

RURAL MARKET – FOOD RETAIL

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Abstract: *The both urban and rural environments are characterised by their specific from economic and social point of view; from economic point of view the rural space is dominated by rural economy, where the first place is occupied by agro-alimentary products that are sold in both economic environments. The third sector of services have a great importance for economy because they are in development, the social importance consists in the jobs created. The rural market functions after the general rules of the market but in the situation in which the demand for primary food is higher than the offer, it is satisfied by the imported products. The commerce with food developed a lot close to the commerce with non-food products due to the development and modernization of new shops networks that cover the national territory.*

Key words: *rural market, trade, retail, food, marketing*

INTRODUCTION

The rural market is unfolding and developing respecting the general principles of the market based on classical economic and neoclassical economic theories, materialized in one general notion: the market is the economic area where the selling-buying action is carried, meaning the space where the change between the offer and the consumption is made, or the place where the production and the demand meet. Based on the functioning principle between demand and offer, the relation between them creates the market price, which is a balanced one. The relation between the demand and offer is an open difficult confront and creating the price is a difficult act with interventions that appear in and out of the market.

In industrial period, from economic point of view the industry occupies the first place in economy, from social point of view the jobs were created only at local level or at most regional level. In the new national and global economy the services occupy first place from economic point of view, but from social point of view those create jobs at national level because the services develop in both social environments [9].

MATERIALS AND METHODS

Agriculture development that represents the main branch of rural economy allowed the services development, but next to services also develops a lot the trade with foods. The development of rural economy, services and trade with foods has led to a great development of transports that implies also the development of fuels trade.

The rural market study provides an analysis on its compounds, using special methods regarding the market exploration.

Due to the content and its characteristics, the rural market holds an important role in goods and services market. From these characteristic, we mention:

- One of the rural market characteristics is the low number of traders, prevailing being the family farms that have a limited economic power, this is the reason why the concurrence is destructive;

- Rural market is affected by the changes regarding the tradition and the customs from food consumption field. This characteristic influences some changes in producers' offer that must orient towards the consumption demand, in such a manner to satisfy the requests on the market that are changing;

- The rural market deals with problems regarding the integration in national economy structure, more precisely between the phenomena that link the production process

of agriculture and the market economy mechanism, that influences negatively the agriculture' traders [2].

RESEARCH RESULTS

Rural market

Rural market analysis and also of the ensemble that characterized it in a general picture of global market, follows the complex links knowledge between the processes, the emphasis of specific evolution tendencies and especially creating some optimal solutions, regarding the presented problems solving [1, 8]. All the solutions are found in the market' research strategy through the marketing politics of traders from the market.

Politics group through which a trader acts on market and through which it creates the objectives established by the strategy, refers to product, distribution methods, refers to price and to promoting methods. In report with market structure and its segments, the possibilities for marketing politics variants are different. In this regard the product politics represents the base preoccupation of traders, of those that appear with an offer on the market, in the same time the distribution, the price and promoting politics are common for producer and for buyers [6].

The product politics is determined by demand and of course by offer, the need to buy and the idea to produce. The needs' degree assures the consumption and demand evolution, also the product evolution in life cycle time. In time of life cycle, the product covers more steps reaching the saturation phase, situation in which the product' utilities in report with the progressive technology are decreasing, when appear concerns regarding the products renewal, so that it could answer to new technologies and needs.

The effects of life cycle research of a product and also the demand' effects, defines the product politics, this is different depending the proposed product strategies, the proposed objectives and the solving ways. It is chosen the strategy to correspond to the objectives of macroeconomic politics regarded in a general way and also those specific to rural markets [7].

In the marketing politics, near a product an important role is played by the price, it is the base element regarding the dialogue created between the producer and the buyer; it is a decisive element regarding the negotiation of one transaction in the market. In the case in which the price is correctly formed, this shows the level of the adaptation degree of economy to market requests, participating to consumption demand satisfying and carrying a profitable activity. The price is a base element of marketing, very important for rural market, this is the results of confronts on the market, between the demand and offer, the level is given by the production cost that has been used by producers and also the competition condition on the market. In order to establish the price there are used methods that refers to: creating the price through putting a benefit margin to unitary cost, establishing the prices through creating a return rate provided for a certain investment, establishing the price based on the values accepted by the buyers for a product.

The price is formed and it has an evolution for different level of trading or distribution and it is noted that to consumers as the last link, the prices are high enough comparing to other levels. According to wholesale price index, in the case of industry, it measures the goods price evolution on market and in the first phase of distribution and it is formed by the cost production and profit. The prices evolution analysis used in transaction done between the agents, shows the appearance of some addition, added value tax, excises or other taxes, so that the prices changes because the products pass through more middlemen.

Referring to distribution, taking in count a confused state, appeared atypical compounds, that created a hollow in goods circulation from producers to consumers, we

can conclude that transparency on the goods and services market is non-existent. For a better adapting to market economy, the enterprises must analyse the distribution aspect, to give it a higher importance because the distribution is very important and useful like product and price politics. We consider wrong the idea according to which the distribution politics must be analysed only by the seller. The producer enterprises must deal also with market conquest through own distribution politics. Marketing politics consider also the utility of some information more complex from the final beneficiary regarding the goods existent on the market. So, the promoting activity provides an ensemble of actions and procedures that realize the streamline of good production and distribution, so that to make profit, to reach the objectives established through various marketing strategies.

Regarding the improvement, based on a better knowledge of the processes and phenomena that influence the all ensemble regarding the market economy from rural space, form a very different and complex field. The permanent evolution of demand and offer for goods and services, different tendencies that give profit on the market, show the importance of the research of rural market, the optimisation of the research methodology, of the analysis or forecast. The structure of the rural market problems, the creation and the manner to show of the demand and offer, the relations between them, represent outlook results that are calculated in order to establish the rural development programs from our country. In this regard, we can say that scientific research aimed to goods and services market from rural space is done in the framework of the economic-social environment, which influence the evolution, so the influence factor of forming process of the demand from population and the one of the offer, the politics regarding the distribution and the price, but also the future evolutions.

Retail

The retail assures the link between the good producer and the consumers. In the period 2010-2015 this registered increasing to all goods categories as it follows: foods, non-alimentary and fuels trade. The registered increasing confirms the development of retail, that have been possible only due to the trade adaptation to consumer' requests. The new technologies, the new approaches of the market succeeded to stimulate the real demand for products but also the potential demand so the goods volume increased permanently (table 1).

Table 1.

Retail on goods categories

Mil. lei current prices

Specification	2010	2011	2012	2013	2014	2015 ²	2015-2010
Foods	52398.5	56633.8	61691.0	63176.2	66696.2	72832.2	20433.7
Non-alimentary goods	65594	67097.8	72374.1	74250.2	81889.1	91291.1	25697.1
Fuels trade	33523.1	45601.6	50815.6	49008.8	51317.4	48242.1	14719.0
Total	151515.6	169333.2	184880.7	186435.2	199902.7	212365.4	60849.8

Source: ASR-2015, Cap 19.1 Comerțul cu amănuntul pe grupe de mărfuri

¹ Exclusively selling, maintaining and repairing the cars, the motorcycles.

² Temporary data

In the period 2010-2015 the trade on goods categories registered increases due to the development of the commercial network. The classical commercial network consists in increase of the shops' number, development of the modern network of shops consists in increase of the commercial surface of the shops in actual terms hypermarkets. Those are more attractive due to the fact that they offer a wider range of goods, recreation moments, they supply the transport of clients to the shop and for non-alimentary goods they supply the transport of goods from shop to the house or the centre of the customer. The

development of the wholesale and retail is confirmed by its participating in GDP fruition, taking the third place in the period 2011-2015 (figure 1).

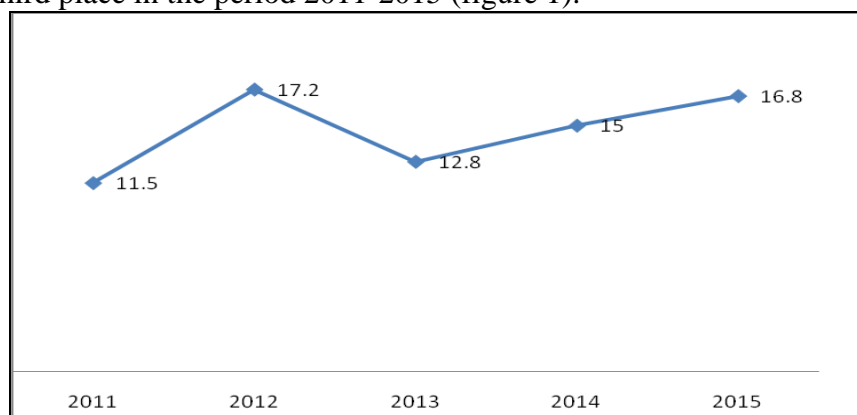


Figure 1 - The wholesale and retail participation to GDP fruition, %

The foods trade developed a lot due to the commercial network but also due to the wide range of products, indigenous or imported ones. From economic point of view, the food trade has a significant contribution for national economy and to GDP fruition.

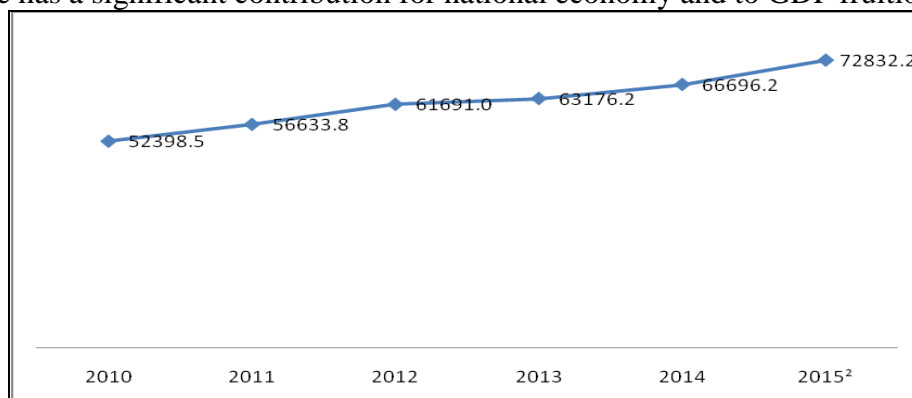


Figure 2 – Foods retail

The trade with foods registered permanently increases in the period 2010-2015, those increase being influenced also by the imports of food imports which according to statistical data communicated through Romania Year Books from this period show the concordance between the retail and the imports from the same period (table 2, figure 3).

Table 2

Retail increase in foods in 2006-2015 period

Crt. No.	Year	Thousands lei current prices	Imports 2006-2015 (Mil – Euro)
1	2006	37178.5	1920
2	2007	44406.3	2694
3	2008	55479.9	3589
4	2009	51806.5	3045
5	2010	52398.5	3183
6	2011	56633.8	3541
7	2012	61691.0	3702
8	2013	63176.2	3904
9	2014	66696.2	4046
10	2015	72832.2	4680

Source: ASR:2009 -2016

Food imports increase shows that food demand is higher than the offer with internal foods, so in order to satisfy the need for consumption imposes the imports of foods.

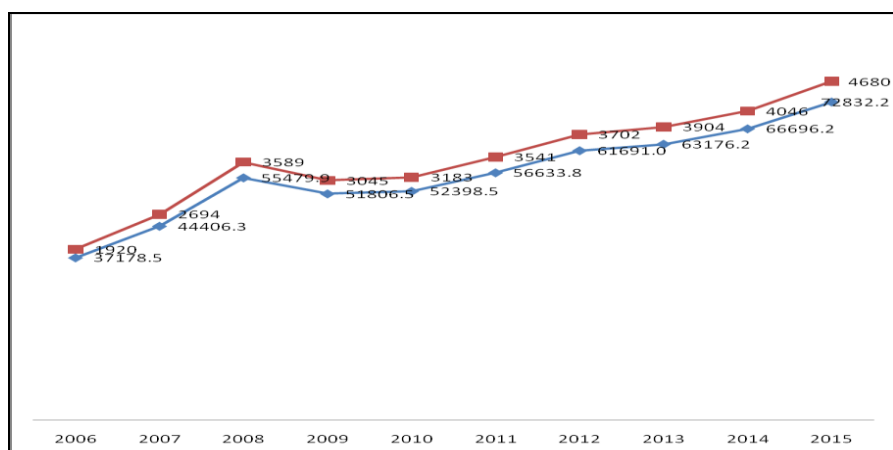


Figure 2 - Evolution of food retail and their imports in 2006-2015 period, lei mil. current prices/ euro mil.

Table 3

Top employers in Romania

Nr. Crt.	Traders	Average number of employees in 2016
1	Kaufland Romania SCS	17724
2	OMV Petrom	14407
3	Automobile-Dacia SA	14002
4	Profi Rom Food SRL	11506
5	RCS&RDS SA	11469
	Total	69108

Source: <http://www.zf.ro/profesii/topul-celor-mai-mari-angajatori-din-economie-in-2016>

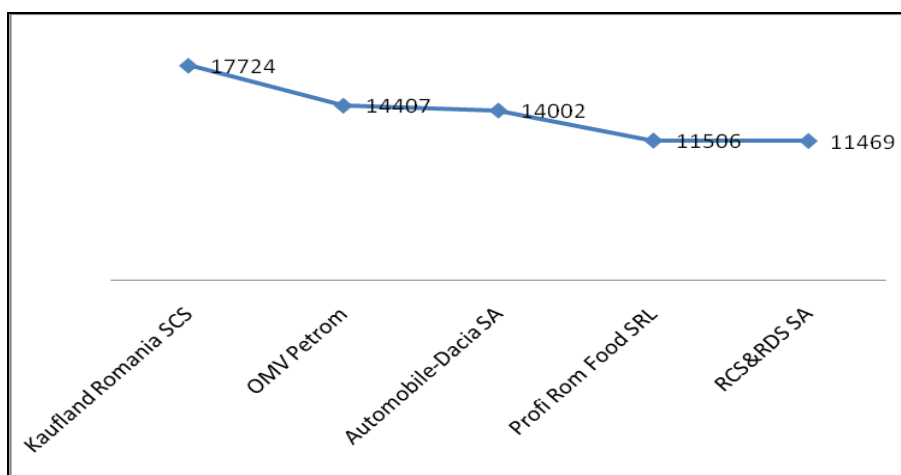


Figure 4 - Top employers in Romania, average number of employees

From social point of view the trade with foods make part of the category of large employers, taking the first places. From the top five employers we can observe that in Romania' economy the services take a main place. The trade with foods and fuels occupies the three places; one is occupied by industry and one by communication services.

CONCLUSIONS

The retail assures reproduction. Foods represent products of prime necessity and they are marketable. Services development in national and global economy represents an economical desideratum in new economic strategies. The services occupy the first place in GDP realising. The trade occupies the third place in GDP realising, fact that can be explained by the liberalization, presently being only private trade, not any more state trade. The services assure jobs at national level while locally they have been assured by industry. The rural potential being limited for satisfying the demand are necessary the imports.

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