research may vary according to the intended objective, including market research, product research, and last but not least consumer research. This last part will appear in this part. Consumer research consists of identifying its preferences, motivations and buying behavior. Quantitative research is used to quantify the situation by generating numerical data or data that can be converted into usable statistics. This type of research is generally used to quantify attitudes, opinions, behaviors and other variables, and to generalize the results from a larger sample.

## 2. Analysis of competitiveness on the meat market and meat products

The analysis of the competitiveness of this sector will be achieved from both point of view, of the companies in the market, and the economically one; in the first part there will be conducted a marketing research designed both in qualitative and quantitative terms, and in the second part will be presented an economic analysis of the main brands of meat and meat products. Thus, an image will be formed about the differences between consumer perceptions and economic efficiency.

### 2.1 Quantitative research on consumer preferences of meat and meat products

For this, a questionnaire was created, which was applied in the online environment, which was completed by a sample of 300 people.

Generally, this questionnaire was distributed on social sites via emails and text messages. The survey was mainly addressed to EAM faculty students, ASE students, employees of the Research Institute for Agricultural Economics and Rural Development, and to any person consuming meat and meat products.

For the first question, 93% confirmed the consumption of meat and meat products, of which 51.67% are women and 41.33% are men. Out of the 300 respondents, 7% of them are not meat consumers, namely 3.33% of females and 3.67% of males. Among non-consumers, 2.33% are people between the ages of 18 and 25, but the same percentage was recorded for the segment of 25-30 years.

Non-eating people were interviewed, in the second question, why they did not consume such products. Most of them (47.6%) follow a certain lifestyle (vegetarianism, raw-veganism, etc.), the second reason people do not consume meat and meat preparations was "the doctor does not recommend me" with a share in total negative responses of 28.6%, and the third reason and the last one for which answers were obtained were considerations related to the religion of the person, with a percentage of 23.8%.
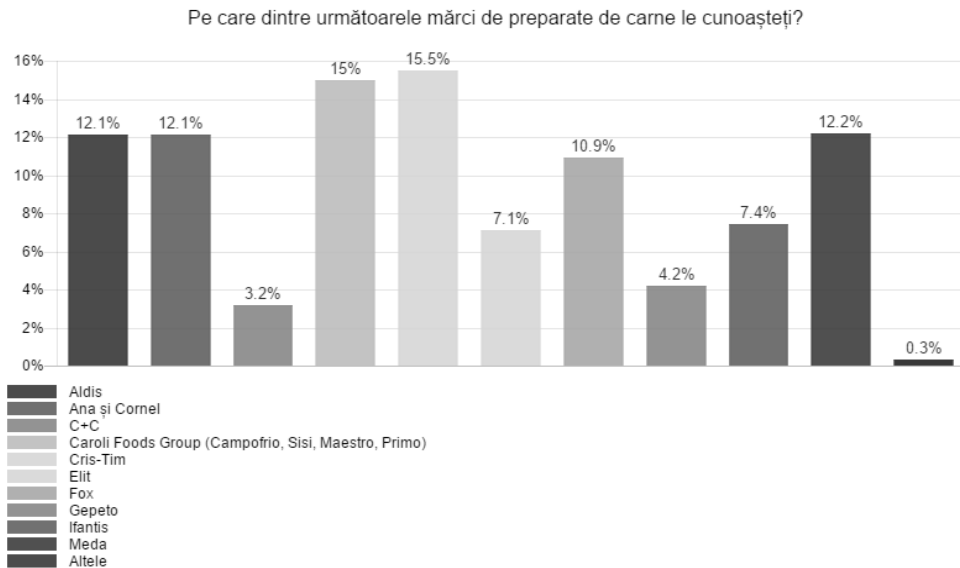
În familia dumneavoastră se consumă carne și preparate din carne?



Da
Nu
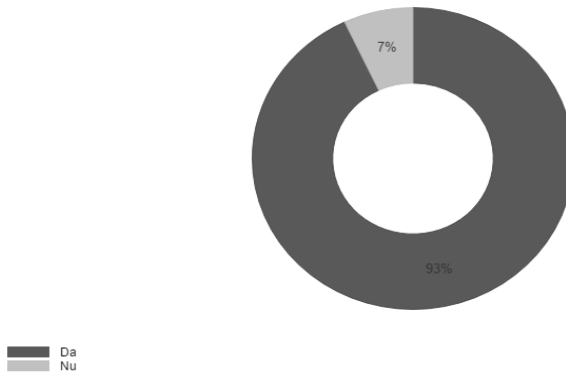
**Figure 1. Level of consumption of meat and meat products**

Source: Data processed based on www.isondaje.ro

Asked by certain brands and producers of meat and meat products, the respondents in the questionnaire responded as follows, for the first two companies, the consumer's "popularity" rate was 12.1%, of which for Aldis 8.4% come from urban areas and 3.7% from rural areas, and for Ana and Cornel 7% come from urban and 5.1% come from rural areas.

Pe care dintre următoarele mărci de preparate de carne le cunoașteți?



Aldis
Ana și Cornel
C+C
Caroli Foods Group (Campofrio, Sisi, Maestro, Primo)
Cris-Tim
Elit
Fox
Gepeto
Ifantis
Meda
Altele

**Figure 2. The level of knowledge of the brands in the market**

Source: Data processed based on www.isondaje.ro

C + C has a share of only 3.2% and its respondents are equally divided by the residence environment (1.6% for each of the two). Caroli Foods Group recorded 15%, the second highest among the consumers who preferred this company, 9.5% came from urban and 5.5% from rural areas.

The most famous brand of meat products was Cris-Tim, with a share of 15.5%, and the people who know this company are thus spreading 10.7% of the urban area and 4.8% of the rural area. A degree of knowledge of 7.1% was obtained by Elit, of its consumers, 4.2% are townspeople and 2.9% are villagers. Fox has a 10.9% recognition rate, of which 7.2% of people live in the city, and 3.7% in rural areas. Gepeto recorded 4.2%, Ifantis 7.4%, and Meda saw a 12.2% popularity, 7.5% of which live in urban areas, and 4, 7% in rural areas. A further 0.3% was recorded in the category „other" "Agricola", "Angst" and "Marisan".
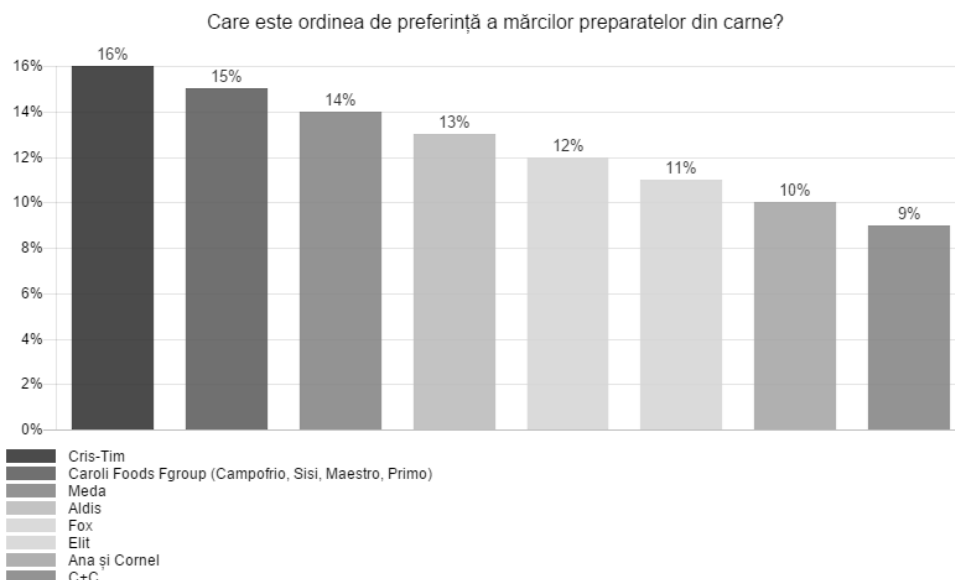


**Figure 3. The order of preference of the brands in the market**

Source: Data processed based on www.isondaje.ro

Able to give marks to each brand, respondents found that the most preferred company is Crist-Tim, with a score of 922 points (as the number of points is inversely proportional to the place of importance), the second place The third one is occupied by the Caroli Foods Group (1031 points), the third place by 1101 points by Meda; Aldis is ranked fourth with 1145 points, followed by Fox (1225 bridges), Elit (1419 points), Ana and Cornel (1445 points), and last place according to consumer preferences C + C with a total of 1756 points. If we only looked at the first-ranked companies, we found that Meda ranked 22.6% first, and places 2 and 3 were equal to 19 percent by Cris-Tim and Aldis , Caroli ranked No. 4 with 17.9%. Still 10% of 1st place was achieved by Ana and Cornel, 6.8% by Fox, 2.9% by Elit and only 1.8% by C + C.

## 2.2 Comparative analysis of consumer preferences and economic performance of meat producers and meat products

In this part, two rankings will be compared, one on the consumer preference order made after completing the questionnaire, and the second ranking will be based on economic and financial data, which will measure the performance economic marks.

As a result of the questionnaire, a classification will be made, and with the rank ordering method, a score for each brand will be calculated. 300 people participated in this survey, of which 279 completed questions for meat and meat consumers.

**Table 1. Branding according to consumer preferences**

| Companies / Position | First place | Second place | Third place | Fourth place | Place V | Place VI | Place VII | Place VIII |
|---|---|---|---|---|---|---|---|---|
| Aldis | 53 | 31 | 36 | 38 | 38 | 32 | 20 | 31 |
| Ana & Cornel | 28 | 29 | 20 | 23 | 31 | 35 | 62 | 51 |
| C+C | 5 | 14 | 16 | 12 | 21 | 51 | 64 | 96 |
| Caroli Food Group | 50 | 46 | 40 | 47 | 39 | 23 | 24 | 10 |
| Cris-Tim | 53 | 58 | 54 | 46 | 32 | 15 | 11 | 10 |
| Elit | 8 | 22 | 40 | 36 | 44 | 57 | 35 | 37 |
| Fox | 19 | 41 | 38 | 48 | 45 | 35 | 41 | 12 |
| Meda | 63 | 38 | 35 | 29 | 29 | 31 | 22 | 32 |

Source: Data processed based on www.isondaje.ro

Depending on the place occupied, each company will be assigned a coefficient inversely proportional to the occupied place, thus the place I will get a coefficient of 8 and the place VIII the coefficient 1. With the help of the above method will be calculated the score of each company in the "eye" of consumer.

$$P_{Aldis} = \frac{53*8 + 31*7 + 36*6 + 38*5 + 38*4 + 32*3 + 20*2 + 31*1}{279} = 4,9$$

$$P_{Ana\&Cornel} = \frac{28*8 + 29*7 + 20*6 + 23*5 + 31*4 + 35*3 + 62*2 + 51*1}{279} = 3,8$$

$$P_{C+C} = \frac{5*8 + 14*7 + 16*6 + 12*5 + 21*4 + 51*3 + 64*2 + 96*1}{279} = 2,7$$

$$P_{Caroli} = \frac{50*8 + 46*7 + 40*6 + 47*5 + 39*4 + 23*3 + 24*2 + 10*1}{279} = 5,3$$

$$P_{Cris-Tim} = \frac{53*8 + 58*7 + 54*6 + 46*5 + 32*4 + 15*3 + 11*2 + 10*1}{279} = 5,7$$

$$P_{Elit} = \frac{8*8 + 22*7 + 40*6 + 36*5 + 44*4 + 57*3 + 35*2 + 37*1}{279} = 3,9$$

$$P_{Fox} = \frac{19*8 + 41*7 + 38*6 + 48*5 + 45*4 + 35*3 + 41*2 + 12*1}{279} = 4,6$$

$$P_{Meda} = \frac{63*8 + 38*7 + 35*6 + 29*5 + 29*4 + 31*3 + 22*2 + 32*1}{279} = 5,1$$

In order to provide an overview of the eight brands of meat and meat products, we will also undergo a similar analysis of the economic and financial indicators of these companies, thus creating a comparative picture between perception / preference and economic performance.

**Table 2. Sorting of brands according to economic indicators**

| Indicators / Position | First place | Second place | Third place | Fourth place | Place V | Place VI | Place VII | Place VIII |
|---|---|---|---|---|---|---|---|---|
| Net turnover | Cris-Tim | Elit | Caroli | Aldis | Fox | Ana și Cornel | C+C | Meda |
| Average number of employees | Elit | Aldis | Caroli | Ana și Cornel | Cris-Tim | Meda | C+C | Fox |
| Labor productivity | Fox | Cris-Tim | C+C | Caroli | Elit | Aldis | Meda | Ana și Cornel |
| Gross profit | Elit | Ana și Cornel | Caroli | Fox | Meda | C+C | Cris-Tim | Aldis |
| Profit rate | Ana și Cornel | Elit | Fox | Caroli | Meda | C+C | Cris-Tim | Aldis |

Source: Data processed based on www.mfinante.gov.ro

Depending on the economic and financial data, a hierarchy was made according to the average of the economic indicators of the market companies presented in the table 2. This will result in a score similar to that achieved on the score obtained for consumer preferences.

$$P_{Aldis} = 5 + 7 + 3 + 1 + 1 = 17$$

$$P_{Ana\&Cornel} = 3 + 5 + 1 + 7 + 8 = 24$$

$$P_{C+C} = 2 + 2 + 6 + 3 + 3 = 16$$
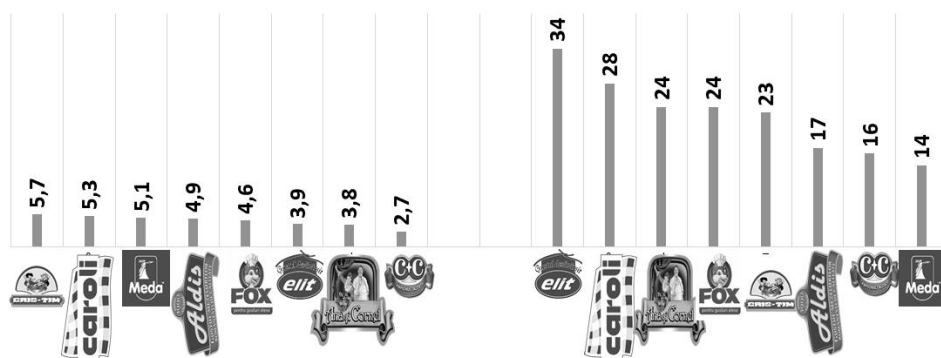
$$P_{Caroli} = 6 + 6 + 5 + 6 + 5 = 28$$

$$P_{Cris-Tim} = 8 + 4 + 7 + 2 + 2 = 23$$

$$P_{Elit} = 7 + 8 + 4 + 8 + 7 = 34$$

$$P_{Fox} = 4 + 1 + 8 + 5 + 6 = 24$$

$$P_{Meda} = 1 + 3 + 2 + 4 + 4 = 14$$

With these scores, we can compare the situation both from the point of view of consumers and from the point of view of economic and financial performance.

**Figure 4. Consumer preferences versus the economic efficiency of brands**

Source: own calculations based on mfinate.gov.ro, isondaje.ro

As can be seen in the figure 4, between consumer preferences, meat brands and meat preparations, and hierarchy of brands, according to the averages of economic indicators, there are quite clear differences, the main reason being the way of implementation of the marketing strategies of each company, but also the size of the company, the market share, the quality standard and the culture and tradition of consumers.

As can be seen in the questionnaire, the company that scored the best score was Cris-Tim, but on the basis of economic performance, it ranks fifth. Caroli Food Group is the only one of the eight analysts to keep their place in both rankings, ranking second in consumer preferences as well as economic efficiency.

A surprise in terms of the perceptions / performance ratio can be identified for Meda, the third-largest consumer, but from the economic point of view it is the last place because of its small size.

Another surprise, however, is the brand Ana and Cornel, which in consumer perception is not so well seen (7th place), compared to the economic performance it performs (3rd place). In this case, this is the case for the fairly small company and the enlargement range proportional to size.

Elit is ranked first in terms of feasibility, but in the perception of consumers it is only sixth. Aldis, ranked fourth in the preference rank, occupies only the sixth place in the order of economic efficiency, it loses ground when it comes to gross profit and profitability, because it actually recorded a loss in the analyzed period.

Fox did not record very large differences in the two rankings, ranked No. 5 in consumer preference and ranked fourth in the ranking of economic efficiency; the same situation being also found in the case of C + C, which was the last place in the perception of buyers and the seventh on the basis of economic profitability.

**Conclusions**

Competitiveness analysis is of particular importance, which is useful to every actor present on a particular market. This study was based only on a correlation between two actors on the meat market and meat preparations, namely producers and consumers. This analysis clearly shows the assessment of the volume and value of the quantities of products traded, the "power" of the producers and their competitive nature, but also the influence of this character in consumer preferences.

At the stage of the marketing research, a quantitative analysis was carried out, for which a questionnaire was applied and the main conclusions were: 93% of the respondents consume

meat, 48.7% consume daily. The most widespread reason for non-consumers was the lifestyle they have (vegetarianism) 47.6%. Of the consumers 45.9% consume poultry meat, but when it comes to meat dishes, 38% prefer different specialties. In 55.2%, consumers buy meat and meat products from supermarkets 2-3 times a week (42.3%), average 1kg of meat (50.9%) and 2-3 products (64.4%). As far as the order of the brands is concerned, it was found that the first place is the company Crist-Tim followed by Caroli, Meda, Aldis, Fox, Elit, Ana & Cornel and C + C. The time most people spend at the shelf purchase was 3-5 minutes (52.3%). Of the consumers, 68.1% have recently seen advertisements for meat and meat products.

Moving on to the second phase of the competitiveness analysis, namely the economic and financial analysis of the producers, it was observed that the highest turnover, on average during the analyzed period belonged to Cris-Tim. As for the average number of employees, Elit holds the highest number. According to the "labor productivity" indicator, Fox is the first company, the main reason being the very low number of employees. First, according to the gross profit, is Elit, and Ana and Cornel are profiting according to the profit.

Finally, a score for these indicators was calculated, and the order of performance and economic efficiency was: Elit first, followed by Caroli, Ana & Cornel, Fox, Cris-Tim, Aldis, C + C and Meda.

There are quite a lot of differences between the two rankings, from the consumer perspective and from the economic and financial indicators, these differences being mainly due to the way of promoting the products and implementing the marketing strategy of each company, but also the degree of market expansion, the market share of each company, the size of the firm and the quality implemented at the product level; other considerations for which differences have been found are found in the consumer's sphere, tradition, culture, religion, as well as the perception of the product and the segment it belongs to.

**References**

1. Ioana Niculae, Georgiana Melania Costaiche, „Study Regarding Romanian Meat Production and Trade", Agriculture and Agricultural Science Procedia, Vol. 6, 2015, pg.682

2. Letycja Soloducho-Pelc, „Competitive advantage: the courage in formulating objectives and expansiveness of a strategy" - 10th International Strategic Management Conference-Procedia – Social and Behavioral Sciences, 2014, p.272

3. M.,A.,Chițea „Modele de evaluare a competitivității teriotirale" – Simpozionul Internațional „Economie agrară și dezvoltare rurală – Realități și perspective pentru România" – I.C.E.A.D.R , Ediția a șasea, noiembrie 2015, p.298

4. Michael E. Porter, Mercedes Delgado, Christian Ketels, Scott Stern, „Moving to a New Global Competitiveness Index" , The Global Competitiveness Report 2008-2009, World Economic Forum 2010, chapter 1.2, p.48

5. R., D., Atkinson, „Competitiveness, Innovation and Productivity: Clearing up the Confusion", The Information Technology & Innovation Foundation, August 2013, p.2

6. Rafla Hchaichi , Sana Ben Ghodbane, „Empirical Analysis of Determinants of International Competitiveness" , International Journal of Businesss and Social Science, Vol.5 , No.5 , Aprilie 2014, p.203

7. Razvan Voinescu, Cristian Moisoiu, „Competitiveness, Theoretical and Policy Approaches. Towards a More Competitive EU", 2nd International Conference 'Economic Scientific Research

8. Sigita Neverauskaiteb, Ruta Aidisc, „Methodological aspects of compiling country's competitiveness through the aspect of Technology-Intensive Innovative Enterprises Index Evelina Meilienea", 20th International

9. Silvius Stanciu, Raluca Daniela Rizea, Anca Gabriela Ilie, „Study on the Competitiveness of the Romanian Meat Processing Industry", Amfiteatrul Economic 17(Special Issue 9):1331-1345, November 2015

10. Wei Long, Abubakar Shehu, Edun Adetunji, „Employee`s Perception of Change Effect as a Competitive Advantage on Nigeria Banking Industry: An Empirical Analysis" – 10th International Strategic Management Conference – Procedia – Social and Behavioral Sciences, 2014 p.282

11. ***www.mfinante.gov.ro

12. ***www.isondaje.ro

13. ***http://statistici.insse.ro/shop