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## **The distinct evaluation of information in a new managerial function of information – decision**

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# **MANAGEMENT AND MARKETING**



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# LA NECESSITE DE LA PROFESSIONNALISATION DU MANAGEMENT PUBLIC

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*Résumé : Le travail présente quelques arguments, contributions et conclusions théoriques et pratiques concernant la stimulation du développement d'une conception managerielle caractéristique pour une administration publique moderne, que j'ai considéré comme nécessaire, mais aussi indispensable dans les conditions des changements significatives avec lesquels l'administration publique de la Roumanie s'est confrontée pendant les dernières années et maintenant pour l'alignement aux standards européens.*

*Mots clé : management, initiative, flexibilité, professionnalisation, performances.*

## **Introduction**

En Roumanie l'administration publique s'est confrontée à des changements significatives pendant les dernières années, en ce qui concerne le cadre propre de fonctionnement – les résultats attendus par le public et par la politique ; les attributions et les responsabilités.

L'introduction de l'administration publique, au moins du point de vue déclaratif, dans le processus général de réforme a conduit à la confrontation avec un set de dilemmes familiales pour toute la société roumaine. La réforme est liée des formulations générales, des déclarations qui manquent de contenu, l'appel à la infrastructure et les solutions formales; malheureusement, le processus d'administration et d'organisation sont peu considérés dans l'éducation de la réforme du système administratif, considéré comme étant dépendent exclusivement des solutions juridiques. L'ignorance de la nécessité d'une perspective de stratégie, le manque des préoccupations solides relatives à préparation managerielle du personnel administratif a mis et met encore son empreinte sur les institutions administratives qui sont peu axés sur l'initiative et sur la flexibilité.

Dire que la réforme administrative ne peut être réalisée que par l'élaboration des lois et des ordonnances (qui manquent de cohérence et de continuité beaucoup de fois), mais aussi avec l'aide et par tenant compte des personnes qui travaillent dans ce domaine, solution qui peut être considérée comme puérile et déjà connue; mais en observant la réalité, pendant les dernières années, on peut considérer que l'accent est mis sur le support des professionnels qui se confronte avec des responsabilités beaucoup plus grandes, avec des solutions moins claires et aussi avec des espoirs agrandis des citoyens a été minimum. La solution pour résoudre les problèmes de l'administration publique roumaine dépend essentiellement de sa action et ne peut être réalisée dehors de sa action ; les solutions globales, comme les miracles, n'existent pas, comme ni une évolution positive basé seulement sur des statistiques et sur des déclarations télévisés ne peut pas exister.

Les personnes qui n'ont pas des objectifs ne pourront jamais les atteindre ; dépasser cette étape et stimuler le développement d'une conception managerielle caractéristique d'une administration publique moderne est non seulement extrêmement nécessaire mais aussi indispensable .

Le management est situé au long des préoccupations traditionnelles de la science de l'organisation connue comme science de la bonne gestion, de la gestion efficace; il fixe une finalité essentiellement utilitaire et clairement opérationnelle. Sa ambition est de définir clairement les règles, les normes, et en plus, les perceptions qui permettent aux organisations d'accomplir leurs objectifs avec une grande efficacité. Le management se distingue des simples pratiques empiriques et des premières formulations de la science des organisations par une formalisation plus accentuée: la dimension théorique et conceptuelle est essentielle pour le management, qui tend à combiner la pratique avec une « représentation de la réalité qui veut être scientifique ». Il s'agit ici d'un « ensemble de pratiques ...où le pragmatisme et la connaissance scientifique se combinent » (J.P. Nioche).

Au niveau des entreprises privées, le management a connu une tendance accentuée qui dépasse les cadres de la « gestion opérationnelle », fondée sur la logique de l'optimisation au long de l'activité quotidienne, pour s'impliquer dans l'ambition d'atteindre un « management de stratégie », qui peut intégrer dans une stratégie globale un ensemble de variables: les projets des directeurs, le cadre économique, les possibilités et les ressources de l'entreprise, les obligations et les pressions sociales, internes et externes.

Cette gestion est finalisée par un ensemble de décisions stratégiques qui sont utilisées au long de la procédure qui doit être utilisée. Mais l'entreprise privée n'est pas le seul modèle managerial possible; le secteur non-profit est cité plusieurs fois comme exemple d'un management de succès. Cette vision deviendra une vision complexe par l'assimilation des « contextes organisationnelles » - le management

étant seulement un ensemble de règles générales qui sont susceptibles à suivre des variantes différents, en fonction de l'organisation en cause.

La théorie de la « contingence » essaye d'identifier les types spécifiques de management, qui varient en fonction de la configuration de milieu, de la nature de l'organisation et des stratégies suivies. Ainsi, un système « mécanique » de management, caractérisé par des règles formels et par une forte centralisation sera (Burns et Stalker) mieux adaptable à un cadre stable, pendant qu'un système « organique », où les règles formales ont une moins grande importance et la descentralisation est plus accentuée, correspond mieux à un cadre instable.

Le management est la profession qui réside en l'administration, dans un certain contexte, d'un group des personnes à but d'atteindre ensembles des objectives conformes aux finalités de l'organisation à laquelle ils appartient.

Le service publique a été construit sur le support d'une logique de type bureaucratique qui suppose une distinction claire entre les personnes qui décident/réalisent et celles qui exécutent la décision, une liste d'initiative de la part de l'exécutant et un respect strict des procédures; une séparation extrêmement forte sur la verticale (entre les niveaux de hiérarchie) et sur l'horizontale (entre les bureaux et les services). Ce type d'organisation a été prouvé comme étant très performant au moment où il a été conçu, pour les entreprises prive et aussi pour l'administration publique, en s'adaptant la situation existente ( la nécessité de l'assurance des service de masse standardisés dans le contexte de l'existence d'une population avec un niveau d'éducation réduit).

### **La professionnalisation du management publique**

Les nécessités et les espoires des « clients » de l'administration publique d'aujourd'hui sont très différents et ils sont basé sur une inversion des rôles : les espoires ne proviennent de la part de l'administration, qui dans le passé payait attention au respect des règles par les personnes « administrés », mais de la part des « consommateurs – citoyens », qui ont des espoires élevés en face des services publique et en face du moyen de traitement. Les elements principales qui sont à la base de ces nécessités/espoires sont :

- des réponses personnalisés de la part de l'administration;
- la simplicité des démarches et des procédures administratives;
- la rapidité de la résolution des problèmes.

Ces principes sont peu compatibles avec l'organisation et avec le fonctionnement de type bureaucratique de type classique. Egalement, on peut aussi considérer que les citoyens ont le droit d'appeler à des services publiques intelligents, qui utilisent des techniques manageriales et informationales qui n'existaient pas pendant le passé. On peut conclure que la nécessité de l'existence d'un service publique performant, capable de répondre correctement à les demandes de la société est réelle. Pour répondre aux espoires de traitement personnel, des demandes, de la simplicité et de la rapidité des procédures, il est nécessaire de modifier la logique bureaucratique de type classique et d'instaurer un management correspondant. Cette opération est caractérisé par quatre elements simples :

- la consultation des personnes qui doivent appliquer une décision, avant que celle ci est prise. Le temps perdu pour la réalisation de cet objectif sera compensé au moment de l'application de la décision, grâce à une adhésion et à une compréhension élevé de l'exécutant;
- la reponsabilité sur la réalisation des objectives (mais pas sur l'accomplissement des tâches);
- la délégation des décision opérationnelles au premier niveau de compétence (le principe de la subsidiarité), l'encouragement pour prendre des initiatives, sur la base du respect des principes et des orientation définies « en amont » et l'imposition d'un système de monitorisation et d'évaluation permanente;
- la favorisation d'une réduction de la rigidité et de la séparation dans le fonctionnement de l'administration, sur le plan vertical (en ce qui concerne l'information) et sur le plan horizontal (en ce qui concerne la concentration et la coordination des actions).

On parle ici des principes extrêmement simples qui ont besoin d'une inversion complète du moyen de fonctionnement d'une grande partie des activités de l'administration publique.

En fait, sur le fond d'un cadre de changements, si les personnes qui travaillent en administration publique, et, surtout, ceux qui doivent prendre des décisions n'évoluent pas dans le même rythme et de point de vue des mentalités, ils vont prendre des décisions sur des prémisses fausses et vont bloquer les transformations nécessaires. Ainsi, les directeurs en administration publique doivent être ouverts vers l'extérieur, pour se former, ils doivent voyager, participer à des conférences de spécialité, pour pouvoir insérer les changements du milieu de travail et pour les transmettre aux collaborateurs.

La professionnalisation du management public est un grand processus de attraction, de sélection et de création dans le cadre des institutions publiques, d'un corps de fonctionnaires publics spécialisés dans la

matière du management public, qui doit exercer les fonctions du management public, appliquer les méthodes, les techniques et les abordations modernes et conduire à obtenir, dans les institutions publiques, des performances exceptionnelles, en répondant aussi aux espoirs des autres institutions dans le cadre administratif, aussi qu'au ceux des citoyens.

Dans tous les pays développés, en commençant avec le processus des réformes fondamentales de structure dans le secteur public, un grand changement a visé la création et le développement d'un corps professionnel de fonctionnaires publics, neutre du point de vue politique, qui peut soutenir la responsabilité pour appliquer le cadre législatif et aussi pour réaliser l'objectif appuyé sur une base solide du manager public, pour l'agrandissement de degré de satisfaction du intérêt public.

La formation professionnelle et le perfectionnement de la préparation professionnelle des fonctionnaires publiques et du personnel administrative des institutions publiques ont devenu, il y a 30 ans, une nécessité dans beaucoup d'institutions publiques des pays développés. Dans ce processus complexe et durable, le premier pas a été l'établissement clair de la place, du rôle et des limites de compétence des représentants du politique dans une institution publique. Le deuxième pas a été l'acceptation du fait que la professionnalisation du management public est une nécessité objective, en partant d'un aspect fondamental et essentiel, qui dit qu'aucune personne ne peut exercer les fonctions du management public pour pouvoir réaliser aussi l'objectif fondamental déclaré. Dans ce contexte une redéfinition du contenu des activités de formation et du perfectionnement de la préparation des fonctionnaires publics est devenu opportune.

Le troisième pas a été le déclenchement du processus de formation des ressources humaines dans le secteur public, pour comprendre et pour implanter un nouveau système de valeurs dans les institutions publiques, qui a situé dans le centre les intérêts publics des citoyens. Dans tous les pays de l'Union Européenne, la tendance de professionnalisation du management public a déterminé des changements significatives dans le contenu des stratégies des politiques des institutions publiques. Dans les grands pays démocrates occidentaux, le processus de professionnalisation du management public a commencé avec la redéfinition de l'activité de sélection des candidats pour les métiers et pour les fonctions publiques. Ils ont suivi l'identification de la plus indiquée pour une carrière de fonctionnaire public, et plus tard, pour les métiers publics spéciales, et pas pour l'identification de la personne acceptable du point de vue politique pour un certain gouvernement ou pour une certaine institution publique.

La professionnalisation du management public ne peut pas être réalisée sans une fondation propice des stratégies et des politiques de training dans le domaine des ressources humaines. On sait que les administrations occidentales accordent presque 5% des coûts, chaque année, pour la préparation des ressources humaines. La majorité des programmes de training ont un caractère pratique et sont bien articulés dans le contenu des stratégies globales et institutionnelles.

Une autre concordance importante vise le développement du système de profession, en accordant une grande attention au développement des aptitudes et des expériences des personnes capables, employé comme autorités administratives et dans les institutions publiques. Pour ces catégories de personnes, à travers le temps, on va accorder des compétences plus grandes pour entreprendre une variété d'activités, même dans des institutions ou dans des autorités publiques différents, pour créer un corps de fonctionnaires publics avec une vision systémique et avec un degré plus grand de flexibilité dans la réalisation des fonctions publiques.

Tous les pays de l'Union Européenne considèrent que ce processus est difficile et prennent en considération le fait confirmé par les citoyens: « Nous ne désirons pas voir que l'argent payé pour des taxes et pour des impôts sont dépensé pour les grands salaires de nos fonctionnaires publics, sans sentir le résultat positif de notre effort ». En seconde place, on parle d'une vérité élémentaire, mais essentielle, du fait que sans un système de motivation indiquée pour les fonctionnaires publics, en général, et pour les fonctions d'administration, en spécial, les autorités et les institutions publiques ne réussiront jamais à attirer, à intégrer et à professionnaliser les ressources humaines, à développer le management public professionnel fondé sur compétence et orienté vers l'obtention des performances.

Dans les institutions publiques de Roumanie la professionnalisation du management public est absolument nécessaire si on désire l'orientation du système administratif et de notre pays vers les valeurs appliquées dans les pays démocrates occidentaux.

Dans notre opinion, les plus importantes étapes de ce processus sont :

1. L'élaboration d'une étude ample de diagnostic dans le domaine des ressources humaines;
2. La fondation de la stratégie globale dans le domaine des ressources humaines et dans le secteur public ;
3. L'élaboration de la stratégie globale et la stratégie dans le domaine des ressources humaines en administration et dans les autres domaines d'activité du secteur public ;
4. La communication du contenu de la stratégie et la consultation des ressources humaines ;

5. La préparation des ressources humaines pour l'implémentation des stratégies ;
6. L'implémentation des stratégies de ressources humaines ;
7. La monitorisation, l'évaluation et l'adaptation des stratégies globales et de celle du domaine des ressources humaines :

Les effets d'un changement fondamental de ce type, de conception manageriale dans le cadre des autorités et des institutions publiques dans notre pays sont présentés par les suivantes caractéristiques : l'amélioration significative de la qualité des décisions administratives, l'amplification de la fonctionnalité au niveau de l'institution et du système administrative dans son ensemble, l'amélioration de la qualité des services offerts aux institutions aux citoyens, l'amélioration de l'image des institutions publiques et des autorités de l'état, le renforcement de la capacité administrative des institutions publiques, l'agrandissement du degré de motivation des fonctionnaires publics, la réduction du phénomène de corruption dans le secteur public etc.

### **Conclusions**

L'initiation et l'accélération du professionnalisation du management public dans le secteur public, dans notre pays, représentent l'une des prémisses nécessaires dans le processus des réformes radicales qui vont être implémentés dans les autorités et dans les institutions publiques au niveau central et local de notre pays.

Sans une professionnalisation du management public il est difficile à croire que les institutions publiques et les autorités administratives de Roumanie arrivent à des niveaux de performance comparables avec les organisations similaires des autres pays développés. Seulement sur la base de l'ancienneté, perspicacité, orientation politique et un niveau élémentaire de préparation générale on ne peut pas obtenir des résultats exceptionnels dans le processus de la réforme et il est difficile à s'imaginer que les institutions publiques roumaines peuvent s'approcher pendant une période raisonnable des performances du secteur public des grandes pays démocratiques occidentaux.

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# LE CONTRÔLE – LE LEVIER DE BASE DANS LE PROCÈS MANAGERIEL

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*Résumé:*

*Dans le travail, j'ai essayé de synthétiser, comme conséquence des abordations théoriques et d'étude de l'applicabilité dans le pratique manageriel, les objectives et les procédures à suivre dans l'exercice des compétences managerielles et l'engagement des responsabilités, soulignant le rôle du contrôle à tous les niveaux de l'entité, manifesté sous le forme de l'autocontrôle, du contrôle en chaîne et du contrôle hiérarchique.*

*Suivant l'applicabilité en pratique, j'ai mis en évidence le contrôle, comme attribut du management et levier de base, parmi lequel sont identifiés les risques d'action et on assure l'équilibre entre les charges, la compétence et les responsabilités, présentant la nécessité et le but des activités de contrôle, intégrés dans la ligne du management, ainsi que du management des systèmes du contrôle manageriel, en respectant les règles imposées par les standards du contrôle interne, harmonisés avec les standards européens.*

*Mots clé: manager, contrôle, autocontrôle, standard, stratégies.*

## **Introduction:**

Dans le contexte des principes généraux de bon pratique, qui composent l'acquis communautaire, on associe au contrôle une acception plus large, celui-ci n'étant pas regardé comme une opération de vérification, mais comme une fonction managerielle. Parmi la fonction du contrôle, le management constate les écarts des résultats des objectives, analyse les causes que ces écarts ont déterminé et dispose des mesures correctives ou préventives qui s'imposent.

Le contrôle manageriel ne peut pas opérer dehors d'un plan et d'une structure organisationnelle adéquate. Le management a l'obligation d'identifier les risques et d'entreprendre les actions qui placent et maintiennent les risques dans des limites acceptables. Il faut maintenir un équilibre entre le niveau acceptable des risques et des coûts, que ces actions les impliquent.

Pour une compréhension adéquate du concept de contrôle interne, regardé parmi le prisme des principes généraux de bon pratique acceptés en plan international et dans l'Union Européenne, on rend au-dessous la définition adopté par La Commission Européenne.

Le contrôle interne représente l'ensemble des politiques et des procédures conçues et implementées par le management et le personnel de l'entité, pour fournir une assurance raisonnable pour atteindre les objectives de celle-ci.

## **Le contrôle et les standards de contrôle dans le procès manageriel**

Les standards de contrôle interne définissent un minimum des règles de management, que toutes les entités publiques doivent suivre. L'objectif des standards est de créer un modèle de contrôle manageriel uniforme et cohérent. Les standards constituent aussi un système de référence, en rapport avec lequel on évalue les systèmes de contrôle interne, on identifie les zones et les directions de changement.

L'établissement des systèmes de contrôle entre dans la responsabilité de management de chaque entité publique et doit avoir à la base les standards élaborés par le Ministère des Finances Publiques. Les systèmes de contrôle manageriel doit être développés en tenant compte de spécifique légal, organisationnel, de personnel, de financement etc., de chaque entité publique en part, respectant les standards groupés dans le cadre des cinq éléments-clé de contrôle manageriel: le milieu de contrôle, la performance et le management des risques, l'information et la communication, les activités de contrôle, l'audition et l'évaluation.

### ***Le milieu de contrôle***

Le milieu de contrôle doit contenir les standards concernant:

- l'éthique, l'intégrité professionnelle et personnelle de manager et des salariés qui doivent avoir une abordation positive envers le contrôle financier;
- les attributions, les fonctions et les charges des règlements internes et la fiche de poste, étant obligatoire de maintenir le rapport manager-salarié-manager;
- la compétence, la performance en respectant l'équilibre permanent, stable entre la compétence, les habiletés; l'expérience et les charges confiées;

- la sensibilité des fonctions avec l'établissement des politiques adéquantes de rotation des salariés ;
- la délégation qui n'exonère par le manager de la responsabilité ;
- la structure organisationnelle propre avec les rapports pour chaque composante structurale.

### ***La performance et le management des risque***

Cet élément clé du contrôle manageriel doit tenir compte des standards qui concernent les objectives de l'entité, la planification, la coordination et le monitoring des performances ; le management des risques dans la direction de limitation des possibles conséquences de celui-ci ; les hypothèses et les réévaluations des objectives comme conséquence des transformations du milieu.

### ***L'information et la communication***

Les standards imposés dans ce domaine concernent l'établissement des types d'information, du contenu, de la qualité et de la fréquence de ceux-ci ; la communication opérationnelle, correcte et complète ; l'organisation de la correspondance et de l'archive ; la signalisation des irrégularités avec l'application d'un traitement équitable pour les salariés.

### ***Les activités de contrôle***

La réalisation des activités de contrôle doit s'effectuer dans les limites des standards, concernant:

- les procédures de contrôle légal réglementées ;
- la séparation des attributions ;
- la surveillance des activités ;
- la gestion des écarts ;
- la continuité des activités ;
- les stratégies de contrôle et l'accès aux ressources.

### ***L'audition et l'évaluation***

L'entité doit instituer la fonction d'évaluation du contrôle, élaborer des politiques, des plans et des programmes de déroulement de ces actions, créer ou avoir accès à une capacité d'audit, et son activité doit se dérouler, en règle générale, en conformité à des programmes basés sur l'évaluation du risque. Tenant compte des recommandations des rapports de contrôle, le manager doit disposer les mesures nécessaires pour l'élimination des points faibles constatés par les missions de contrôle et d'audition.

### **Conclusions**

Le contrôle n'est pas un but lui-même, mais un chaînon de la chaîne manageriel, un levier de base de celle-ci, qui doit faire la liaison entre la préparation et la réalisation des objectives pour contribuer à l'efficacité et à l'optimisation de toutes les actions. En qualité de fonction du management, le procès de contrôle doit impliquer obligatoire quatre phases: l'établissement des standards, la comparaison des réalisations avec les standards initiaux et l'établissement des écarts, la détermination des causes et la correction des écarts.

En concordance avec les demandes d'intégration européenne, le contrôle doit être caractérisé par une série des traits: l'objectivité, la complexité, préventif, coordonnateur, correctif-constructif, basé sur des informations claires et correctes, orienté envers l'exception et l'autocontrôle, positif en nature, intelligible, flexible, impartial.

Le management des entités a le devoir d'établir, pour chaque niveau d'organisation, les attributions qui lui reviennent sur la ligne de surveillance courante des activités, les conditions pour pouvoir exercer celles-ci et les responsabilités, et, aussi, d'initier, d'appliquer et de développer des formes de contrôle (surveillance) flexibles, basées spécialement sur l'autocontrôle, le contrôle mutuel et le contrôle hiérarchique des salariés.

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# ANALYSIS OF PLACE AND ROLE OF SME'S IN THE NEW MEMBER STATES OF THE EUROPEAN UNION

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*Abstract: Günter Verheugen said: "Europe is good for SME's and SME's are good for Europe" and this is the main reason for writing this paper. Small and medium enterprises are the backbone of the European economy, and the best potential source of jobs and growth. The paper presents how SME's are defined in the EU and also a short comparison of their position in old and new member of the European Union.*

*Key words: Small and Medium Enterprises (SME's), SME's Definition, New Member States of the European Union.*

## **The Definition of the SME in the European Union and in Romania**

First we have to define them in order to analyze the problems regarding the small and medium enterprises. It is necessary, first of all, in order to classify the existent enterprises on a certain market, to choose some rules after which there should be identified the indicators which should allow a certain structure.

The main rules solve at least the next problems:

1. the number of indicators which will be used in the same time (one, two or more);
2. the domain for which the indicators are applied (generally or on the branches);
3. the type of the used indicators (quantitative and qualitative).

It is important, in the case of the first rule, to choose how many indicators will be used in the same time in order to accomplish a classification of the enterprises. The simplest thing would be to use a single indicator, but taking into account the complexity of the economical activity, it should be better used a battery with more indicators. However, we don't have to exaggerate with a lot of indicators, because it may appear problems while introducing the enterprises in a certain category when it is the real repartition (for some indicators the enterprise belongs to a group and other to another one). That is why, it is important that while achieving the indicators it should be avoided, as much as possible, the situations when the same type of enterprise, with the same potential, belonging to different categories.

The domain in which the indicators are applied, the established ones in order to be used for the classification of the enterprises, may be sometimes very different. Thus, it may appear peculiarities which should determine the use of other levels of the chosen indicators (for example, the definition of the SME's is different made in Japan, according the domain in which the enterprises function).

Taking into account that the evaluation might be better done using quantitative elements, the last set of rules are less used. Thus, in order to have a unitary evaluation and easy to achieved, there are often used quantitative indicators in order to accomplish a classification of the enterprises.

If we take into account the use of the same indicators, differently according to the domain for which we analyzed, it results some pluses and minuses of the chosen solutions (see the figure 1).

At the present moment, the definition of the type of enterprise is based, in most of the cases, on the use of a set of indicators which, usually, is applied in the same way for all (or for the most of them) the analyzed domains by a certain market.

It often appears through the used indicators for this definition: the annual turn-over of the enterprise, the number of the employees, the annual gross profit, the structure of the social capital, the measure of the social capital, the localization of the enterprise, the number of the products achieved by the enterprise and the age of the enterprise.

<b>A Number of Used Indicators in the Same Time</b>	<b>A single Indicator</b>	„+” Easy to use „+” Easy to achieve comparisons „-” It can’t be certain peculiarities because of the complexity of the domain - Insufficient difference	„+” Easy to use „+” It can be noticed certain peculiarities of the domain „-” Comparisons difficult to achieve
	<b>Two or Many Indicators</b>	„+” Great possibilities to differentiate „+” Easy to achieve comparisons „-” Sometimes it can’t be noticed certain peculiarities of the domain	„+” It may be noticed certain peculiarities of the domain „+” Relatively easy to achieve comparisons „-” It might appear problems while choosing correctly the indicators (subjectivism) „-” A harder use
		<b>„Indifferent” application a domain function</b>	<b>„Different” application a domain function</b>

**The way of applying the indicators on domains**

**Figure 1. Advantages and Disadvantages of the defining ways of the SME-s**

The most used indicators, among them, is the “Number of employees, the annual turnover of the enterprise and the annual gross profit. Moreover, we must mention that the level of the achieved indicators in order to achieve the type of enterprisers on the market is different given the situation of the analyzed domain.

Starting with its foundation, in 1956, the European Union considered the development of the small and medium enterprises like a viable strategy in order to achieve the development targets of the countries, as well as the economical increase, the creation of new jobs, the consolidation of an industrial basis and of the structure of the local production, the development of the sector which decreased, to reaching of other social and political targets.

The date of the first January 2005 was important for all the members of the European Union and not only. Starting with that moment it has appeared in force the Recommendation of the Commission of the European Union with the number 361/2003 since 6 May 2003 which makes regular very clear what SME’s are.

The main criteria taken into account for the joining of an enterprise is one of the three categories (micro, small and medium) are: the employees and the business number.

The definition of the European Union regarding the SME’s presents three categories of small and medium enterprisers:

- **The micro enterprises;** enterprises with less than 10 employees and an annual turnover or an annual result of the balance sheet which shouldn’t be bigger than 2 million Euro.
- **The small enterprises;** enterprises with employees among 10 and 49 as well as an annual turnover or an annual result of the balance sheet which shouldn’t be more than 10 million Euro.
- **The medium enterprises;** enterprises with employees among 50 and 249 as well as an annual turnover bigger than 50 million Euro (or an annual result of the balance sheet which shouldn’t be bigger than 43 million Euro).

Another important factor it that that an enterprise which is not SME can not have more than 25% from the social capital (or the right to vote) of an enterprise considered a small or medium enterprise. If this thing happens that enterprise is not anymore considered as belonging to the SME-s.

In Romania from January 2006 the legislation for SME’s (Law 346/2004 modified with OG no.27 from 26.01.2006) is the same with the Recommendation 361/2003 of the Commission of the European Union.

## The SME's in the old member states of the European Union

Nowadays there are concerns to develop the assistance of the SME-s, not only with programs which concern only them, but their situation within other major actions of the EU. It was launched at Brussels in 1998 the fifth frame-program about the scientific research for the period 1999-2004, which administrates funds about 15,7 milliard Euro, within which being established like a main target the encouragement of the SME's development.

In 1994 it was adopted the "Integrant Program of the SME's" which took into account the achievement of the next targets:

- The development of local services;
- The improvement of the managerial techniques;
- The maintenance of the financial support for the relations among the SME's;
- The decrease of the time of the payments among the economical agents;
- The improvement of the changing procedures about the economical know-how and of the fiscal for the SME's;
- The increase of the transparence and the firmness of the activities at the level of EU in this domain.

So, it has been adopted the Program of action for SME's, having targets like the stimulation of the economical growth within the EU by promoting the SME's, the maintenance of the policy which regards the enterprise under the conditions of the international activities. The allowed budget was about 112 million Euro.

These are achieved a lot of analyses and statistic investigations for the overseeing of the SME's development, by cooperating with some research institutions from the all member states. The results of these researches are published under the form of some annual reports called "The European Observer of the SME's".

The last data presented in the report from 2003 shows the next situation at the level of European Union plus:

**Table 1. The Role of SME's in the Europe of 19\***

		SME's			Total	Large enterprise	Total
		Micro	Small	Medium			
Number of enterprises	1.000	17.820	1.260	190	19.270	40	19.310
Employment	1.000	55.040	24.280	18.100	97.420	42.300	139.720
Occupied persons per enterprise		3	19	98	5	1.052	7
Turnover per enterprise	1.000 €	440	3.610	25.680	890	319.020	1.550
Value added per enterprise	1.000 €	120	1.180	8.860	280	126.030	540
Share of exports in turnover	%	9	13	17	12	23	17
Value added per occupied person	1.000 €	40	60	90	55	120	75
Share of labor costs in value added	%	57	57	55	56	47	52

\*except the 15 member states of the EU (until May 2004) there are also: Switzerland, Holland, Liechtenstein and Norway (AELS members)

The source: Observatory of European SME's Report nr.7/2003, p.26.

The analysis of the small and medium enterprises situation of the member states from the European Union, points out the fact that, if we take into account the percentage of each type of enterprise (micro enterprise, small and medium enterprises, big enterprises) from the busy people, the dominated category in the European Union is represented by the micro enterprises. Moreover, but the big enterprises have the highest number of employees of the economy in Finland, Germany, Great Britain and Holland.

## The SME's in the new member states of the European Union

On another side, at the level of the year 2003, there were registered at all the 12 new members about six million of active small and medium enterprises, in other words, an average about 517.000 for each country. The number of the jobs which comes from these enterprises was over 30 million, with an average per country about 2.360.000 jobs. Comparing at the same date (2001), there was registered in Romania a number of 356.710 small and medium enterprises, with 2.134.965 employees. So the medium number of employees from the Romanian SME's is double as regarding the average of all the new members. If we take into account the big enterprises as well, so the average of employees in a Romanian enterprises is more than double of the registered average of the total new members: 11 as comparing with 5 (see the table 2).

**Table 2. The Role of the SME's for the new members and Romania**

New member states of the EU (inclusive Romania)						
	SME's			Total	Large enterprise	Total
	Micro	Small	Medium			
Number of enterprises	5.670.000	230.000	50.000	5.950.000	10.000	5.960.000
Employment	10.210.000	4.970.000	5.350.000	20.530.000	10.150.000	30.680.000
Occupied persons per enterprise	2	22	107	3	919	5
<b>Romania</b>						
	SME's			Total	Large enterprise	Total
	Micro	Small	Medium			
Number of enterprises	313.485	34.883	8.342	356.710	1.677	358.387
Employment	586.880	689.056	859.020	2.134.956	1.841.142	3.976.098
Occupied persons per enterprise	2	20	103	6	1.098	11

Another important aspect is represented by the fact that the dominant class in Romania (as it regards the number of the employees) is still represented by the big enterprises, while the dominant class at the level of the new members is represented by small and medium enterprises. This thing shows once again the differences that Romania has to retrieve for the reorganization of its economy.

The approach of the SME's must be achieved by taking into account the situation to pass towards the market economy of the countries from the Central and East Europe, which face similar problems, which are hard to control and to solve.

There have been changes in all these countries, economical ones, like the privatization, the reorganization, the demonopolization and the development of SME's area, which have as a result the sum of the special political, economical, social and cultural situations.

A distinctive element of these economies is the fact that the speed and the importance of the privatization and the reorganization of the public enterprises depend a lot on the speed and the importance of creating and developing the SME's, the only ones which may take the work force which doesn't have a job because of the state enterprise.

The SME's, in the countries from the Central and the East Europe, appear, first of all, because the privatization of the state firms, but because there have appeared new firms, which is a very important action, because it is based only the private property.

There have been taken, in order to facilitate the development of the SME's in all the countries from the Central and East Europe, certain of measures whose intensity, phasing and combination vary from a country to another. Shortly, these measures refer to:

- The elimination of the administrative barriers in creating and developing of the SME-s;

- The fast privatization of the SME's from the state sector;
- The reorganization of the bank system;
- The financial support from the budget in order to create and develop the SME's;
- Active measures regarding the stimulation of the SME's in taking the work force which didn't have any jobs;
- The bilateral and multilateral assistance of the western countries granted to the sector of the SME's from Central and East Europe countries.

The main characteristics of the SME's from Central and East Europe are the following:

- Almost all the SME's have been created during the transition;
- Most of the SME's(77%) are in cities;
- Most of them are the small ones which do not have employees (62,2%), but only the administrator and the family members;
- The micro enterprises (with 2-9 employees) and the small firms (10-49 employees) represent 32,4% of all the firms;
- 95% of the SME's have only one head-office, which shows a reduced economical potential;
- the reduced intensity of the investment, just 17% of the firms invest more than 10% of the turnover;
- most of the SME's are specialized in trade (37,6%), than in transportation and services (28,7%), in construction (20,6%), in processed industry (16,9%), in hotels, restaurants and coffee shops (6,1%);
- it prevails the unspecialized SME-s, with multiple profiles (over 80%).

The main difficulties which the SME's confronts might be divided in two big categories: the ones referring to production (the lack of capital, credits, payments, qualified employees, technology, raw material) and the ones which refer to demand (the lack of solvable demand, of a strong competition, low prices on the market, the lack of notoriety, of using marketing instruments).

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## CRITERIA USED BY EMPLOYERS IN GRADUATES' SELECTION

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*The purpose of this paper is to show criteria taken into consideration by employees in the selection process of economic higher education graduates and the relevance of importance of these criteria.*

*We present the results of a research conducted in the Academy of Economic Study on a sample of 472 companies and non-profit organizations from Bucharest and other cities. The sample was built on quota sampling, starting from the followed criteria: the location, number of employees, field of activity, form of property. This sample has a sampling error of 3% and offers a confidence level of 97%.*

*The most important criteria are those about „psychical and moral qualities of the candidate” and „the professional experience of the candidate”, meanwhile the less important criteria are „school performances of the candidate”, and ”extra-professional activities of the candidate”.*

*After that, an analysis of the answers is made taken into consideration different categories of responders, according to criteria as organization’s field of activity, property form or its dimension.*

*Key words:*

*educational marketing, human resources, employment criteria, economic higher education*

In the Academy of Economic Studies, employers are defined as external clients, according to the Regulation for quality assurance in the field of educational services and scientific research, article 2, paragraph 4 (see [www.ase.ro/site/despre/management/2006-2007/8-regulament%20Asigurare%20Calitate.pdf](http://www.ase.ro/site/despre/management/2006-2007/8-regulament%20Asigurare%20Calitate.pdf)). In this context, from educational marketing perspective, the universities have to follow carefully clients’ requirements and to try to adjust its activity to those. That why, the Academy of Economic Study research periodically the opinion of employer organizations. The first research in this way was in the 2006 fall, on 472 companies and non-profit organizations from Bucharest and other cities.

The sample was thought on quota sampling, in order to reflect the proportion of those organizations, starting from the followed criteria: the location, number of employees, field of activity, form of property. Statistics properties of this kind of sampling are: sampling error of 3% and confidence level of 97%.

The research is part of a larger project, financed by the Academy of Economic Studies and conducted by Professor Luminita Nicolescu, Ph.D., who followed to determine the possibilities to increase the efficiency of Academy’s activities. In this paper we will limit our presentation to some results regarding a general interest issues: how the employers act when they select the candidates?

In the table no.1, is presented the importance attributed by the employers to some elements they take into consideration when they select the candidates.

Table no.1. In the selection process for a job which require economic higher education level, which is the importance of the following aspects? (Marks from 1=not at all important to 5= very important)

1.	The prestige of the graduated university	3.68
2.	The prestige of the graduated faculty	3.67
3.	Professional experience of the candidate	4.27
4.	Extra-professional activities of the candidate	3.07
5.	School performances of the candidate	3.34
6.	Psychical and moral qualities of the candidate	4.56
7.	Post-graduate studies, master, MBA	3.91

The most important criteria are those related to “professional experience of the candidate”, and, especially “psychical and moral qualities of the candidate”. These are the only criteria which have an average between “important” and “very important”, but, unfortunately, there are also elements over those university can interfere in a very limited way.

On the opposite, the less important criteria, are “school performances of the candidate”, and “extra-professional activities of the candidate”. It is not quit a surprise, even, as professors, is difficult to accept that yours evaluations regarding students performances are not so important for employers.

Another conclusion is that employers to not differentiate “the prestige of the graduated university” from the “the prestige of the graduated faculty”. A hypothesis regarding this aspect could be that the graduates of economic studies “are judged” more by university than by faculty they graduate. In the meantime, the criterion “prestige-image” seems to be important enough so the universities be preoccupied by the way they are perceived.

In the following we will try to present differences between employers’ categories. First (table no.2) we have to find out if there are differences between organizations according to the field of activity.

Table no.2 Correlation between elements used in the selection processes of candidates for a job which require economic higher education and the organization’s field of activity (Marks from 1=not at all important to 5= very important)

		Organization’s Field of activity		
		For-profit organization in the field of goods production	For-profit organization in the field of services	Non-profit organization
1.	The prestige of the graduated university	3.67	3.72	3.68
2.	The prestige of the graduated faculty	3.58	3.69	3.64
3.	Professional experience of the candidate	4.20	4.27	4.18
4.	Extra-professional activities of the candidate	3.09	3.05	2.82
5.	School performances of the candidate	3.26	3.37	3.32
6.	Psychical and moral qualities of the candidate	4.60	4.55	4.64
7.	Post-graduate studies, master, MBA	3.99	3.88	3.91

An analyses regarding table no.2 data, offer the following conclusions:

- There are no significant differences between employers, regarding the field of activity in the importance given to different criteria used in the economic graduates selection process
- It seems that employers acting in non-profit sector are more close in their appreciation to the manufacturing organizations than there are those in the services to the manufacturing organizations
- Surprising, the only ‘negative’ average (under 3, on a scale from 1 to 5) is in the case of non-profit organization regarding the criterion “extra-professional activities of the candidate”. The graduate involvement in social organization should represent a strength in the employment process, but it seems that the employers to not think in this way.

Second, we will show the employers points of view according to the type of property of the organization they represent (table no.3)

Table no.3 Correlation between elements used in the selection processes of candidates for a job which require economic higher education and the organization’s types of property (Marks from 1=not at all important to 5= very important)

		Types of property		
		Public property (or most public property)	Romanian private property	Foreign (or majority foreign) private property
1.	The prestige of the graduated university	3.83	3.70	3.63
2.	The prestige of the graduated faculty	3.81	3.68	3.61
3.	Professional experience of the candidate	4.23	4.35	4.16
4.	Extra-professional activities of the candidate	2.94	3.05	3.11
5.	School performances of the candidate	3.63	3.35	3.25
6.	Psychical and moral qualities of the candidate	4.75	4.52	4.56
7.	Post-graduate studies, master, MBA	4.04	3.92	3.91

The major findings are:

- The employers being in public property (or most public property) organizations have the tendency to give a greater importance to all criteria used, except “extra-professional activities of the candidate”.
- The employers being in private property companies use similar evaluation criteria, nevertheless being Romanian private companies of foreign private companies. The only criterion where there is a significant difference is the “professional experience of the candidate”. Multinational companies tend to employ persons without experience, in order to train them after that.
- Finally, the third correlation is between employers’ appreciation and the size of the organization (table no.4)

As data from the table show, there is no direct correlation between these two indicators, for the criteria we studied. Can be illustrate some particularities of very small size organizations (which consider, for example, more important “extra-professional activities of the candidate” criterion than “school performances of the candidate” criterion) or very large size organizations, which, surprising, seem to be more close in thinking to very small organizations than middle size organization.

Table no.4 Table no.3 Correlation between elements used in the selection processes of candidates for a job which require economic higher education and the size of the organizations (Marks from 1=not at all important to 5= very important)

		Number of employees			
		1-9 employees	10-49 employees	50-249 employees	over 249 employees
1.	The prestige of the graduated university	3.65	3.65	3.72	3.67
2.	The prestige of the graduated faculty	3.73	3.58	3.76	3.64
3.	Professional experience of the candidate	4.30	4.24	4.21	4.35
4.	Extra-professional activities of the candidate	3.22	2.94	2.89	3.28
5.	School performances of the candidate	3.13	3.32	3.46	3.42
6.	Psychical and moral qualities of the candidate	4.46	4.53	4.63	4.61
7.	Post-graduate studies, master, MBA	3.92	3.89	3.88	3.90

## Conclusions

The research show that despite the impression that economic higher education, especially that provided by the Academy of Economic Studies is not a qualitative one, the external clients, those for who we train the students, are very satisfied by their professional backgrounds. Looking from this point of view, the Academy of Economic Studies can consider itself as a successful organization. Unfortunately, those criteria consider to be most important in the eyes of employers can not be influence in a great measure by the university. Also, the prestige is not at the same importance as the professional experience or psychical and moral qualities, and this is an area were the Academy has to work, in order to demonstrate that its graduates are the best on the labor market.

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# THE ROLE OF THE PUBLIC INSTITUTIONS IN COUNTRY BRANDING

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*The article debates the role of the public institutions in the long-term process of country branding.*

*It describes the country branding process, taking into consideration the country brand management and the internal branding process.*

*Keywords: country branding, country image, country brand management, internal branding*

## **Introduction**

Country branding<sup>1</sup> is known in the Romanian field literature as international political marketing – „practiced by the public and associative organisations of a certain country, with the purpose of promoting its image abroad”

Some specialists<sup>2</sup> consider the country brand to be a sum of abstract symbols, that generate common perceptions, and images that combine a large number of products and services, which, despite their diversity, have a number of common attributes (desired or not).

A country resembles more to a company than to a product – in other words, a company may not be a primary brand, but a manager of a group of sub-brands. The country brand is more like an umbrella, ensuring the customers they are purchasing from a reliable source, which guarantees quality. Exactly as corporate brands, country brands stand on certain values, qualifications and emotional levers within the consumers' minds.

Branding a nation differs subtly from branding a corporation and substantially from branding a product. Country branding is starting to develop a world of its own. As field practitioners gain experience, the similarities with corporate marketing fade away.

We define a country's image as the collection of convictions, ideas and impressions that people have regarding that country. Nonetheless, one must also consider the image elements from a marketing perspective: awareness, content, intensity, clarity, history.

Most country brands are actually stereotypes, extreme reductions of reality, which aren't always that accurate, as they are based more on exceptions rather than models (patterns), on impressions rather than facts. Stereotyping grows stronger, aided by companies that try to convince local consumers to purchase local products.

Similar with products and services, the country image has more facets and can contain large amounts of information, both factual and affective.

## **Building the country brand**

The factors that influences the country image are only partially controllable by the authorities: tourism, foreign investment, governmental policy, participation in international bodies, exports „Made in ...” (country of origin effect), local companies and publicity, economic development, immigration and Diaspora, work force recruitment, public figures, cultural and artistic representations, language, religion, culture, sporting performance, movies and documentaries, as well as citizen interaction with visitors, critical events etc.

There are numerous image-building agents. According to their level of credibility and market penetration, they can be classified like this:

- Traditional forms of publicity are not usually very credible, but have a good degree of penetration.

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<sup>1</sup> Razvan Zaharia – „Marketing social politic”, Ed. Uranus, 2003

<sup>2</sup> Keith Dinnie – „National Image and Competitive Advantage – The theory and practice of the country-of-origin effect”, Journal of Brand Management, 04.2002

- News and the media are classified as autonomous image agents, with high levels of credibility and medium to high penetration. The entertainment and media industry play a vital role in modelling people perceptions towards places (especially negatively perceived ones).
- Personal experience is another image-forming agent that was perceived as the most credible, but with the least of penetration

These agents can sometimes display images that do not comply with reality.

Powerful brands have a tendency of being rich, complex, successfully combining feature traits into their personality.

In order to create an attractive image for a country, a certain balance is kept, between different elements. Strong brands, that have good awareness, have made sure that other channels of communication (cultural, politic) filled the spaces around commercial brands (products or companies).

Because countries are very different in brand functionality (utility), experts<sup>3</sup> concluded that it is best for it to concentrate on the brand's emotional dimension.

The country brand must rely on reality, not only perceptions, it must be distinctive, centred, easy to recognize, coherent and attractive. Most successful brands aren't born over night – they rely on reality, on a state of spirit, which they include and promote. Thus, the brand is organic and can develop on its own. Still, in order to reach maximum potential, it must be guided.

A country brand promotion strategy can not be based on lies or the visible distortion of reality (e.g. promoting Germans as passionate, emotional and flexible will have little success).

Country marketing should be an augmentation of what already exists in the country, not a figure of one's imagination. People can feel quite clearly the spirit and values of a certain place, they develop certain spiritual and emotional links towards it. Thus, if the correct "nerve" is touched, the created link can prove to be quite strong.

A country that has problems, but presents itself publicly as a country where those problems don't exist or are insignificant, has all the chances in letting people down, as the target audience (tourists, investors) will probably face those exact problems.

Delivering a brand's promise needs to take the following aspects into account:

- the assurance that the country can make the promises of its brand happen in real life
- the use of the post-development period in order to determine what other activities, industries, complementary project must be initiated and developed.

Most of the time it's not enough to take into account what exists in a country. One must also see the potential of its competitive advantages. Practically, the branding process can occur while the country develops, as certain initiatives can make the country differentiate itself even more.

The country brand, if appropriately build, relies on target audiences, on relevant macro tendencies, on central components and on its competitive position. Thus, the brand could be a guide in what the country should promote.

The specialists<sup>4</sup> determined the existence of a cyclic effect of a nation brand. Starting from the essence, from central values, a national identity of the brand is build, which is afterwards promoted. If it is efficient and has the desired outcome, promotion leads to the global success of the brand, that will, on its turn, develop the "effect" of "resettling" of the brand ingredients (people, culture, history, present state of being etc.).

### **Country brand management**

Creation and promotion of brand image is a task that lasts ten to twenty years (thus, it should occur regardless of political change and focus on significant aspects that differentiate and create the competitive advantage).

Country brand building and management is not a finite process, but a perpetual one. This is probably the most important aspect that must be acknowledged by all those involved, in spite of ubiquitous pressure for

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<sup>3</sup> Caldwell & Freire – „The difference between branding a country, a region, and a city”, Journal of brand management, 09.2004

<sup>4</sup> Jarowski, Foshier – „National Brand Identity and Its Effect on Corporate Brands – The Nation Brand Effect”, Multinational Business Review, 09.2003

immediate results. The branding effort is efficient if its results are evaluated regularly and the promoting strategy adapted permanently to the reality of life.

Wally Olins, a brand guru that presently specializes in country marketing and country branding states that a governmental program for the country brand launch should comprise of a number of stages<sup>5</sup>. Simon Anholt, another well-known expert in country marketing states another series of stages<sup>6</sup>, as well as Natalie Domeisen<sup>7</sup>.

Even if a country does not consciously use its name as a brand, people still link images with it, images that can be activated by simply mentioning the country's name. It's very likely that a country's image influences people's decisions regarding purchasing, investment, relocation, travel etc.

More and more governments start to understand that no country will be able to ignore the way other countries see it. A strong brand is viewed as a highly valuable national asset. In a time of uncertainties, an efficient nation brand creation and promotion process is like an antidote to negative publicity.

Romania's and other former soviet-block countries' problem is that people cannot tell them apart! Romania should build an image that reflects national specificity and it should launch a promotion campaign for this desired image abroad. Romania (through decision factors) must take active measures in order to build a distinctive identity, positive, especially as Romania's identity evolves in a very accelerated pace.

All countries communicate in the same time. They send millions of messages daily – through political actions or through the lack of them, through popular culture, through products, services, sport, behaviour, art, architecture etc. Gathered together they become a nation's image – what it feels, what it wants, what it believes in.

The government's role is to establish the tone of these messages in a non-intrusive manner and to give positive examples if necessary, in order to obtain a credible, coherent and realistic message. A creation and promotion program of a country brand requires an integrated policy that many countries lack – the ability to communicate and behave in an ordinate and repetitive manner regarding the most motivating and specific ideas for that nation.

Imposing solutions through punitive actions coming from above will not have any success. The essence of such a brand creation and promotion is that the brand encompasses the spirit of a place, in a certain time period, and men and organisations feel this spirit, get into this atmosphere, and join this effort.

Being confronted with a negative image is a difficult task. The country brand “manager” has no control on the environment factors that could keep tourists or investors away, also he doesn't control the way media is disseminating the information about his country. More than that, the country brand management is a more complicated problem than corporate brand management. Though the main responsible is the government, there are many other stakeholders – central and local public institutions, commerce and industry chambers, industry agents – they all can influence the country image.

Controversies that can arise between the stakeholders, the lack of unity at the top management level can make any effort of building and promoting the country image useless. If the public institutions involved don't define the main purpose for the country branding process, the nation wide adoption of the brand is almost impossible.

As for authorities' involvement in country branding, their role is to adopt a certain perspective, and to outsource the technical expertise (marketing research, planning, brand theory and design, marketing communication) to consultancy companies.

The role of a nation branding consultant is to find ways in which important figures in the public administration have a brand-oriented way of thinking, and than this vision will reach the population.

An already formed negative image is hard to change and the change takes a lot of time.

To improve the image of a country, it may be easier to create new positive associations than to try to change the existing negative associations.

Anyway, every country has some positive brand identity elements that represent values that can be communicated.

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<sup>5</sup> Wally Olins- Branding the nation – the historical perspective, Journal of Brand Management, 04.2002

<sup>6</sup> S.Anholt – Nation Branding: A continuing theme, Journal of Brand Management, 09.2002

<sup>7</sup> Natalie Domeisen – „Is there a case for national branding?” - International Trade Forum, Geneva 2003

Fiona Gilmore<sup>8</sup> claims that these values must reflect brand ideology and they can be a logo, a visual language used in every context, a certain colour or group of colours, a sound, a certain shape, certain architectonic symbols or certain events. These values can be owned legally, physically, emotionally and they can be used as a barrier in front of competition.

### **Internal branding**

The image of a country projected to the world will have repercussions on local population – it will unite the nation by giving a common purpose and a sense of national pride.

To be efficient, the country brand has to be accepted by the nation, and it has to be inspiring. The country brand represents more than images and symbols. It is the proof of collective will to offer and deliver that attractive and competitive “selling proposition”.

The nation brand can be used as an anchor, can help build the loyalty of the people. Every citizen must live the brand, must follow the brand values. The behaviour and actions of the citizens, both at home and when going abroad will always have a powerful impact on the country image. Obtaining and maintaining peoples’ loyalty is an important challenge for every country. It can be seen as a migration of peoples’ minds from the sceptical and uninformed stage to the informed, confident and proud stage.

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# SOME CONSIDERATIONS REGARDING INTERORGANIZATIONAL MARKETING

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*Abstract: The development of marketing has been extensive (quantitative increase of organizations receptive to its implementation) and then intensive, of perfecting the scientific instrumentary. Interorganizational marketing has in view the goods domain destined for industrial, productive consumption aiming at marketing actions specific to organizations who sell their products and services to other organizations. The characteristics of interorganizational marketing are generated by the organizational market, which includes the ensemble of organizations that acquire goods and services in order to produce other goods and services destined to be sold, provided or rented to other economical or non-economical organizations.*

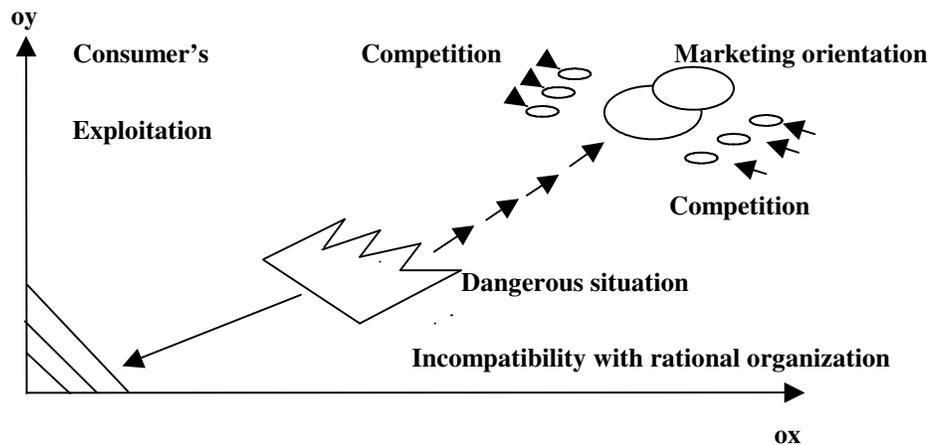
*Key words: societal marketing, interorganizational marketing, organizational market*

## I. Marketing development trends

Marketing development was slower in the first half of the 20<sup>th</sup> century, then after the Second World War, it has experienced a real “explosion”, in close connection with the economical history of the most powerful countries.

Modern marketing means the continuous analysis of demand and enforcing the means of satisfying this in the conditions of an optimal profit. The connection between profit as the organization’s goal and satisfying the clients’ demand, as a means for attaining this goal, concludes the marketing concept. The contrast between profit-satisfaction (utility) can be rendered as in figure 1 where OX is the axis for consumers’ satisfaction (utility), and OY is the axis for organization’s satisfaction (profit), the figure expressing schematically the organization’s dangerous position between chairs (Bermuda triangle).

Figure1. Profit-satisfaction contrast



Specialty literature (1) considers that after 2000, marketing has entered into a new phase called the “hyper-competition” phase. Just the way the production society has followed the consumption society, in the present to the latter one follows the competition society (2). Great tendencies of marketing evolution are guided by two main categories of changes, which take place at the level of marketing perspective (3), i.e.:

1. Changes at the strategic level (regarding the conceptual and strategic role of marketing inside the industry);
2. Changes at the operational and functional level (at the level of the practical function of marketing).

**1. Changes at the strategic level** at the industry level (social legitimacy, organizational culture and its entrepreneurial vision) determine the advent of new paradigms, which distinguish postmodernist marketing from the end of the 20<sup>th</sup> century and the beginning of the new millennium of traditional marketing (4). Thus, the marketing perspective can be approached in three directions:

- **Civilisation marketing** defines the constraint to be obeyed, the efforts to be approved of in order to attain a certain structure of inter-individual relationships, expressed by social signs (5); Civilisation marketing is defined by another term: social marketing, meaning complying with and assuring wellbeing on the long run, for individuals in a more efficient way than the competition, assuring community prosperity (6);
- **Internal marketing** represents the systematic optimization of internal processes of industries with the help of management and marketing instruments and the human resources management, in order to enforce marketing as an internal way of thinking and action, by a consistent orientation both towards the clients and towards its own staff, so that the market's objectives of the industry are efficiently achieved (7). *In this way, internal marketing represents a coherent assembly of methods, techniques, procedures*
- **relational marketing** is the marketing seen as a sum of relations, networks and interactions, appropriate for the new organizational structures based on the "new industry-network"(8). The relational marketing concept is based on three distinct theoretical approaches, but interdependent (9):
  - the behaviour approach is based on a change of the organisation's attitude, regarding its relations with the contractors, beneficiaries, and other factors interested in developing its business;
  - the approach from the perspective of the networks' theory, so that the interactive nature of relations with the contractors and beneficiaries is focused.
  - the managerial approach is based on a vision that integrates the orientation towards clients, internal collaborators, the main role having the internal marketing.

**2. Changes at the operational level** determine the adoption of new fundamental behaviours, characteristic to an active marketing attitude (10) that should avoid marketing shortsightedness, meaning that it should see further than the product, that is:

- permanent contact with clients;
- basing decisions on concrete facts and data;
- implementation and constant tracking of its own market policy.

## **II. Interorganizational marketing concept**

Interorganizational marketing (11) has in view the goods domain addressed to industrial consumption, aiming at the marketing actions specific to industries that sell their products or services to other industries or organizations. During the development stages, interorganizational marketing has had different names, so that its real place in the universal marketing science is well delineated, such as:

- Industrial marketing;
- Capital goods marketing;
- Productive use goods marketing;
- Production goods marketing;
- Investment goods marketing;
- Organizational marketing (of organizations).

Interorganizational marketing has as main objective material goods for industrial use – which are not addressed to the final consumer –, having specific characteristics as compared to consumption goods marketing, regarding the market, the product or the service offered, distribution, etc.

Although the basic principles of marketing apply both to industrial markets and to those of large consumption, there are still some differences and methods that refer to:

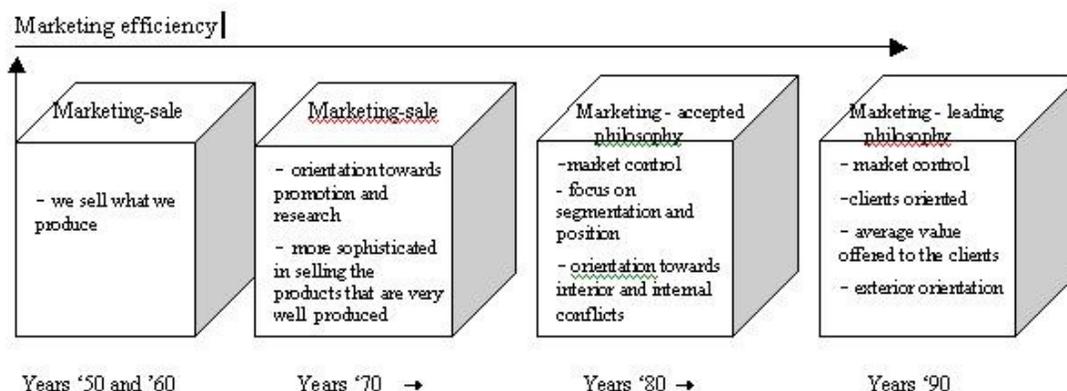
- The demand is derived (from the demand for consumption goods);
- Buying is much more rational;
- Industrial purchases are usually done on a big scale;
- Products have a great technical complexity;
- Purchasing is done through a group process, through the buying centre, decisional groups being complex;
- Smaller number of economical agents;
- Shopping risk is higher;
- Buying time is longer;
- Seller-buyer reciprocity is noticeable (supplier-beneficiary)

Recent marketing works and researches highlight the fact that the traditional term of industrial marketing is replaced more and more with **business to business** terms, with the meaning of marketing between enterprises and interorganizational marketing, with the meaning of marketing relations of a public or private organization with other organizations. In defining the interorganizational marketing we keep in

mind the nature of the industry's clients and the market characteristics where the industries develop their activity – organizational market.

Having in view that the implementation methods of some elements specific to interorganizational marketing product are different, the marketing evolution for productive goods can be rendered in this way (12):

**Figure 2. Marketing evolution for productive goods**



Source: McDonald, Malcom, Strategic marketing, Ed. Codecs, 1998, p. 34.

### III. Characteristics of interorganizational marketing

Even though the purpose of marketing activity is the same, there are still big differences between interorganizational marketing and consumption goods marketing. The particularities of interorganizational marketing derive from the structure of productive goods markets. Clients of productive goods are economical or non-economical organizations and not the final users (individual consumers), as in the case of consumption goods marketing.

Organizational market implies the assembly of organizations which purchase goods and services in order to produce other goods and services that will be sold, rented or supplied to others. The main particularities of productive goods market are the following:

- The products have a great technical complexity, defined in technical specifications, joined by a series of services.
- Goal market is made up of a smaller number of clients, respectively organizations.
- The demand is derived, being determined by the demand for consumption goods.
- Buying decision is complex, it is the prerogative of the acquisition centre effort, as a result of negotiations, contracts, for harmonizing the partners' economical interests.
- Buyers are "professionals", well-informed specialists.
- The elements of marketing mix (product policy, price, promotion and distribution) are the same, but each one's role is reevaluated and adapted to the organizational market particularity.

Other particularities can be mentioned, thus:

- Buyers' risk is higher;
- Buying time is longer;
- Seller-buyer reciprocity is perceptible.

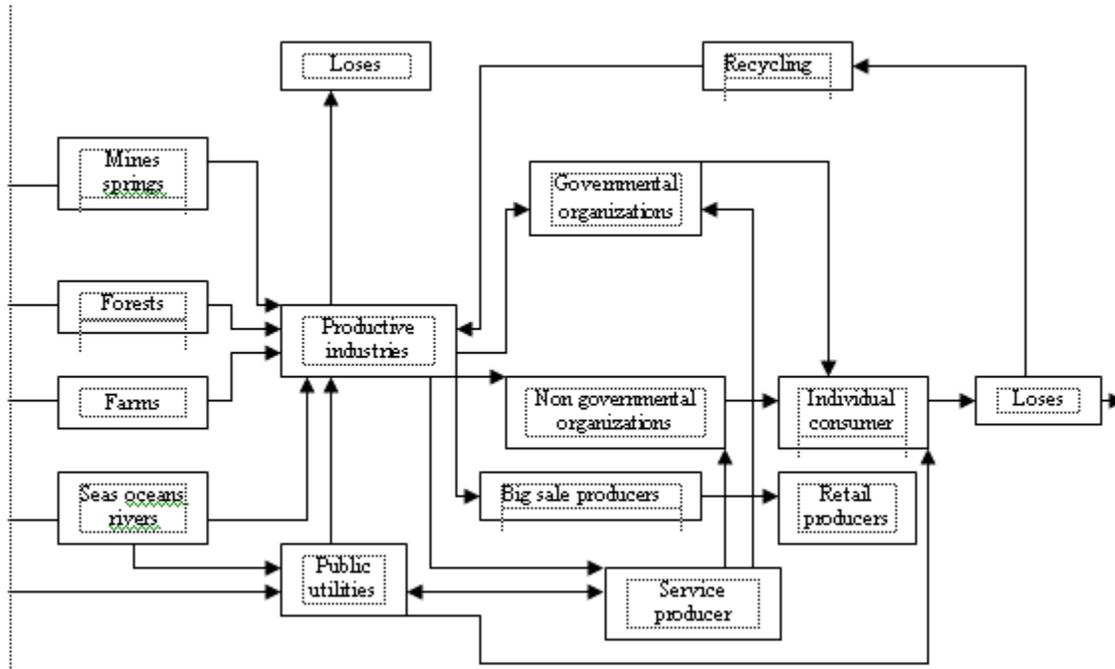
Counting these differences can be exhaustive, but even incomplete, it can give the illustration of industrial markets (organizational), pointing out operational and attitudinal differences in the conceptual treatment and in defining the methods for putting into practice the competitive advantage.

The specific features of interorganizational marketing are granted by the fact that industrial investment goods are very different (form raw materials to very complex industrial installations), and the clients are especially industrial beneficiaries. As a result, intergenerational marketing (organizational) will have the following specific features (13):

- use of individual solutions (individual marketing) for specific clients;
- enforcing system solutions by offering not only a single product, but a package of products and services (counselling, training, warranty, service);
- development of new products in close collaboration with the clients;
- buying decision is the prerogative of the buying centre made up of qualified staff in all the industry competence areas;
- distribution is usually direct (direct marketing), without intermediaries;
- prices' battle, as a competition means, but it is rarely used.

The structure and the relations of productive goods market can be rendered as shown in Figure 3 (14)

**Figure 3. Structure of productive (organizational) goods market**



Source: Webster, Jr.; Frederick, E., *Industrial Marketing Management*, third edition, John Wiley and Sons, New York, 1991, p. 5.

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# CONSIDERATIONS ABOUT THE MARKETING ORGANIZATIONAL MICRO MEDIUM

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**Abstract:** *The marketing medium comprises the all factors influencing the enterprise activity, so that it can be defined as the assembly of all actors and external forces of the organization – susceptible of affecting the manner in which it enlarges or maintains changes with its markets. The micro medium comprises those internal factors and external forces which influence directly the enterprise activity and can be imaged and controlled. The organization internal medium contains the sum of the elements providing the performance of the activity object, which are conditioning each other, amplifying, or, contrary, diminishing the potential and the capacity of the economical entity. The external micro medium comprises factors and forces like as: suppliers, mediators, clients, competitors, public structures and institutions.*

*Key words: organizational medium, internal medium, external micro medium, organization's potential.*

## **Introduction**

The enterprise medium has a multi dimensional character, so that, generally speaking, the medium is the “assembly of the dimensions of the material, technical, institutional, economical, demographical, social and cultural reality which form the universe within the enterprise is sited and whose forces influence it directly or indirectly” (1).

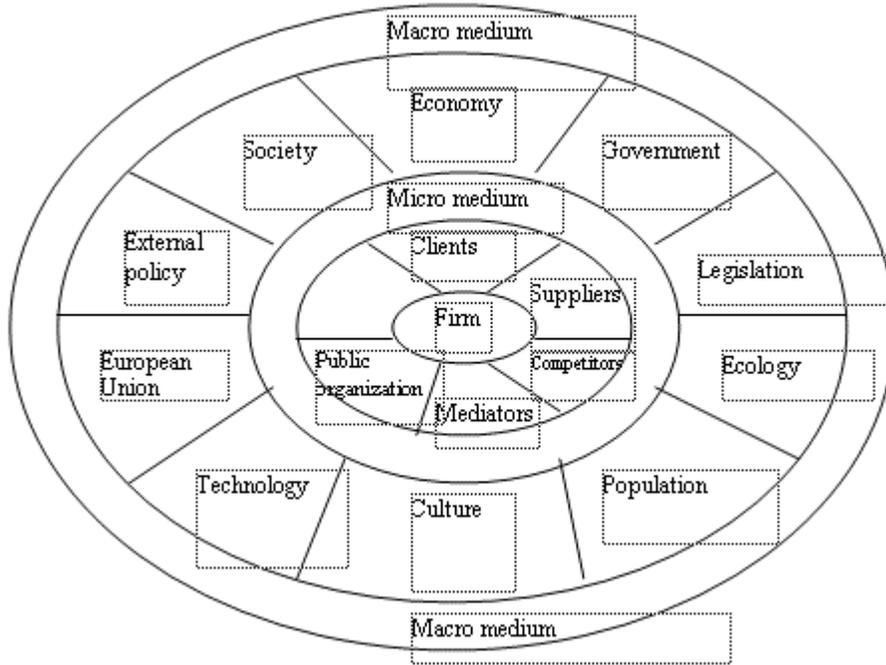
The adapting degree to the external medium depends on the organization's internal medium, but the organization's success is the result of the vision directed from exterior towards interior, so that the clients' needs and wishes are to be satisfied at an upper level, under profitability conditions. In Ph. Kotler's opinion (2), an organization of high performance is that that has “a model based on four factors: the affair's users, processes, resources and organization”, - constituting the force lines which are intersecting the internal medium with the external one.

The marketing medium comprises the all factors influencing the enterprise activity, so that it can be defined as “the assembly of all actors and external forces of the enterprise – susceptible of affecting the manner in which it enlarges or maintains changes with its markets” (3).

The medium agents and factors are operating with different intensity and in different degrees upon the enterprise activity. Some factors influence through direct relations imposed by the need of carrying out the objective of the organisation's activity (enterprise micro medium), while other factors have an indirect, weaker and remote influence (making the enterprise macro medium).

The factors - forming the micro medium (specific medium), and the organizational macro medium (general medium) can be seen as follows:

**Figure I. Micro and macro medium factors**



It results that the medium includes all the organization's exterior elements, of economical, technical, political, cultural, demographical, scientific, educational, psychological and ecological nature, etc., - influencing the establishing of the objectives, the obtaining of the resources and the adoption of the decisions.

The micro medium factors are directly and strongly influencing the organization activity, while the macro medium factors have a weaker, indirect and longer time influence.

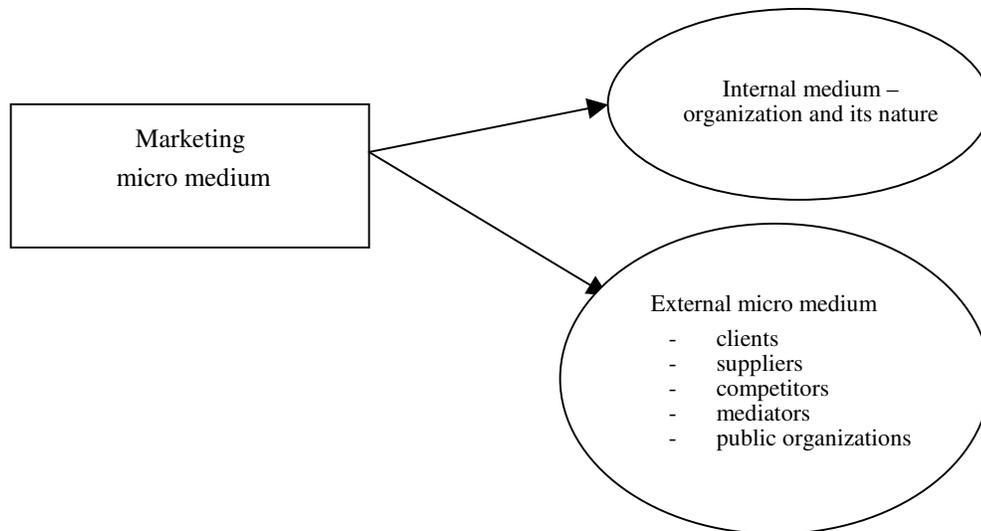
The organization's medium analyse and knowledge assure:

- satisfaction of the request men's necessities and needs;
- elaboration of the organization's strategies and politics;
- procuring the resources necessary for the organization (human, material, financial, informational);
- organizational, informational and decisional subsystems' implementation.

For many times, the precise delimitation of the micro and macro medium becomes very difficult because the dividing limit is in a continuous changing, so that, a factor which at a moment has a general, indirect influence, may become a factor of a direct, strong influence. Both the micro and macro medium factors are operating not as closed systems, each of them separately, but interacting mutually, influencing and being influenced by the organization.

While the macro medium factors have a remote, long time and indirect influence upon the organization, the micro medium factors have a direct, immediate influence and, the interdependences can be controlled. The micro medium comprises those internal factors and external forces which influence directly the enterprise activity and can be generally imaged and controlled. The micro medium comprises both the internal medium of the organization and its external micro medium.

**Fig.II. The organizational micro medium**



### **Organization internal medium**

The organizational internal medium comprises the sum of the elements which assure the performance of the activity object - conditioning each other, amplifying or, by contrary, diminishing the potential and the capacity of the economical entity. The internal medium is identified, at last, with the enterprise itself, regarded as an economical agent, inside of which the combination of the production factors takes place – in order to produce goods and services. So, the internal medium comprises the resources used by the organization: financial, human, informational materials. From their combination results the organization particularization and its potential on market. The analyse of the internal medium becomes deeper by evidencing the medium of the resources physical existence, like that:

- endowments (buildings, equipments, infrastructure), pieces of ground, and other natural resources;
- currency availabilities (personal, borrowed or attracted);
- human resources (structure number, qualifying degree, age, abilities, motivation); the organization's relations with the own employers can be conceived in a set of specific actions – constituting the nucleus of the internal marketing.

The organization potential expresses its capacity of carrying out its activity objective and is given by:

- the productive potential is the organization capacity to manufacture the products or the services according to the market demand;
- the commercial potential is given by a number of indicators, like as: list of market, quality of the products, demand covering degree, politic of marketing mix elements, etc.
- the financial potential refers to the organization capacity of engaging the expenses necessary to reach the objectives (financial stability, capital flux, cash-flow, etc.).
- the informational potential has in view the possibility of carrying out the marketing and management informational system, endowment with IT means;
- the managerial potential expresses the organizing and leading capacity of the organization in order to perform the strategic objectives and assure the success – by using the modern and efficient managerial methods and techniques.

e organization internal potential can be determined by evaluating the strong and weak points, and a possible list of the indicators evaluating the organizational potential can be illustrated as follows (4):

**Fig.III. Indicators of evaluating the organizational potential**

<b>Commercial capacity</b>	<b>Financial capacity</b>	<b>Productive capacity</b>	<b>Organizing capacity</b>
1.Organization reputation	8. Costs/capital	11. Means of production	15. Visionary management
2. Market list	9. Numeral flux	12. Scale economies	16. Employees involvement
3. Products and services quality	10. Financial stability	13. Qualified human resources	17. Organizing capacity
4.Efficiency of the price ,distribution and promoting politic		14. Technical attitudes	18. Organizing flexibility
5. Efficiency of sale Force			
6. Innovation efficiency			
7. Demand cover at territorial level			

Among the components of the internal micro medium, previously analysed, we can also mention some others:

- the conception that is directing the marketing activity, respect., the philosophy towards the clients and society;
- the integration of the marketing function in the organization activity, as a determinant factor in reaching some high performances, by creating and propagating a set of common laws and specific values;
- the enterprise culture is a matrix of specifications, demands, practices, knowledge – guided by a set of principles - explaining and justifying the organization existence and direction.

#### **Organization external micro medium (5)**

The organization external micro medium comprises a series of factors and forces which have a direct incidence upon the capacity of satisfying the needs and preferences of the consumers: suppliers, mediators, clients, competitors, public structures and institutes. A description of the relations of the external medium on market can be illustrated through the central axis suppliers-enterprise-mediators-clients.

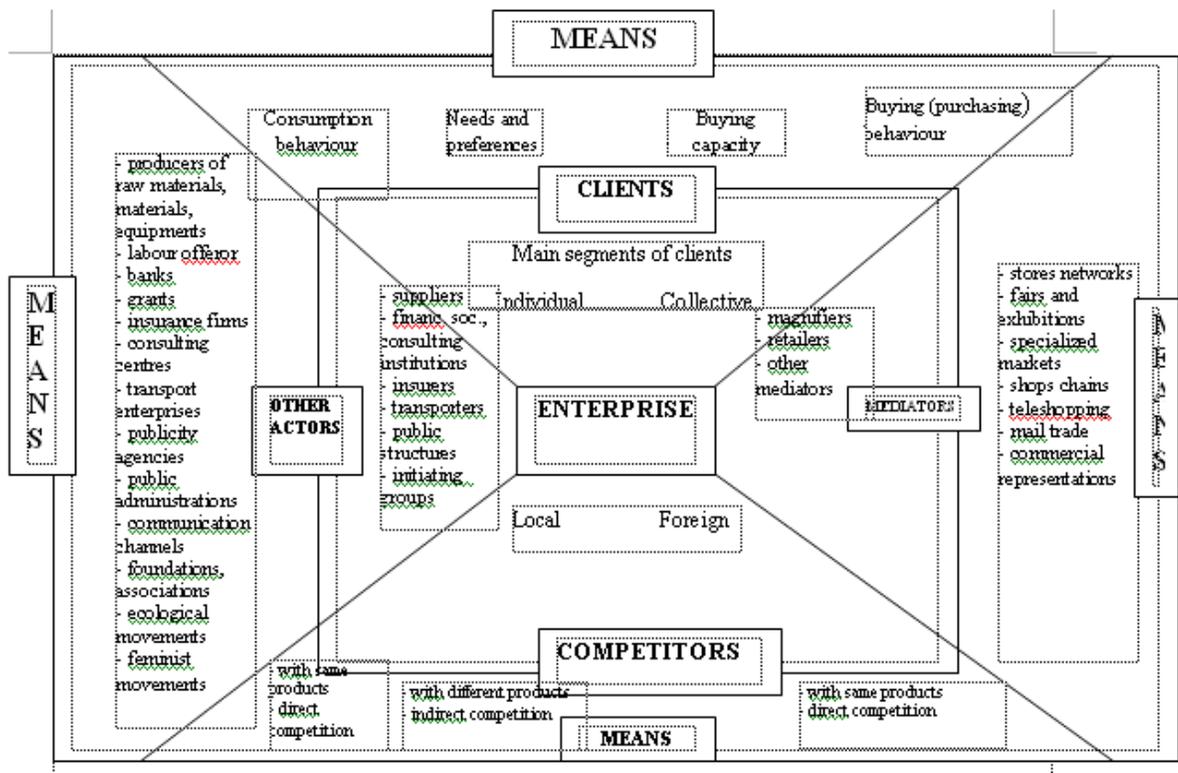
The enterprise micro medium – consisting of the relations assembly enlarged by the organization with actors on market – can be illustrated like in figure IV.

- a. **The suppliers** are the enterprises offering the resources necessary to the affairs activity: raw materials, materials, energy, technical equipments, information, financial resources, human resources, services carrying out.

The adjustment of the organization relations with its suppliers is materialized in specific strategic options: assuring the suppliers’ optimum structure, promoting of some relations established for a long period of time, up-stream integration, inverted marketing (purchases marketing), etc. The modern systems of establishing the relations between organization and its resources and components suppliers are provided with efficient forms, like as the strategic partnership, simultaneous engineering, mixed entities, boundless companies, etc.

The organization is able to develop a single relation to supply with a certain material, raw material, etc., situation in which it becomes dependent on that supplier, or may promote more relations in order to purchase the same material-, by cooperating with more suppliers. In the first case, the higher risk presented by the furnishing oneness is counter balanced by the company of a known and permanent partner – presenting quality and confidence guarantees. Minimizing the problems regarding the supplying risk is performed through the application of some solutions as buying in advance, strictness in stocks control, stipulation of some special clauses in the delivery contracts, etc.

Figure IV. The enterprise's market micro medium



b. **The clients** represent another component of the micro medium, of great importance for any producer, as taking into account the fact that without clients you cannot exist. The clients make the market components, the producers find their way about. The main types of the buyer's markets are:

1. the individual consumers' market;
2. the inter organizational market consisting of:
  - the producers' market – these are buying goods and services for processing in the production process;
  - the merchants' market – these are buying different goods in order to sale them again and get some profit;
  - the non-profit organizations market - where they buy goods to furnish services of general interest;
  - the government market – where the state institutions buy goods to produce public services;
3. the international market refers to the buyers from abroad. They can say that the organization evolution on long term depends on the dynamic of its relations with the clients – strongly influenced by the affairs philosophy. Gathering and analysing large quantities of information, the organizations will detect the clients' preferences and wishes – they being going to be directly involved in the operational and production processes. Alvin Tofler even speaks about "pro summator", a word that wants to emphasize the fact that the consumer himself will participate to the process of conceiving and making the product. The new relations with the clients impose a change in the directing towards marketing and client: assurance of the flexibility in anticipating the consumers' needs, leading capacity on the basis of the marketing philosophy, authority delegation, etc.

c. **The competitors** form a distinct element of the external micro medium on market, ubiquitous in the competitive medium. The competitive relations are mainly influenced by the number and size of the enterprises which are controlling the offer of a product or service. From this point of view, four types of market competitive structures can be evidenced: monopoly, oligopoly, monopolist competition and perfect competition. From the point of view of the product substitution degree, Kotler analyses the following forms: competition between marks, competition at the range of

activity level (industry, agriculture, etc.), formal competition (between organizations offering products meant to satisfy the same needs), generic competition (between all organizations).

The competitive strategy, being the basis of the competitive medium, has in view that, after defining the market-target, to set up the necessary decisions regarding the identification of the direct competitors, the examination of the actors in the competitive medium, of the threats from market, establishment of the competitive advantage.

- d. **The mediators** for distribution represent that category of actors - supporting and, sometimes competing with the products sale by the final users (commercial mediators, intermediary agents, physical distributors, searching and consulting organizations, etc.).

The commercial mediators buy and sell products on personal account, being the owners of the commercialized goods :

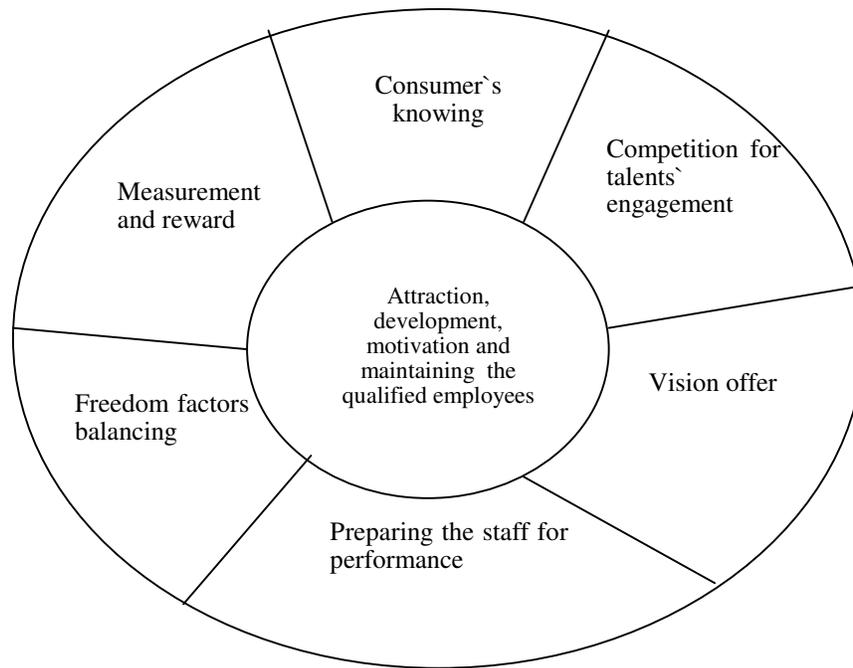
- the intermediary agents are operating as the representatives of their clients – being reward with commissions or fees;
- the physical distributors are the operators of the storehouses and transport organizations – bringing the goods to the users;
- the other organizations facilitating the good operation of the activities are the publicity, consulting, researching agencies of the market, etc.

- e. **The public structures** represent a component of the external micro medium – comprising categories of structures which are interested, or influence the manner in which an organization achieves the marketing management. Philip Kotler groups them in seven categories: consumers' associations, professional organizations, mass media, large public, public administration and power, groups of political and civic interests, internal public.

The internal public of the enterprise is formed by its own human resources which have to become a vector of development and an image of the enterprise – constituting by itself in an essential objective of the internal marketing. This is performed by a continuous informing strategy and staff motivation, creating an encouraging atmosphere of the personal creativity and initiative (see fig.V).

The internal marketing or, the marketing for the human resources represents an assembly of methods, techniques, procedures. Applying them, you can obtain an increasing of the performance level both in the clients' interest and that of the own employers and collaborators (7). The managerial objective of obtaining a total connecting of the employers to the organization politic and activity has in view both everyone's motivations and the specific motivations appearing at the level of some groups and at the level of the employers collective, as a whole.

**Figure V. The essential elements of the of the internal marketing**



The necessity of the organization to communicate with the medium factors has been materialized in the appearance of the public relation department – having a special role in promoting the relations favourable to the organization with all the categories of public structures.

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# PREMISES AND CHALLENGES FOR THE ROMANIAN RETAIL MARKET UNDER THE CONDITIONS OF THE EUROPEAN INTEGRATION

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*Abstract: The Romanian retail market has had an evolution influenced by the period of transition of the Romanian economy, witnessing in the last years an important change in the structure of the consumption costs and in the way the population does their shopping. The retail market in Romania occupies the last but one place in Central and Eastern Europe concerning its concentration, according to a study published at the beginning of March 2007, by GfK and Incoma Research. The year 2006 has marked the end of a stage in the history of Romanian trade market, characterized by the increase of the modern trade in the total of the retail market and in the positioning of the Romanian retail in European context. Romanian accession to the E.U. on January the 1st 2007 represents the beginning of a new stage in the development of the Romanian retail market.*

*Key Terms: Romanian retail, retail market, modern trade*

## Premises of the Romanian retail in the European context

Romanian trade is- at this beginning of the century and of the millennium -at the intermediary stage of a complex development process of actions and efforts to modernization the trade methods which have been applied since the beginning of the '90's in Romania. The process of retail has been influenced during the transition period of the Romanian economy; only in the late '90's did big international commercial chains begin to appear.

According to the long – lasting concept of the development of the society, the trade has a strategic importance for the balanced growth of both the social and economical systems of each country. The turnover of Romanian retail is strongly influenced by the evolution of the PIB, proving that the economical growth of a country is determined by the coordinates of the development of trade in general and by the detailed development of trade, which has been know for the past years as retail.

In the last several years, the Romanian distribution has suffered important mutations concerning the type of the existent intermediaries and the type of the products on sale. The distribution area in Romania is still significantly far from that of developed European countries, and compared to the central and eastern European courtiers, it is evolving at a slower pace considering the structural aspect and that of value.

The profile element of the commercial activity which guides its managerial process is represented by the trading forms. These forms have experienced obvious progress in post- 1990 Romania. At the present time, traditional and modern forms co-exist, Romanian trade getting adjusted to the new development processes of the international economy and to the new economical and social Romanian reality.

## Coordinates of the Romanian consumption during 1990 – 2005

Modern trade in Romania has become a reality of the economy, through proportion in the entire trade, and through the number of already existing chains of shops. According to the printed reports<sup>9</sup>, modern trade has known several steps in the process of its development, which actually correspond to the evolution of consumption in Romania. A marketing report demanded by Carrefour<sup>10</sup> and made by AC Niesen and GfK in 2006 has revealed that after 1990, the consumption rate in Romania has met three stages of development in its evolution:

- the first stage between 1990 and 1998
- the second one between 1999 and 2002
- the third one between 2003 and 2005

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<sup>9</sup> [www.gfk-ro.ro/retail](http://www.gfk-ro.ro/retail)

<sup>10</sup> [www.carrefour.ro](http://www.carrefour.ro)

The first stage can be described through: the boom of imports, the appearance of a wider diversity of products on the market, the racing inflation (in 1993 it was 356%), the drop of the purchasing power, the Romanian customer being characterised by curiosity, naivety, the desire to experiment, the price as the most important criterion in choosing the products, the opening of the first Metro in 1996 and the reach of a peak level of national consumption in 1998.

The second stage is characterised by: the calming down of the consumption and its diversification, the Romanians beginning to discover the importance of the product brands the opening in Bucharest of the first Romanian hypermarket, Carrefour Militari in 2001.

The third stage of Romania's consumption development is defined by: the explosion of the consumption credits, the rise of the clients expectations, and their orientation towards modern and on-line trade, quality is becoming just as important as the price when choosing products and a new peak of the national consumption is reached in 2003.

The Romanian retail market has met in 2005 a year which is considered to be the psychological break to a faster development of the modern trade forms. According to the same study made by Gfk, the distribution of consumption expenses in Romania, in 2005 illustrates the reality that Romanians give an important part of their income to buying food (49% opposite to 56% in 2002). In central and eastern Europe, this amount is 28% in Poland, 21% in the Czech Republic and 46% in Bulgaria.

In the European Nation countries, the amount of consumption spending on food has dramatically dropped in the past years a result of the income increase, of the lowering of prices for food and the Western European's tendency towards spending on leisure time activities or life or health insurance. For example in France, the percentage of food products in the consumption spending is of 17% in 2005<sup>11</sup>.

The aforesaid study has pointed out that in Romania there are still significant differences between the modern and traditional consumer because of the rhythm in the development of modern retail. As long as this modern trade will develop, the differences between the two types of consumers will disappear. *Modern consumers* are people with a medium and high purchasing power, receptive to the new, with limited free time, money being a means and not a goal, the choice of products depending only on their quality. *Traditional consumers* are those who have a reduced purchasing power, choosing markets and fairs, paying attention to prices and wanting to negotiate. At the end of 2006, Romanian consumers became more sophisticated, more demanding and exigent, losing their loyalty to a certain type of shop format.

The first shopping destination of the Romanian consumers is the hypermarket (18%), the supermarket (16%), the cash&carry centres (11%), the discount type of shops (8%), and the rest still prefer the traditional forms of trade.

These features of the Romanian consumers have been given by the GfK Shopping Monitor<sup>12</sup> report made in Romania, in November, 2006, on a representative national group consisting of 900 houses, with face to face interviews, in the house of the owner, with the responsible person for shopping common use products.

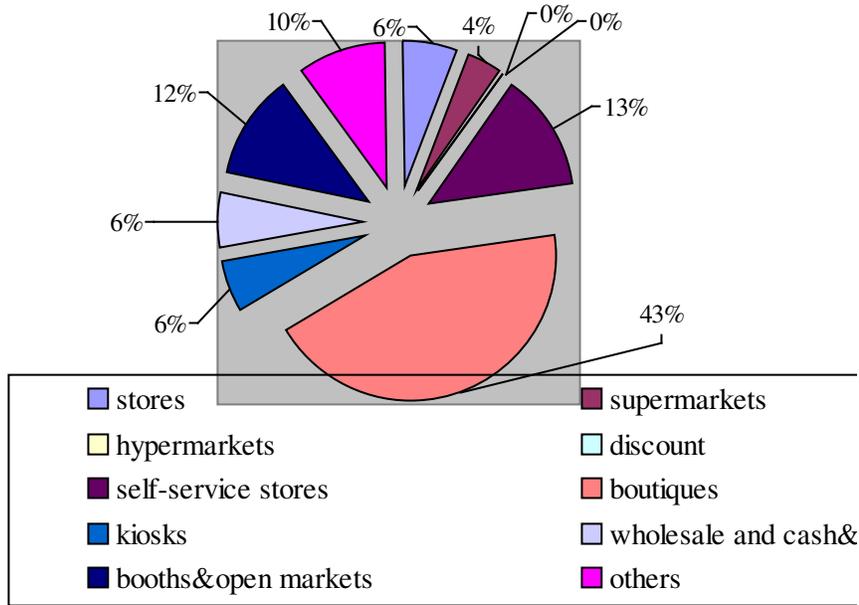
The structure of Romanian retail as a part of the total spending made in private homes was in 2000<sup>13</sup> like this

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<sup>11</sup> [www.indices.insee.fr/](http://www.indices.insee.fr/)

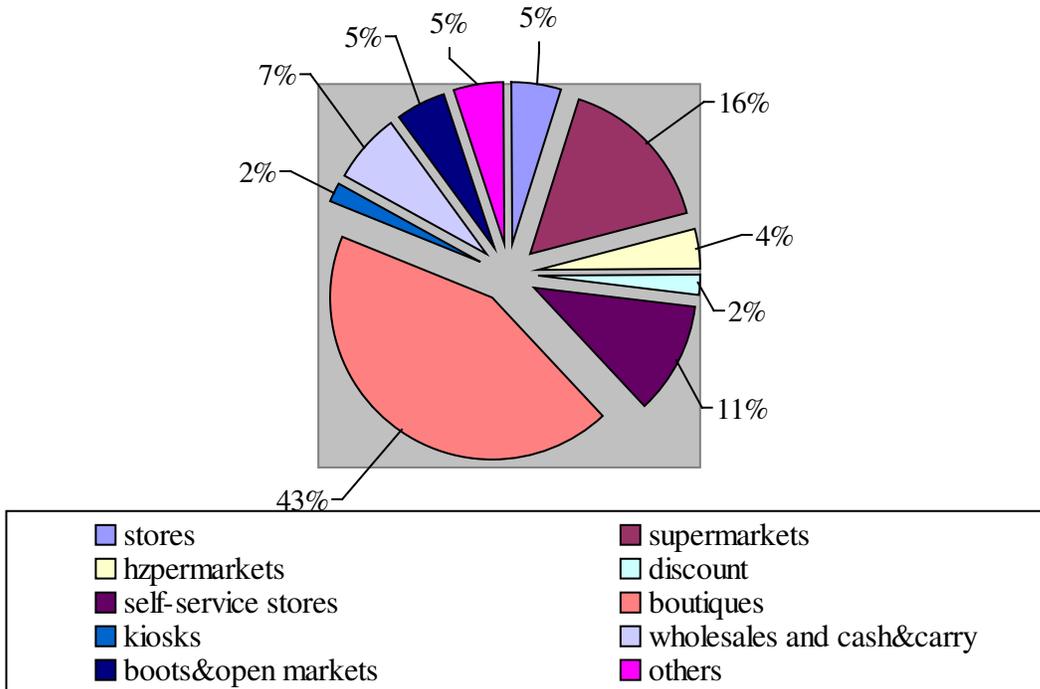
<sup>12</sup> [www.gfk-ro.ro/shoppingmonitor/](http://www.gfk-ro.ro/shoppingmonitor/)

<sup>13</sup> [www.gfk-ro.ro/retail/](http://www.gfk-ro.ro/retail/)



**Fig. 1. The consumption spending structure on shops formats in 2000**

In 2000, we can see that there were no formats of hypermarket or discount shops, and most of the consumption spending of Romanians was made through a traditional way of trade: boutiques (43%). In 2005, as opposed to 2000, the most important increases have been signaled in the case of supermarkets whose proportion in the consumption spending has risen from 4% to 16%, these stores being chosen by the population because of close vicinity, the flexible working schedule and the small amount of time spent during shopping.



**Fig. 2. The consumption spending structure on shops formats in 2005**

Implementing big shop chains in Romania has had as positive effects: the appearance of new jobs, higher qualification for the employed personnel, salaries over the medium national rate, advantages for the local producers, faster and safer collecting of taxes, but we can also mention the downside: the constant loss of traditional trading forms to the modern ones which have been brought from outside the country, the appearance of a competition on the edge of the law for the Romanian companies, the bringing of great commercial chains in Romania and placing the local industry and Romanian agriculture at a disadvantage, the unlimited generalization of great transnational commercial concentrations.

### **The perspectives of the Romanian retail trade market**

In 2010, according to market research<sup>14</sup>, half of the Romanian population will be doing its shopping in supermarkets, hypermarkets, and a situation which can be compared to that of Central – Eastern European countries situation from 5-10 years ago. The development of the cash&carry type of units is slower than the life of supermarkets and discounters.

Modern trade in Romania has become a reality of the economy, through its proportion in the total of retail sales and through the number of store chains that already exist, but the same study made by the Market Research Institute GfK and Incoma Research Czech Republic, through questioning consumers from 11 Eastern European countries, among which Romania, points out that the Eastern-European retail market has an ascendant trend, and is growing to be more and more focused and is beginning to be more and more like the Western European retail market.

At the end of 2006, in Romania there were 236 shops belonging to the modern trade (33% of the detailed trade), out of which 22 hypermarkets, 66 supermarkets, 112 discount stores and 36 cash&carry.

In the context of joining the European Union, Romania trade will enter small and medium towns, will know stronger competition between trade formats, the prices will lower, especially for the products coming from member countries of the European Union, and the services provided by retailers will be significantly better. In the next years, Romanian trade will reach the level now met in Hungary, Czech Republic or Poland, the development of Romanian retailers will be nonetheless much faster than that of Central and Eastern Europe.

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# APPLICATION OF THE RFM METHOD IN THE CUSTOMER RELATIONSHIP MANAGEMENT

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*The paper focuses on customer relationship management (CRM) underlining its analytical contribution to the substantiation of effective marketing strategies and programs. More specifically, the objective of the paper consists in the presentation of the RFM method, one of the most widely used tools in analytical CRM, in order to segment the customer portfolio of the company and identify the best targets for a particular offer or campaign. The acronym RFM corresponds to the following terms: recency, frequency and monetary value. Two alternative ways to apply the RFM method are analyzed. The former is based on sorting customer data in equal quintiles and analyzing the resulting data. The latter is centered on the calculation of relative weights for the recency, frequency and monetary value on the basis of the regression technique. The method is based on data that are available internally, being acquired by companies on continuous basis about their customers. The databases represent a real gold nugget for the companies that are interested to improve their performance by generating value for both customers and shareholders.*

*Key words: customer relationship management, recency, frequency, monetary value, segmentation*

At present, CRM is one of the acronyms that are widely used by business and marketing managers, as well as by IT specialists. In essence, the abbreviation corresponds to the terms customer relationship management. Most market players who are or would like to enter “the first league” have designed CRM strategies and have invested in dedicated software solutions, in order to increase customer retention, boost organizational profitability and acquire sustainable competitive advantage.

## **1. CRM: a modern strategic and analytical perspective**

The CRM definitions abound in the marketing and management literature. According to their background and specialization, various experts support different approaches. Some perspectives focus on the IT side, others on the marketing side, while an ever increasing number of managers concentrate on CRM as a business strategy.

The CRM continuum spans from a narrow and tactical definition centered on technology to a broad and strategy-oriented definition concentrated on shareholder value [1]. According to the renowned research agency Gartner, CRM is an IT enabled business strategy, the outcomes of which optimize profitability, revenue and customer satisfaction by organizing around customer segments, fostering customer-satisfying behaviors and implementing customer-centric processes. [2]

Building strong and long-term relationships with customers is one of the most important “value disciplines” for the organizations. Treacy and Wiersema, have identified the following three value disciplines: operational excellence, product leadership and customer intimacy. [3] The company promoting a customer intimacy perspective develops its strategies based on the knowledge about individual customers, their behavior and preferences. From a CRM standpoint, the company attention shifts from the profit on transaction to the customer lifetime value.

The implementation of the CRM objectives and strategies implies a thorough knowledge about customers. Consequently, organizations have built the analytical CRM, a bottom-up perspective which focuses on the intelligent mining of customer data for strategic and tactical purposes. Organizations may turn into value information available in their own databases and in external sources. Every company has data about purchasing and payment history of customers, credit score, response to direct marketing campaigns, customer loyalty and services required by customers. At the same time, it may outsource valuable data on geodemographics and lifestyle.

On the basis of the analytical CRM, organizations may answer fundamental questions such as: “Which customers should be targeted with this offer?”; “Which is the likelihood of each customer to purchase/repurchase a specific product?”; “Which is the relative priority of the customers waiting in the line and what level of service should they be offered?”.

Analytical CRM is able to increase the capability of the company to provide customized solutions adapted to the specific needs and expectations of each customer and to increase customer satisfaction. At the same time, analytical CRM is able to increase the effectiveness of the cross-selling, up-selling and retention programs.

## 2. The RFM method

The RFM acronym stands for recency, frequency and monetary value. Its goal consists in identifying and targeting the most attractive customers for a specific marketing project. This method is applied by CRM experts in order to select the segment of customers that will better respond to a particular marketing campaign. The application of the method implies data about the past behavior of customers.

The RFM method may be implemented for the customers existing in the portfolio of the company, not in the case of prospects. It helps the marketers predict the reaction of customers to an offer made by the company, based on dynamic data about their purchase history. Consequently, RFM method has as result a behavioral segmentation of customers and the selection of those customers that will respond more favorably to the marketing proposition.

The main idea on which the method relies is that past behavior is a better predictor of future behavior than customer declarations relative to their purchasing intentions and attitudes. [4] The likelihood of response to a specific marketing campaign is more reliably estimated by data on historical behavior than by the reasoning and plans stated by customers.

The term recency refers to the time interval from the date when the customer – either an individual or an organization – has placed an order with the company. The frequency describes how often the customer has ordered within a specific period. The monetary value quantifies the amount of money that a customer has spent on an average transaction. Two alternative ways to apply the RFM method are presented hereinafter.

## 3. RFM: the approach based on quintiles

According to this approach, the application of the method requires customer grouping into equal quintiles based on data about the RFM criteria. The main steps of the application process are the following: (a) recency coding; (b) frequency coding; (c) monetary value coding; (d) customer sorting based on RFM codes; (e) calculation of the breakeven value for each customer; (f) computation of the breakeven index for each customer; (g) selection of the most attractive customers.

A hypothetical example will be considered, in order to present the sequence of steps to be followed. The example refers to a company that owns a database of 600,000 customers. The organization decides to select a sample of 60,000 customers that is representative for the entire customer base. The purpose is to quantify the response of the customers to a specific direct marketing campaign. The assumption is that marketers have initiated the project in order to entice actual customers of the company to buy a newly launched durable good. In this respect the campaign will consist in mailing a coupon equivalent to a 70 Euro amount. The addressees are the customers from the selected sample.

The response rate for the mailing campaign reaches a hypothetical level of 3%. More precisely, only 1,800 customers have responded. From this point onward, marketers will make a thorough analysis based on RFM data, with the objective to determine if there is any correlation between the response of customers to the mailing campaign and their past purchasing behavior. First, the sample of 60,000 customers is sorted in descending order of their most recent purchase date. Subsequently, the sample is divided into five quintiles that are coded from 1 to 5. The figure “1” is associated with the first quintile that consists of all the customers that have bought most recently the products of the company. The figure “5” corresponds to the last quintile consisting in customers that have made the least recent purchases. Similarly, figure “2” is associated with the second quintile, figure “3” with the third quintile and “4” with the fourth, according to the descending date of their purchase (or ascending length of the time interval from their last purchase). The average response rate is computed for each quintile defined according to the recency of the purchases. The average of the response rates corresponding to the five quintiles is equal to the average response rate of the sample (3%).

Following the same sequence of steps, the sample is divided into quintiles based on the other two variables of the method, i.e. purchase frequency and monetary value. The coding procedure is relatively similar. The hypothetical response rates of each quintile are presented in the table 1.

The sample of 60,000 customers is divided in five quintiles of 12,000 persons each, according to the purchase recency. Each recency quintile is divided into five quintiles of 2,400 persons each, according to the frequency variable. Similarly, each frequency quintile is divided into five quintiles of 480 persons each, based on the monetary value. Consequently, marketers have generated 125 sets of codes (5 recency divisions \* 5 frequency divisions \* 5 monetary value divisions = 125 RFM sets of codes).

**Table 1 – The hypothetical distribution of response rates by quintiles**

Recency		Frequency		Monetary value	
Quintile	Response rate (%)	Quintile	Response rate (%)	Quintile	Response rate (%)
Q1	5.2	Q1	4.1	Q1	3.8
Q2	4.6	Q2	3.8	Q2	3.4
Q3	3.1	Q3	3.2	Q3	3.2
Q4	1.3	Q4	2.0	Q4	2.4
Q5	0.8	Q5	1.9	Q5	2.2
Average	3.0	Average	3.0	Average	3.0

After the coding of each quintile, marketers are able to associate a set of codes with each customer in accordance with their specific recency, frequency and monetary value. For instance, a customer may be associated the figure “1” according to purchase recency, “2” in terms of frequency and “5” in terms of monetary value. In fact, the customers of a specific purchase recency quintile may belong to one of the quintiles 1 to 5 in terms of purchase frequency and to one of the quintiles 1 to 5 in terms of monetary value.

The next step consists in the calculation of the *breakeven value* (BE). It is calculated using the formula presented below:

$$BE = \frac{UCP}{UNP} * 100 \quad (1)$$

where UCP is the unit cost price and UNP is the unit net profit. Assuming that the cost of the mail sent to each customer is one Euro and the net profit is 50 Euros, the breakeven value is 2%, respectively (1Euro/50 Euros)\*100.

The value BE = 1 shows that the marketing campaign did not generate any profits and it only broke even. A value higher than one (BE > 1) reflects positive results achieved by the campaign.

The breakeven value may be calculated for each customer and compared to the response rate achieved in the mailing campaign. The attractiveness of each customer account is reflected by the *breakeven index*. The indicator is computed using the following formula:

$$BEI = \frac{RR - BE}{BE} * 100 \quad (2)$$

where RR is the response rate to the marketing campaign (percentage of customers that have responded positively to the marketing campaign), BE is the breakeven value.

For example, if the response rate is 3% and the breakeven is 2%, the value of the breakeven index is [(3% - 2.0%)/2.0%] \* 100 = 50. The values BEI > 0 indicate that profits have been generated by transactions. The value BE = 0 corresponds to a break even situation. The values BE < 0 indicate that transactions ended with losses, not with profits.

Marketers should target only the customers with a *positive breakeven value index*. The customers with negative values of the BEI should not be considered for that specific marketing campaign because they do not generate any profit. The company must target only the profitable customers. It will gain more by focusing on the best customers than by mailing to all the customers in the database. A hypothetical situation is presented in the table below.

**Table 2 – Comparative analysis of the potential profits**

Indicators	M.U.	Test	Full customer base	Target segment based on RFM
Average response rate	%	3	3	20
Number of responses		1,800	18,000	7,600
Average net profit/sale	€	50	50	50
Net revenue	€	90,000	900,000	380,000
Number of mails sent		60,000	600,000	38,000
Cost per mail	€	1	1	1
Total mailing cost	€	60,000	600,000	38,000
Profits	€	30,000	300,000	342,000

The data from the above table shows that a campaign targeting the most attractive customers leads to higher profits than a campaign directed to the full customer base.

#### 4. RFM: the approach based on relative weights

Another alternative way to apply the RFM method is centered on the assignment of weights to the three variables, according to their importance. The first approach consisted in the sequential sorting of the customers existing in the database, based on their RFM values. The second perspective relies on weights calculated by using the regression analysis. The weights are determined with a test sample and considered to calculate the score specific to each customer in the database.

The highest the score, the more profitable is the customer for the company. For each customer, the score is calculated as follows:

$$S = Pr * W_r + Pf * W_f + P_m * W_m \quad (3)$$

where S is the RFM score corresponding to a specific customer, Pr is the number of points associated to the customer according to the purchase recency, W<sub>r</sub> is the weight of the recency variable, Pf is the number of points associated to the customer according to the purchase frequency, W<sub>f</sub> is the weight of the frequency variable, P<sub>m</sub> is the number of points associated to the customer according to the monetary value of the purchases made by in a specific period, W<sub>m</sub> is the weight of the monetary value variable.

For each purchase of each customer, the recency score is computed based on a specific rule. A possible example is the following: 20 points are allocated if the purchase was made 3 months ago or less than 3 months ago, 10 points if the purchase was made in the interval (3,6] months ago, 5 points for (6, 9] months ago, 3 points for (9, 12] months ago and 1 point for more than 12 months ago. Similarly, the frequency score for each purchase may be calculated multiplying the number of purchases within the last 24 months by 4 points, but no more than maximum 20 points to each purchase. The score for the monetary value is calculated as one tenth (10%) of the purchase value, up to a maximum of 20 points per purchase. The regression will be used to identify the weights of the three variables (R, F, M). An example of possible weights is the following: 5 for recency, 3 for frequency and 2 for monetary value. The next table presents a hypothetical case of three customers.

**Table 3 – RFM score calculation**

Customer	Purchase	Recency (months)	Frequency (number of purchases in the last 24 months)	Monetary value (Euros)	Recency score	Frequency score	Monetary value score	Total weighted score per purchase	Total score per customer
A	1	3	2	100	20	8	10	144	209
A	2	7	2	80	5	8	8	65	
B	1	13	1	50	1	4	5	27	27
C	1	2	3	60	20	12	6	148	358
C	2	4	3	70	10	12	7	100	
C	3	6	3	120	10	12	12	110	

According to the total score corresponding to each customer, the most attractive account is C (358 points), followed by A (209 points). Customer B (27 points) will not be considered as target for the marketing campaign due to the very low RFM score.

The RFM method is a very useful tool for marketers in the process of customer target selection. Both alternative ways of application may be considered by companies. With the support of IT solutions, the RFM may be used on continuous basis for the assessment of customer attractiveness. The monitoring and evaluation of the recency, frequency and monetary value of the purchases facilitate the efficient segmentation and targeting of the customers existing in the portfolio of the company and the design of the most effective strategies in customer relationship management.

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# THE MEASUREMENT OF CUSTOMER LIFETIME VALUE AND CUSTOMER EQUITY

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*Customer lifetime value and customer equity are central pillars of the analytical customer relationship management. These concepts reflect the capacity of the organization to generate profits considering the customer portfolio, the current and potential customers.*

*The paper focuses on the measurement of lifetime value (LTV) and customer equity (CE). It aims to present several ways to quantify LTV and CE. The paper underlines the main steps and variables that must be considered by marketing managers in order to assess the LTV and CE.*

*The declarations made by organizations about the importance of satisfying the needs and expectations of customers are no longer the exception in the market, they are the common denominator of the marketing policy of most organizations. However, a question still remains relative to the share of the organizations that achieve a thorough analysis of the customer LTV and CE, in order to devise the most effective and efficient strategies. The present paper makes a stride further by providing a set of methods that bring light and quantification in an area where qualitative approaches and bird's eye view are customary.*

*Key words: analytical CRM, customer lifetime value, customer equity, measurement*

Customer-centric strategies are the trend in today's highly competitive market landscape. The focus on customers, on their needs, wants and expectations is the common characteristic of the organizations that achieve a sustainable positive performance and maintain their leading positions in the market. The concepts of customer lifetime value and customer equity became the stepping stone of marketing policies able to generate value for customers, companies and their shareholders.

## **1. A conceptual approach of customer lifetime value and customer equity**

The essence of marketing management consists in the design of strategies that will build profitable relationships with target customers. [1] Marketing management is concentrated on the development of long-term relationships with customers and to a less extent on the achievement of a high level of profitability of each transaction.

The core of the marketing philosophy is the creation of customer loyalty and retention. Customer relationship management promotes the idea that totally satisfied and delighted customers remain loyal to the brand and the company, spread favorable words among the potential customers and ensure a sustainable positive evolution of the company through their continuous stream of purchases during the relationship with the organization and its brands.

Losing a customer means much more than losing the net profit of one transaction. In fact, losing a customer is equivalent to losing the profits generated by all the purchases that specific customer would have made from the company during the entire relationship with the organization. Consequently, high performance marketing managers focus on customer lifetime value and on customer equity.

The customer lifetime value is defined in various ways. Essentially, it is the value of the entire stream of purchases that the customer would make over a lifetime of patronage. From a supplier standpoint, a customer's lifetime value can be defined as the present-day value of all net margins earned in a relationship with a customer [2]. The LTV is a multi-period assessment of the customer value to the firm.

While the interest in LTV increases, there are also some pessimistic opinions. Sometimes, LTV is considered "an elaborate fiction of presumed precision". [3]

In customer relationship management, the generation of customer equity is the foremost goal of the company. Customer equity is the sum of the discounted customer lifetime values of all the company's customers. This concept refers to both the current and the future customers. The viability of the company and its future performance depend directly on customer equity.

The simplest example that reveals the concept of customer lifetime value and customer equity refers to a convenience store that serves a small community of 700 households. The average value of the purchases made weekly by a household of that neighborhood is 60 Euros. An assumption could be that on the average, during a year, a household buys products with a value of at least 3,000 Euros (60 Euros per week multiplied by 50 weeks annually). Losing one of the households as a customer will stop a revenue stream

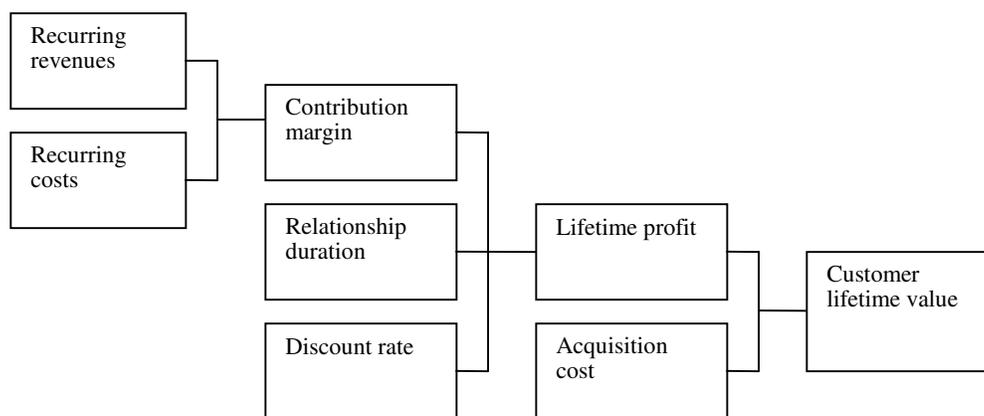
of 3,000 Euros annually multiplied by an average of 4 years during which the household members will very likely live in the neighborhood. More precisely, the convenience store will lose the total undiscounted revenue of 12,000 Euros, respectively a 9,000 Euros discounted value generated by that household. At the same time, the store management should design and implement strategies able to satisfy and delight the members of the 700 households, in order to achieve a sustainable level of financial performance. Consequently, the customer equity will be the center of the store policy. Considering the 700 households (current and potential customers) that create the small community served by the convenience store and the discounted revenue stream of 9,000 Euros generated by one household during a four-year interval, the organization has to profitably manage a customer equity of 6.3 million Euros in the specified period.

## 2. The measurement of customer lifetime value

The LTV measurement is centered on the present-day value of all net margins earned in the relationship with the customer. Consequently, the historical net margins must be compounded up to today's value and the future net margins must be discounted back to today's value.

The calculation of LTV requires a precise view of the revenues and costs associated with the creation and development of the relationship with a specific customer. The major factors considered for the calculation of LTV are presented in figure 1.

**Figure 1 – Major factors considered for LTV calculation**



There are several ways to compute LTV. Even if the concept seems to be very simple and clear-cut, there are various quantitative approaches. The main reasons of the diversity of approaches are the following:

- *types of variables considered.* A diverse array of variables may be included in the model. The inputs of the model may be defined more broadly or more narrowly. For example, recurring costs may reflect to a different extent various types of marketing and service costs.
- *relationship duration.* The duration of the relationship may also generate variations. On one side, the relationship may have a finite duration when it is based on a two-year contract (as in the case of mobile telecommunication companies) or a non-finite duration (as in the case of a hypermarket).
- *data availability at customer level.* Data availability may also be an issue. A relatively small number of companies have data at customer level, not only at the entire portfolio level. Few are able to compute the net profit corresponding to each customer. The calculation of LTV implies that all costs generated for the customer acquisition and retention, for the completion of each transaction and for relationship management are traced back to each individual or organizational customer. Such an allocation of costs provides a complete insight that is indispensable for the calculation of customer LTV.
- *statistical abilities.* The software solutions applied to the databases influence the capabilities of the marketers to compute the LTV and design appropriate one-to-one strategies.
- *time frame.* When marketers want to analyze the historical evolution of the customer lifetime value, they use data about the past behavior of the customer. The data are available in the databases of the company. However, nowadays, specialists focus more on estimating the future LTV.

The allocation of income and expenses to one customer may be accomplished according to the procedure presented in table 1.

**Table 1 – Allocation of income and expenses to a specific customer**

Customer turnover
- Discounts granted
+ Shipping costs passed on to customer
+ Supplier's credit
Gross turnover
- Turnover from returns
Net order sales
- Cost of goods/services sold
- Administrative order processing costs
- Physical order processing costs
- Administrative and physical costs of processing returns
- Bad debt expenses
- Cost of acquisition and relationship management
Customer's contribution to overhead and the profit of the organization

Source: [4]

In accordance with the definition, the lifetime value of an individual customer may be calculated as the sum of the discounted contribution margins generated by that customer over the analyzed period. The formula is the following:

$$LTV_i = \sum_{t=1}^T CM_{it} \left( \frac{1}{1+\delta} \right)^t \quad (1)$$

where:  $i$  corresponds to the specific individual customer;  $LTV_i$  is the lifetime value (expressed in monetary units) of the customer  $i$ ;  $t$  (from 1 to  $T$ ) is the time unit (month, year etc.);  $CM_{it}$  is the contribution margin generated by the customer  $i$  in the time unit  $t$ ;  $\delta$  is the interest rate (cost of capital that is used to calculate the net present value) corresponding to the specific time unit  $t$ .

Formula (1) may be presented under the form of a detailed version by breaking down the contribution margin.

$$LTV_i = \sum_{t=1}^T (S_{it} - DC_{it}) - MC_{it} \left( \frac{1}{1+\delta} \right)^t \quad (2)$$

where:  $S_{it}$  represents the sales to the customer  $i$ ;  $DC_{it}$  is the direct cost associated with the customer  $i$ ;  $MC_{it}$  is the marketing cost associated with the customer  $i$ .

### 3. The measurement of customer equity

Customer equity is measured as the sum of the lifetime values of all the company's customers. This indicator reflects how much a company is worth at a specific point in time as a result of its customer management efforts. An example of formula for the measurement of customer equity is presented below:

$$CE = \sum_{i=1}^N \sum_{t=1}^T CM_{it} \left( \frac{1}{1+\delta} \right)^t \quad (3)$$

where:  $CE$  is customer equity;  $i$  (from 1 to  $N$ ) corresponds to the individual customers;  $t$  (from 1 to  $T$ ) is the time unit (month, year etc.);  $CM_{it}$  is the contribution margin generated by the customer  $i$  in the time unit  $t$ ;  $\delta$  is the interest rate (cost of capital that is used to calculate the net present value) corresponding to the specific time unit  $t$ .

The formulae that have been presented are based on the assumption that customers remain fully active during the period under consideration. In a real business environment, this assumption is not valid. Consequently, marketers should take into account customer retention probabilities and adjust the formulae for the determination of LTV as follows:

$$LTV_i = CM_i * \left( \frac{R_r}{1+\delta - R_r} \right) - AC \quad (4)$$

where:  $R_r$  is the retention rate and  $AC$  is the cost of acquiring the customer  $i$ .

The perspective into the future is by far more important than into the past when computing the LTV [5]. In the process of strategy design, the past does not provide marketers a relevant view of customer LTV. The main factors that generate the preference for a perspective into the future are the following: (i) revenues from customers tend to grow over time as they buy more in terms of quantity and an ever wider range of products from the company's portfolio; (ii) costs associated with customer retention are smaller than customer acquisition costs; (iii) totally satisfied and delighted customers generate additional revenue to the supplier due to their referrals; (iv) loyal customers pay prices that are often higher than those offered to new customers (companies provide discounts to lure potential customers into buying).

An example of CE calculation is presented in table 2. The data reflect the situation of a company that acquired 2,000 new customers due to a direct mailing campaign with a response rate of 4%. The average annual sales value generated by a customer is 250 Euros and it is assumed to be constant over the lifetime of the customer. The gross margin is 30%. The retention rate increases progressively from the first to the fifth year of the customers' lifetime. The profit per period is discounted to the present value with an annual rate of 14%.

The calculated customer equity is 68,106 Euros generated during a lifetime of five years. The CE value reflects the total net present value of the profits generated by the customers retained by the company. The improvement in the annual retention rate may have a positive effect on the customer equity value.

**Table 2 – Example of CE calculation**

Year	Sales per customer (Euros)	Manufacturer's gross margin (Euros) <sup>1</sup>	Marketing and servicing costs (Euros)	Retention rate (%) <sup>2</sup>	Survival rate (%) <sup>3</sup>	Number of active customers <sup>4</sup>	Annual profit per customer (Euros) <sup>5</sup>	Annual discounted profit per customer (Euros) <sup>6</sup>	Total discounted profit per period (Euros) <sup>7</sup>
1	250	75	25	35	35.0	700	50	50	35,000
2	250	75	25	50	17.5	350	50	43	15,050
3	250	75	25	64	11.2	224	50	37	8,288

4	250	75	25	78	8.7	174	50	32	5,568
5	250	75	25	86	7.48	150	50	28	4,200
Total CE									68,106

Note: (1) Gross margin calculated according to a 30% rate over the sales per customer. (2) The retention rate is specific to each annual period. (3) The annual survival rate is the share of the initial number customers that have remained loyal in the year under consideration. (4) Estimated number calculated by multiplying the initial number of new customers (2,000 customers) by the survival rate. (5) From the company's perspective, the annual profit per customer is calculated by deducting the marketing and servicing costs from the manufacturer's gross margin. (6) Calculated on the basis of 14% discount rate. (7) Total value obtained by multiplying the annual discounted profit per period by the number of active customers in that period.

The lifetime value and the customer equity are indispensable metrics for the effective and efficient management of the relationships with customers. They guide the strategic decisions of the company. In order to improve the LTV and CE values, companies must continuously diminish the acquisition costs, strengthen the retention rates and augment the profit earned per customer. Every improvement in the LTV and CE influences the financial results of the organization and has a significant impact on its position in the marketplace.

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## STRATEGIC MARKETING PLANNING IN THE PUBLIC SECTOR - CONCEPTUAL DELIMITATIONS-

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*In the conditions of integrating in the European Union, the public institutions from Romania have to align to the european standards. This can not be possible without planning the efforts and the resources according to the opportunities and risks existing on the external marketing environment.*

*The paper focuses on the strategic planning process and its dimensions, as: time horizon, domain, frequency and managerial level where it can be applied. There are also underlined the advantages of applying the strategic plans in the public institutions' activities. One thing that can be noticed easily, is that the romanian public institutions are activating in a dynamic, changing, not stable marketing environment. In the paper there is also presented the relationship between the planning and the other functions of management.*

*As a conclusion, the strategic planning process is a solution to any successful business.*

*Key words: strategic planning, public institutions, managerial process*

„Marketing is the blood that gives birth to any business. You can have a great product, technical know-how and many years of experience in the field of financial management, but if you want your business to develop well and vigorously – to grow alone – then you need marketing. And the first and the most important step is the marketing plan.”<sup>23</sup>

Strategic marketing planning focuses on many aspects related to the company. It reflects what the company wants to acquire, how the company will reach that level, how she realises that she reached the wanted level.

Challenge in the field of planning refers to make some decisions that should assure the successful future of the organization.

Planning is a process that never ends by creating a plan, but it continues with its implementation, which is a step that can bring some improvements or modifications to the plan in order to make it more efficient.

Planning is an activity of making decisions , which represents the basis of the management process and which helps managers to organize, run and control, offering to the company a target and a direction.

The relationship between the planning and the others functions of the management is illustrated in the following figure:

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<sup>15</sup> Marty, 1971, quoted in Witt, S.,F., Moutinho, L., „Tourism Marketing and Management Handbook”, Prentice Hall Europe,Hertfordshire,1995, p.295.

<sup>16</sup> Middleton, V.,T.,C., “Marketing in Travel and Tourism”, Butterworth – Heinemann, Oxford, 1997, p.73

<sup>17</sup> Stancioiu, A.,F., “Strategii de Marketing in Turism”, Editura Economica, Bucuresti, 2004, p.102

<sup>18</sup> Morrison, A.,M., „Hospitality and Travel Marketing, Delmar Publishers,1989, p.141

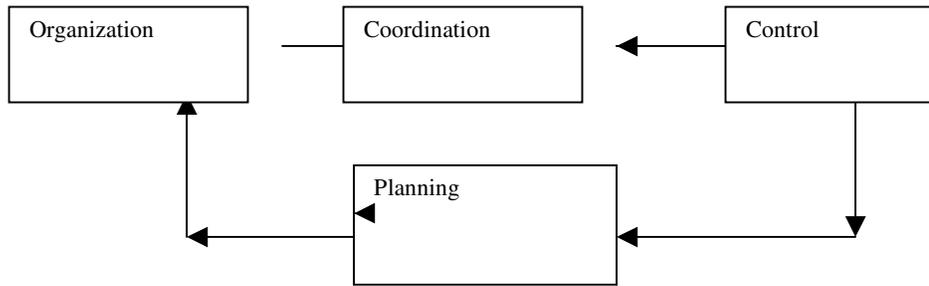
<sup>19</sup> Kotler, P., Bowen, J., Makens, J., “Marketing for Hospitality&Tourism”, Prentice Hall Inc., Upper Saddle River, NJ, 1996, p.254

<sup>20</sup> Morrison, A.,M., readed work, p.144

<sup>21</sup> Witt, S.,F., Moutinho, L., readed work, p.299-302

<sup>22</sup> Middleton, V.,T.,C., readed work, p.76

<sup>23</sup> Ros J, Marketing Plans In A Week, Second Edition, Cox&Wyman Ltd., Reading, London, 2003, p.5.



**Figure no.1 – Relationship of the planning with the managerial processes**

So, strategic planning is a management instrument, and, as any other management instrument, it is used for one purpose: to help the company to develop her activity, to concentrate her energy, to ensure the employees that they work together to reach the same ideal, to establish and adjust the action direction of the company, as a response to a changing business environment.

Actually, „market oriented strategic planning is the managerial process of conceiving and keeping a viable relationship of corresponding between the objectives, abilities and resources of the company and the opportunities on a changing market. The goal of strategic planning is to model the economic activities and the products of the company so that to be realised the proposed profits and growing rates.”<sup>24</sup>

The process is strategic because it involves finding the best solutions to the circumstances of the business environment, even if they are known or not.

Public institutions have to develop their activities in a dynamic or even hostile environment. Strategic planning supposes knowing the institution’s objectives and resources, but also a responsible reaction from the top management in front of such a changing environment.

Meanwhile, the process refers to planning because it involves establishing some objectives –related to an expected situation in the close or far future- but also because it involves developing some ways for reaching these objectives.

Strategic planning process raises a sum of questions, which can help the specialists to gather and incorporate information about present and about the business environment in which the public institution will activate in future.

Finally, the process is related to decisions and fundamental actions, because the choices have to be made in such a modality, that they should answer to the sum of questions mentioned before. The plan is neither more nor less than a sum of decisions about what a public institution should do, why to activate this way and how to react to the changes of the marketing environment. It is impossible to do all the time what you have to do, this is why strategic planning supposes that some decisions and actions are more important than others and it is necessary to adopt those decisions that are strictly related to the success of the public institution.

We are wondering, maybe, why is so important marketing strategic planning in a public institution. The answer is neither simple nor singular, it focuses on a multitude of arguments, as the following:

- It defines clearly the goal of the institution and establish realistic objectives, according to the organization’s mission, in a short period of time, adequate to the capacity of the institution of implementing the plan;
- It assures the use of public institution’s resources for reaching some key priorities;
- It offers a basic level, from where it can progress, this progress being measured;
- It offers the possibility of examining the way in which the changes of the marketing environment influenced or will influence the institution;
- It facilitates the integration and coordination of the marketing mix;

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<sup>24</sup> Kotler Ph.- Managementul marketingului, Ediția a III-a, Editura Teora, București 2003, p.93

- It gathers all the motivated employees' efforts in order to establish together where is the institution going to;
- It contributes to the growing of the efficiency and productivity;
- It determines building of such a powerful team from top or middle management;
- It offers solutions to major problems.

The next question is about the right moment for developing the strategic planning process. It is known the fact that tactical plan is established for one year, while the strategic plan is established for a period longer than one year.<sup>25</sup>

There are also authors that say that there is a difference between the strategic and tactical plan from the environment marketing point of view.<sup>26</sup>

About the long term planning it is said that it represents developing of a plan for reaching an objective or a sum of objectives for a period of a few years, mentioning that present information about the future conditions are certain enough to assure the quality of the plan, even over the moment of its implementing.

On the other hand, strategic planning considers that the public institution should react to a dynamic, changing and not stable, marketing environment, how is the case of long-term planning. In public sector, there is a common opinion and according to this the marketing environment is changing and difficult to be predicted. So, strategic planning focuses on the importance of making decisions that will ensure the ability of the organization of answering successfully to the changes from the marketing environment.

Temporal horizon that a plan is conceived for, is very important, managers using both plans for one year (short-time plans) and plans conceived for at least five years (long-term plans).<sup>27</sup>

Long-term plans are those that cover competitive, technological and strategic complex aspects of the top management of an organization, and which involves also the allocating of the resources.

Long-term planning refers to research and development, capital expansion, organizational and managerial development and also to satisfaction of the financial needs of the organization.

Medium-term plans are conceived, usually, for one till three years. While the long-term plans are derived directly from the process of strategic planning, the medium-term plans are more detailed and more relevant for the medium and low management.

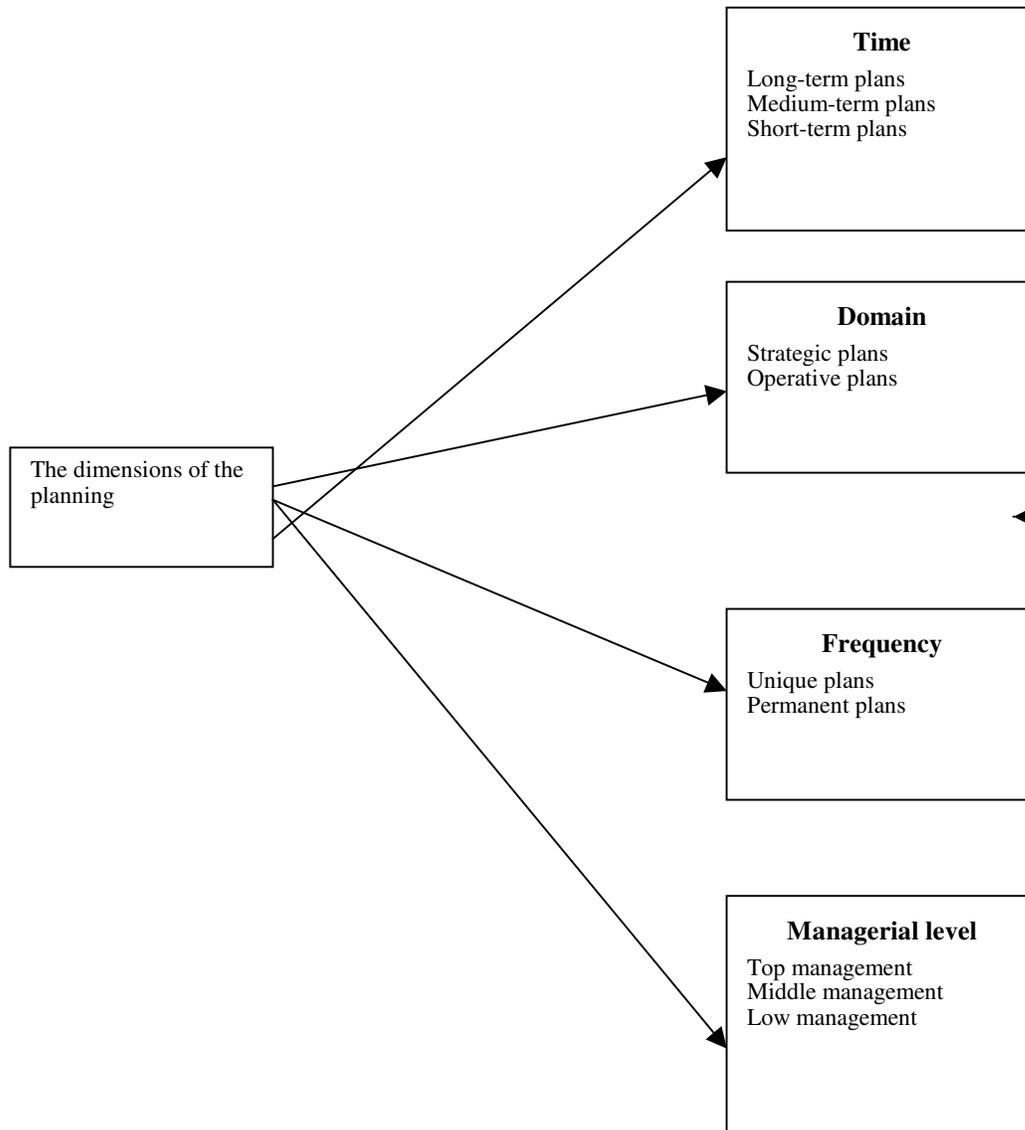
Short-term plans are conceived for one year and they have a more powerful impact over the daily activities of the managers in comparison with medium or long-term plans.

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<sup>25</sup> Balaure V. – Marketing, Ediția a II-a revăzută și adăugită, Editura Uranus, București, 2002, p.586

<sup>26</sup> [http://www.allianceonline.org/FAQ/strategic\\_planning/what\\_is\\_strategic\\_planning.faq](http://www.allianceonline.org/FAQ/strategic_planning/what_is_strategic_planning.faq)

<sup>27</sup> <http://www.unibuc.ro/eBooks/StiinteADM/cornescu/cap2.htm>



**Figure no.2 – The four dimensions of planning**

A few fundamental benefits of the strategic planning process include:

- A clearly defined direction which guides and sustains the organization’s management;
- A vision and a goal shared by all employees;
- An increased level of commitment for the company and her objectives;
- An improved quality of services for clients and a modality of measuring this services;
- The ability of establishing some priorities and preparing the resources for the opportunities;
- The ability of treating the risks that are coming from the external environment;
- The process which helps the crisis management.

Marketing plan is essential for any successful business. It is the heart of the business, the basis from where all the others management and operational plans are created. Marketing offers to any public institution a sum of informations, that can lead to the success of the organization, if they are applied correctly.

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## THE INTERVIEW – GENERAL PROCEDURE TO SELECT EMPLOYEES

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### RESUME

*The new practical preoccupations in the organizational sociology promote a reorganization of the organizations on the pattern of the competences. According to the conception of Edward E. Lawler, the individuals capabilities are the essential element on which should gather our attention and these must be practiced in such a way to assure the competitive advantages. From the establishment of the places and from the human selection to fit these places, is necessary to start from finding and negotiating abilities, disponibilities and human requirements to fit as well as possible into the organization, gathering teams with what people can or can not do.*

*The interview of selection is a discussion more or less informal between the candidate and the representants of the employer. His font mission is about the evaluation of the verbal and non verbal behaviour of the candidate, the confirmation of the gathered information from the presentation files. So the interview is about verbal and non verbal communication.*

*As method of investigation in the process of human selection, the interview will be „the hey of success” for both parts implicated, if this will be prepared well.*

*„The best way to predict the future is to create it yourself”*

*Stephen R. Covey*

*Key words: interview, communication, employers, candidate.*

The engagement is a process with a sort of „spicy thing” because the employer „buys” the time, the abilities and the fissionability of the candidate as a special service, for which he pays a payment that is called „salary” or „fee” on a good price. On the other side, a valuable candidate for a good job „sells” „a pack of services” that he disposes tot eh employer, he sells his own image and identity.<sup>28</sup>

The motivation letter, the curriculum and the recommendation letters or the references compose the presentation files and are preliminary documents for the interview that have as purpose to obtain the invitation to participate at the interview. So you have to „look good on the paper” first.

The selection interview is an act of oral structured communication, more or less strict, having the form of question and answering pattern. The objectives of the interview are reciprocal information, evaluation and convincement. From the verbal and nonverbal messages that are transmitted, the employer will try to:

- To find out if the one who in interviewed will be able to satisfy successfully the need of the position, and if the answer is yes,
- To convince the employer that the position and the organization answer to the qualifications, the potential, the needs and the interest that the organization has
- On the other side, the candidate will have the possibility:
- To clear his mind on the fact that he wants or not to be employed there, and if the answer is yes,
- To convince the employer that he is the right person that the organization needs for that position

I will deal in the paper with the subject of the interview on the position of the employer.

The efficacy of the interview as a procedure of selecting is straight proportional with the competence of the employer. This one must structure the interview in an adequate manner and to lead the discussion on an established plan. So he will be able to get all the information he needs, regarding the qualities, the defects and the candidate’s potential that the job requires. The questions must deal with techniques that are meant to lead the written document of the candidate evaluation. So, it depends on the ability of the employer to communicate and also depends on the objectives that they want to establish.

To establish the interview’s objectives, the employer, the manager must evaluate the candidate regarding the quantity, to compare them and to reduce the filters effect of the perceptual barriers in communication. So this will have to respect the 3 stages of the interview, as in any act of communication.<sup>29</sup>

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<sup>28</sup> Prutianu, Ș., Antrenamentul abilităților de comunicare, Ed. Polirom, Iași, 2004, p. 232-233.

<sup>29</sup> Cîndea, M., R., Cîndea, D., Comunicarea managerială aplicată, Ed. Expert, București, (1998), p. 211.

First, the candidate must be received and opened to the interview in an adequate manner. The development of the interview, is about the structure of the interview to choose the best choice (complete structured interior, unstructured interview, semi structured interview, stress controlled interview, and group interview) the last part, must be created an impression of a positive opinion towards the selection of the candidate, with the employers and with the organization.

### **Interview pattern**

- a. Regarding the development way
  - face to face interview
  - telephoned interview
  - Internet interview
- b. **Regarding the purposes of the employer the** interview may be:
  - structured
  - unstructured
  - interview with one employer
  - interview with more employers(team)
- c. Regarding the number of the employed that participate at the interview, there is:
  - one candidate interview
  - group interview

The investigation methods and the communication methods used in the interview may affect the types of the gathered information and also their quality. The best information is obtained when the candidate feels that his message is received properly. So, the employer must always take care<sup>30</sup>:

- to determine the candidate to talk
- to keep alive the talking
- to stimulate the talking
- to check if the meaning of the question is understood by the candidate

### **Types of questions that the commission can address:**

- a. Regarding the candidates personality
- b. Regarding the asked job
- c. Regarding the studies and the professional formation
- d. Regarding the anterior experience
- e. Regarding the extraprofessional things(hobbies)

When the interview is realized by a group of employers, they must establish a period of time, a unitary strategy to establish the person who has the role of the leader who must lead and control the development of the interview.

The verbal communication of the employer must assure the candidate motivation. So we must ask questions that determine the candidate to talk as much as possible about the perseverance, motivation, work habits, professional competences, aptitudes that the candidate has, to evaluate the experience in the field where he candidates for as well as in other fields. The questions are a basis of inspiration to establish the frame evaluation. After it was decide which questions are about to be asked, follows the step on which the answers will be appreciated quantities, so to give score or marks.

The non verbal communication is influenced by lots of factors, starting with the national culture and ending with the physiological state of the candidate. Interpreting this is a real art. With little experience and much attention and receptivity, the employer can use the non verbal communication as an instrument to detect the level of sincerity of the candidate, analysing the gestures, the mimic and the body language that are the most difficult to be controlled.

To organize a successful interview, we have to respect some rules as employers. I will mention some of them:

- The placement to be the same for the candidate and the employer

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<sup>30</sup> Chişu, V., A., Manualul specialistului în resurse umane, Casa de editură IRECSO, Bucureşti, 2001, p. 105.

- The light and the temperature to be comfortable
- The distance between the parts to be between 1 and 4 m
- To not sit on places that create a lack of visibility for the candidate
- The table to be clean to not disturb the attention of the candidate
- To have a position of the chair so as to observe the nonverbal messages of the employer
- We must pick our place to not be interrupted
- To allocate sufficient time for the interview and to fill the form between the interviews

The employer, when ending with the process of selection, passes on to the following evaluation of the candidates, comparing the results with the criteria that the position asks, after a time scale like: unacceptable acceptable (they could deal) and they could deal well. Then they check the recommendation letters, and after the analysis performance – potential, to make a decision on the candidate that fits the best into the position.

Important also for the employers is to not appeal to their own preferences, ideas and criteria, and if the employer is represented by a group, the member of this group to not be in any challenge among them.

No matter the result of the interview, you can not be liked by all; you **MUST** see the full side of the glass, the pleasant part of the things. You have to think at the possibilities not at the limits, at the opportunities and not at threats, because “everything is possible”.

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# MANAGEMENT OF THE RELATIONS WITH THE BENEFICIARIES OF THE HEALTH SERVICES –DIFFICULTY OF THE HEALTH ECONOMY IN ENSURING THE QUALITY

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*The current paper is part of a research project initiated by the authors on „Performance audit in management improvement in the sanitary institutions “which intends to make an analysis of the impact of reengineering the sanitary institutions on the medical act itself. Considering the difficulties the economists specialized in health services face, the current paper makes an analysis of the sanitary system quality, which is not something else than meeting the patient needs, the conformity between what he/she expects and what he/she receives starting from the reality that on the one hand we have the patient with a number of needs, of expectations and requests, and on the other hand the care with a certain number of characteristics and attributes.*

*Quality versus quality in health services gained a global approach with the International Standard ISO 9001:2000. For this reason, we consider that a comparative analysis of the definition for quality in health services, using the sampling technique will represent the starting point for organizing the production of information needed to build the quality expected by the patients, but not any kind of quality but an informational model and of assisting the decision making process.*

*Key words: health, quality, quality management of medical services, cost/benefits methods*

## **1. Difficulties of the health economy<sup>31</sup>**

Henri Guitton, to whom we owe the development of the health economy in France, considered that this is a new discipline, stating that, the principles which gave birth to the economic sciences are not perfectly applicable to the health issues”.

First difficulty the economists specialized in health services face concerns defining and measuring the quantity and the quality of the product resulted from the activities performed by the professionals in this area (producers). Indeed, although in theory the means used by these professionals are relatively easy to be determined, defining the result obtained is of extreme difficulty. What specifically wants the consumer using the services of one of this kind of producers to obtain: to regain his/her lost health, to keep his/her health or, even more, to improve his/her health.

In order to define the product, first we should define what health is. In its Constitution, World Health Organization proposes a definition: ***Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity***”. Here we have a definition which is very little operational for the economists. It refers to numerous criteria which measurement is compromised by subjectivity, because choosing these criteria depends on the adopted view. This way we can see *individual health* which is felt by the individual, *the social health*, related to how the health is perceived by the society, *the medical health* or *health diagnosed by the medical profession* which is a negative notion characterized by the lack of some symptoms or pathologies.

At the population level, the state of health is described, in general, by a whole set of indicators. It is important to note that an indicator does not represent the measurement for a dimension of the studied phenomena (in our case health), but only a quantity which can be calculated and which vary in a coherent manner with the state of the phenomena. It is considered that the life expectation, the mortality rate, prevalence of some pathologies and their rate of incidence are indicators for the state of health of the

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<sup>31</sup> Apud Claude Jessua, Christian Labrousse, Daniel Vitry, Damien Gaumont, *Dicționar de științe*, Editura Arc, București, 2006.

population because it is supposed to vary in a monotonous manner with the different levels of the state of health, but they do not represent measurements for that levels.

A second problem the economists specialized in health services face is that of the information the agents have about themselves and about the results they hope to obtain by addressing to a professional in the health area. The patient does not have, in general, more than a minimum information on the state of his/her health and its development; therefore, he/she address to the professional in order to obtain first of all an information on this state: a diagnostic. No matter the qualities of such a professional would be the answer can be stated only in terms of probability. The patient would want than to obtain information on different means and technical processes which either will allow him/her to maintain this state, or to ameliorate it. Again, the results of these means and processes can be described only in terms of probability. The context in which the patient expresses his/her preferences on some probabilistic distributions determines him/her, in general, to allow to the producer the freedom to decide the treatment strategy. The client mandates the producer to decide instead of him/her and in his/her interest. We are, therefore, very far away from the usual hypothesis of the neoclassical economy, because the independence of the demand and offer is not ensured anymore.

**Third problem** results from the *specific nature of the „health” good and of its social representation*. In our modern societies ”the right to health for all” is a incontestable value resulting from a continuous process of social negotiation which considers defining the social needs which must be satisfied. The need concept is improbable and given the fact that any need generates other needs, there is the risk for these to become infinite. The **cost/advantage assessment methods** represent the most important contribution of the economists specialized in health to the techniques which come to support the decisional process. To produce any cost/benefit researches is not possible without establishing multidisciplinary teams. Indeed, while defining the **adopted view**, the cost criteria and the aggregation function is part of the economist function, to define the possible options and the effectiveness criteria needs medical knowledge;

Usually the cost/advantage assessment methods are part of one of the three categories: cost/benefit method, cost/effectiveness method and cost/use methods.

The cost/benefit assessment methods use only measurable criteria in monetary terms. As part of these methods, the specialists often confront with the delicate problem of the price of the human life, which generates many paradoxes.

The effectiveness/cost methods use **several criteria** measurable in monetary terms and **one single criterion** for medical effectiveness (for example, based on the number of years of life gained) when the cost vary in direct line with the effectiveness or, on contrary, based on some marginal cost/effectiveness indicators (the cost of the last effectiveness unit of products).

The cost/use methods use criteria measurable in monetary units, aggregated based on cost/benefit assessment, a criterion for effectiveness (for example number of years of life gained *and considers also the quality of life*: the quality of the state of health they will live the years of life gained.

## 2. Quality versus quality in the health institutions

Although the dictionaries offer a lot of definitions for the term **quality** none of them has been universally accepted, numerous specialists in the quality aria giving each their own definitions for the quality:

- a. Philip B. Crosby: Quality means *meeting the exigencies*, i.e. explanation given by the client for his/her needs. As such, quality is synonym with exigencies.
- b. Pat Townsend: Quality is what the client sees when he/she realizes that the product or service is appropriate with his/her needs and corresponds to his/her expectations.
- c. Tom Peters: Insists on the dynamic aspect of the seduction advantages the quality offers; we can not satisfy the client, we can to seduce him/her, we can make him/her to vibrate of desire. We are indeed at this moment in a logics of conquer.
- d. Genichi Taguchi: Quality consists in minimizing the losses given by the products not only to the client, but also to the society, on long term.

In spite of the differences that exist between the above mentioned definitions, some tried to find a simple expression for the term referring to the **quality**<sup>32</sup>: *obtaining the durable satisfaction of the client*,

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<sup>32</sup> Costică Opincaru, Emanuel – Mugurel Gălețscu, Emilian Imbri, *Quality management of servicies in health entities*, Editura CNI Coresi S.A., Bucharest, 2004.

responding to his/her needs and expectations, in the environment of a body which engage to constantly improve its results and effectiveness”.

Adapted to the health activity, the same author offers a more pragmatic definition, respectively, „obtaining the durable satisfaction of the client, of the patient, first, at the best cost. Therefore, quality means how to satisfy the client? How to proceed in order to have the attributes of the care in order to meet patients’ expectation?”

In the following we will offer a compared analysis of the quality definition<sup>33</sup> in the health services:

- a. Joint Commission on the Accreditation for Health Care Organization: Quality components are: free access to the health care; appropriate health care; effectiveness; continuity; effectiveness; environment safety; care provided in due time; social acceptability.
- b. The Committee to Design a strategy for Quality Review and Assurance in Medicare of the Institute of Medicine: quality is how the health services for individuals and population increases the probability to obtain the expected results and are comparable with the current professional knowledge.
- c. World Health Organization, 1987: **Quality in the health institutions** is an „approach which should allow to guarantee to each patient to harmonies the diagnostic and therapeutics acts which will ensure the best result in the health conditions, in accordance with the current stage of the medical science, at the best costs for the same result, with the smallest iatrogenic risk and for his/her best satisfaction, in conditions of procedures, results and human contacts within the health care”.
- d. Donabedian, 1992: Distinct first the technical quality of the inter-personal relationships professionals – patients, and secondly the environment were the health services are provided.

### 3. Study on the management of relationships with the beneficiaries of the health services

Procedures to be implemented to reach the objective are based on questionnaires proposed to the patients and which we split in two categories:

**1. “PSYCHOLOGICAL”** – although more difficult to analyze and interpret, we consider that represents the starting point to assess the performances obtained in comparison with the established objectives.

The approach method: *crossed sampling* through a questionnaire granted by the leader at the same time to the patient and to his/her doctor, which comprise in the mirror the same kind of questions. Two models are proposed:

a) the first one simple choosing one of the answers (example):

<i>Questionnaire given by the leader to the doctor responsible for one room</i>	<i>Questionnaire given by the leader to the patient</i>
<p><b>1. Do you speak reporting yourself to what the patient understands wants and needs or what you have to offer?</b></p> <p>a)yes, at what the patient understands and I am trying to come down to his level of understanding</p> <p>b) I consider that the simple communication of the diagnostic is enough for the patient to understand the diagnostic / treatment / recovery</p>	<p><b>1. Did you understand what your doctor explained to you about diagnostic / treatment / recovery?</b></p> <p>a)Of course, he/she made himself/herself very clear</p> <p>b)I did not understand anything, he used mostly medical terms</p> <p>c)He/she did not communicate to me</p>

FREQUENCY OF AWARDING: Once every week during a month.

HOW FUNCTIONS:

*DOCTOR*: Every answer (a) is assimilated as being favorable and receives 1 point, and every answer (b) is assimilated as being not favorable and receives 0 points.

<sup>33</sup> Petru Armean *Quality management of health servicies*, Editura CNI Coresi S.A., Bucharest, 2004., pag 13-20.

Assessment: a smaller score will indicate UNSATISFACTION of the leader, and a bigger score a SATISFACTION level.

*PATIENT*: Every answer (a) is assimilated as being favorable and receives 1 point; there is an answer (b) which is intermediary, being assimilated as being unsatisfactory and receives 0 points, and the answer (c) is assimilated as being completely unsatisfactory and also receives 0 points.

Assessment: a smaller score will indicate UNSATISFACTION of the leader, and a bigger score a SATISFACTION level. Note that still towards the services provided by the doctor!

**FINAL ASSESSMENT OF THE MATRICE:**

For each question are examined:

1. If both of them have the same answer for (a) – The Patient is **TOTALLY SATISFIED** and receives 1 point.
2. If both of them have the same answer for (b) or (c) – The Patient is **TOTALLY UNSATISFIED** and receives 0 points.
3. or different answers, it is considered that the patient is right ad receives 0 points.
4. Making the total, the assessment is as follows: a small score will indicate **INSATISFACTION** of the patient, and a bigger score indicates **SATISFACTION**.

b) The second model is proposed by the leader and is based by the motto:

“The new method uses the old method. Still it is needed to master all the medical techniques, but you have to use them in a different way ...a friendly, honest way, which points out firstly the services offered”.

The working method consist in developing some personal strategies needed in order to manage in the modern times proposed by the leader and a current question at the end of the end of each strategy, which will test its reality.

FREQUENCY OF AWARDING: Once every week, during a month.

PRESENTATION OF THE MODEL 2 IN THE MIRROR (example for a question)

<i>Questionnaire given by the leader to the doctor responsible for one room</i>	<i>Questionnaire given by the leader to the patient</i>
<p><b>1. Personal strategy:</b>  <b>Defend your patients even with the price of your life. Others will wait for them ready to haunt them.</b></p> <p><b>Question of current times:</b>  <b>What will happen if you lose 5 patients in favor of the competition? What is your plan in order to be sure that this will not happen?</b></p> <p>a) I did not think and however I am not interested. I can find other patients at any time</p> <p>b) I always think at this and my plan consist in .....</p> <p>.....</p>	<p><b>1. If for different reasons you would leave the section and you would be transferred to another doctor, how do you think that your doctor will react?</b></p> <p>a) He would not be interested; I think he would not remember me.</p> <p>b) He would suffer much, because I think that he has not been involved too much in my case. I am convinced that if I would be transferred to another doctor this would visit me every day, being interested of my condition and of the new treatment c) I consider that if I would be transferred to another doctor, this would be interested of my condition and my new treatment only if another doctor is around.</p>

**2. OF A „TECHNICAL” NATURE<sup>34</sup>**, structured also in two parts:

**Part 1 - PATIENT RIGHTS.** Technical of approach: *simple sampling* based on a questionnaire given by the leader to the patients formed of questions answered with YES and NO.

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<sup>34</sup> Apud Standards for hospital accreditation – Joint Commision International , Ministry of Health, Hospitals Association in Romania, 1997.

**Questions****YES NO**

1. When being hospitalized have you been informed about your rights?
2. When being hospitalized have you been informed about the legal regulations, including the internal one that belongs to a section?
3. If you have been hospitalized within the same section have you received when being externalized a comprehensive document which includes your identity, the reasons for being hospitalized, evolution during hospitalization, the treatments performed and recommendations to be followed?
4. Do you consider that your social, cultural and religious values have been respected?

FREQUENCY OF AWARDING: Once a week every month.

For each answer YES 1 point is granted, and for each NO answer 0 Points.

Assessment: a small score will indicate a low level of satisfaction, and a high score a high level of satisfaction of the patients

**Part 2 - THE HOSPITAL ENVIRONMENT.** Technique for approach: *simple sampling* based on a questionnaire given by the leader to the patient with questions answered with YES or NO.

**Questions****YES NO**

1. Do you consider that you have received a diet in accordance with your specific needs?
2. Do you consider that the food has been kept and provided in accordance with the regulations in force?
3. Do you consider that the temperature in the room and in other room where you have received medical services has been maintained at acceptable level?
4. Do you consider that the physical dangers have been eliminated both within and outside the building (wet surfaces, ice, holes)?

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# L'ÉVALUATION ET LA VALIDATION DES COMPÉTENCES PROFESSIONNELLES DANS L'ESPACE EUROPÉEN

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Resumé : L'adoption du Cadre Européen des Qualifications et son translation future aux niveaux nationaux pose des problèmes en ce qui concerne l'identification, la définition et la certification des compétences à travers les différents pays adhérents et à travers les professions. Nous allons étudier le niveau d'articulation entre les cadres des qualifications et les compétences éducationnelles, regardées comme facilitateurs vers la formation des connaissances, des savoirs-faire et des savoirs être nécessaires pour accomplir des tâches à haut niveau de qualification. Le but de cette analyse est d'identifier les effets de cette approche sur la gestion des ressources humaines, tout en analysant les avantages et les désavantages d'une approche compétences globale.

*Mots clé : compétence, Cadre Européen des Qualifications, évaluation, standardisation, validation*

## **Utilité du cadre national et européen des qualifications**

L'adoption du Cadre Européen des Qualifications a pour but la création d'une structure paneuropéenne des qualifications professionnelles, qui facilite l'interconnexion des cadres nationaux des qualifications et qui assure l'équivalence des qualifications obtenues au niveau européen, dans le contexte de l'encouragement de la mobilité des citoyens de l'Union.

Nous allons étudier la connexion entre la mise en place du Cadre Européen des Qualifications et les processus éducationnels qui assurent la formation professionnelle, particulièrement l'éducation vocationnelle. Cette connexion est essentielle pour l'assimilation et la standardisation des savoirs, des compétences, des habiletés et de la compréhension du travail, facteurs de succès pour obtenir de la performance dans la réalisation d'activités professionnelle à haut degré de spécialisation (Cămășoiu, 2006).

Ces tendances au niveau européen se révèlent très importantes pour l'environnement d'affaires roumain. Une analyse au niveau des occupations en Roumanie a été menée récemment par le Ministère du Travail, de la Solidarité Sociale et de la Famille : les dernières deux décennies ont marqué des mutations majeures sur le marché du travail roumain et il est donc nécessaire d'en trouver des standards adaptés. À présent, on identifie trois catégories d'occupations (Pîrciog et al., 2006), à savoir :

- *Occupations dominantes* – occupations formalisées, bien délimitées, avec une certaine tradition dans le paysage occupationnel roumain ; elles représentent un poids sensible dans le nombre total de la population occupée et leur disparition conduirait à la disparition d'autres occupations situées dans les secteurs en amont et en aval ;
- *Occupations qui ont changé leur contenu de manière signifiante* – occupations dont le contenu a fortement évolué, spécialement à cause des restructurations économiques des années de transition, ainsi qu'à cause de la croissance économique qui a suivi et à l'apparition de produits et services nouveaux qui changent et même redéfinissent le contenu des activités ; ces occupations sont spécifiques aux secteurs industriels, fortement impactés par les changements technologiques et/ou organisationnels, ainsi qu'au secteur des services, où le contenu des activités a beaucoup changé dans la direction de l'orientation vers les besoins du client/bénéficiaire ;
- *Occupations de pénétration* – occupations nouvelles, qui apparaissent surtout dans des secteurs de pointe, à forte valeur ajoutée, avec un potentiel d'évolution élevé, qui contribuent à l'accumulation de savoirs et d'inventions technologiques nécessaires au développement des organisations apprenantes, spécifiques à la société basée sur des connaissances.

Le développement du cadre des qualifications assure une description systémique de toutes les qualifications offertes par le système de l'éducation nationale et de formation professionnelle – formelle et informelle. L'adoption du cadre national des qualifications permettra également de refléter les priorités nationales dans le domaine des stratégies économiques et de développement des ressources humaines.

## **Evaluation, validation et certification des compétences**

Avant de discuter l'opportunité de l'évaluation, de la validation et de la certification des compétences professionnelles, nous allons définir les concepts-clé.

*L'évaluation* suppose la quantification par rapport à une norme. Afin de réaliser une évaluation efficace, il est nécessaire d'accomplir simultanément les conditions suivantes :

- identification claire de l'objet de l'évaluation,
- identification des références par rapport auxquelles se fait l'évaluation,
- sélection des méthodes et outils managériaux à employer,
- nominalisation des responsables du processus d'évaluation et des conséquences de l'évaluation sur les personnes évaluées.

**La validation** suppose la valorisation des compétences identifiées suite à une évaluation par rapport à un système de référence donné (Feutrie, 1998). La validation représente un processus qui transcende le moment, l'endroit et l'objet de l'évaluation, étant conditionnée par le caractère régulier et la capacité de reproduction de l'évaluation à des intervalles préétablis. La validation des compétences peut être faite dans le cadre de l'organisation - généralement, il s'agit d'une validation informelle, qui atteste la capacité d'une personne de faire face à une situation professionnelle donnée. Au cas où la validation des compétences se fait en dehors de l'organisation, au niveau d'un organisme professionnel ou d'un secteur d'activité, alors il devient nécessaire d'assurer la comparabilité des évaluations et la reconnaissance et le transfert des expériences professionnelles. Le transfert des compétences est dépendant en ce cas-là du degré de reconnaissance par les potentiels bénéficiaires des compétences acquises dans le cadre de la formation professionnelle (Brown, 2006).

Afin de valider des compétences professionnelles, Feutrie (1998) identifie trois conditions nécessaires :

- l'existence d'un référentiel qui dépasse le cadre immédiat de l'activité observée,
- la définition préalable des conditions de validation et de communication entre toutes les parties impliquées,
- l'implication d'acteurs neutres afin d'assurer l'objectivité du processus de validation.

**La certification ou l'accréditation** permet la reconnaissance officielle des compétences d'un individu. La certification implique la délivrance d'un diplôme, d'un certificat ou d'une autre forme d'attestation émise par une autorité ou un organisme de formation professionnelle autorisé. Conformément à la définition donnée par l'OECD, le certificat représente un outil à pouvoir économique et sociale qui dépasse la sphère de la formation professionnelle.

L'évaluation, la validation et la certification des compétences ont une grande importance pour tous les acteurs sociaux impliqués dans la formation professionnelle. Les organisations qui adoptent une telle démarche bénéficient de l'avantage de pouvoir évaluer avec précision le potentiel humain dont elles disposent (tant au niveau individuel qu'au niveau collectif). De même, cette approche sert à optimiser les processus organisationnels et d'évaluer les besoins de formation par rapport aux stratégies de développement assumés par l'organisation respective. Au niveau individuel, cette démarche permet une gestion efficace de la carrière. Au niveau de la société, l'enjeu est représenté par l'articulation des compétences professionnelles avec les compétences éducationnelles et avec leur potentiel de transfert d'une organisation vers une autre, d'un secteur d'activité à un autre ou bien d'une région à une autre.

L'évaluation des compétences suppose l'appréciation des résultats et des performances et de leur accomplissement, l'analyse de la capacité de l'employé à s'adapter aux exigences du poste qu'il/elle occupe, ainsi que l'estimation du potentiel de ce salarié.

La validation par l'organisation des compétences acquises par les salariés peut être réalisée au niveau individuel, par une confirmation de la position occupée – y compris par des récompenses matérielles – ou bien par la définition d'un parcours professionnel déterminé. Bien qu'il y ait différentes formes de validation formelle dans le cadre des organisations, la certification externe s'avère la forme la plus efficace et répandue de validation des compétences (Weiss, 2005).

### **Outils managériaux pour l'évaluation et la validation des compétences professionnelles**

Selon J-M. Peretti (2004), parmi les modalités concrètes et les outils disponibles aux managers modernes, les plus utilisées pour l'évaluation des compétences professionnelles sont les suivants:

- *l'entretien d'évaluation* – la forme d'évaluation la plus répandue : généralement, il s'agit d'une évaluation annuelle, qui permet d'apprécier le degré d'accomplissement des objectifs établis pour l'année précédente (73% des cas), l'établissement des objectifs pour la période à venir (70%), l'identification de l'évolution possible de carrière (57%) et l'identification des besoins de formation professionnelle (52%) (Istria, 2004) ;
- *l'autoévaluation* représente d'habitude une étape préparatoire de l'évaluation périodique des performances ;
- *l'évaluation à 360°* implique les structures hiérarchiques, ainsi qu'un échantillon de collaborateurs de l'entourage professionnel de la personne évaluée ;
- *les simulations de situations réelles et les tests* permettent de tester les compétences acquises suite à la formation professionnelle dans un contexte proche aux conditions normales de travail ;

- les grilles d'observation dans une situation normale ou dans une situation viciée sont censées à enregistrer les décalages éventuels qui puissent apparaître entre les besoins fonctionnels spécifiques au poste évalué et les compétences réelles de la personne qui l'occupe.

Une première étape vers la standardisation des processus de validation des compétences professionnelles est la constitution du *portefeuille de compétences*, pratique très courante dans les entreprises françaises (Klarsfeld, 2003). D'habitude, le portefeuille de compétences comprend les données d'identification de la personne en cause, l'histoire des positions occupées dans le cadre de l'organisation, les stages de formation professionnelle dont il/elle a bénéficié, les résultats des évaluations précédentes et des informations pertinentes sur le parcours professionnel de la personne respective.

Les instruments de validation et de certification des compétences développés par des organismes extérieurs sont plus faciles à identifier à cause des documents officiels par lesquels ils sont accompagnés. Un premier instrument serait le nomenclateur des diplômes et des titres reconnus au niveau national, qui permet l'identification de la spécialisation, de la profession ou de la qualification concernée par la formation.

À part les diplômes et les titres spécifiques à l'enseignement secondaire ou universitaire, les certifications spécifiques à l'environnement d'affaires sont moins visibles et ne bénéficient pas encore du statut de formations d'études accréditées. Une difficulté majeure en ce sens est représentée par le manque de définition pour toutes les occupations et les profils de compétences dans le cadre national de spécialité.

Les dernières années, on a connu un fort développement des différentes formes d'apprentissage tout le long de la vie, soutenu par les politiques communautaires en la matière. Cette évolution impose un besoin de flexibilisation du cadre général de reconnaissance des compétences sur le plan transnational.

La responsabilité du développement de standards à large reconnaissance professionnelle revient tant aux organismes supranationaux (la Commission Européenne) pour les programmes ciblés qu'aux organismes nationaux (du type Conseil National pour la Formation Professionnelle des Adultes), aux patronats et aux associations professionnelles.

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## ECONOMIC HIGHER EDUCATION AND ETHIC VALUES

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*The aim of this presentation is to show the importance of ethical values' inclusion in economics educational programs. The research which could be found in second part of this paper is based upon a questionnaire delivered to students from Economic Faculty in University of Oradea and it highlights a low level of knowledge regarding ethical values, and a wantonly understanding of their content and importance.*

*“Everything which facilitates welfare of humanity and to the worship of God, is named good by men, and the contrary – bad.”<sup>35</sup>*

It could be noted that in order to speak about ethics, one must take into account the man, a Superior Being (which *could* impose codes of conduct) and society, where men live. Ethics is a science which focuses on the study of norms of moral conduct corresponding to the ideology of one class or society.

So it is a presence as old as humankind; and it was present in human judgment since the first man appeared on the Earth. Presentation regarding this topic we can find in Moses old writings.<sup>36</sup> A simple text's analysis and it is evident the events' succession:

- first we have the norms of conduct establishment for men;
- then we see the temptation to overrun that imposed rules;
- then we see the “escape” from the framework previous established;
- the search and finding of the guilty;
- the excuses of every part implied in overrunning;
- in the end we see a judgment and a punishment.

In the same time there it is evident that there is present a *connection* which links the **individual** – as a member in society – the **society** *per se* – which is hold together by common ideals, fears and interests – and the **way** in which that society is governed. The ideals, fears and interests give birth to customs, which in their turn constitute themselves in moral (and then even legal) norms which must be respected by every member of a specific group. The existence of society in benefic: “No man [acting] alone can protect himself from the evil and secure his welfare; he needs help. Society is thus as old as world.”<sup>37</sup> In order to keep “dangerous” modes of conduct at bay there is present punishment for overrunning.

Nowadays, when we focalize our attention upon those responsible for ruling in groups or in society (in the most cases the leaders were students in their past) it is important to see what qualities must they poses in order to fulfill with success their role. First there is their attachment for the regime in existence; then a special competence in their work; and finally, the virtue and the sense of justice for every regime, in conformity with that specific regime. “For as the meaning of what is right isn't the same in all regimes, it is necessary to see that justice has multiple faces.”<sup>38</sup> As we can observe, it depends on what “job” has to perform a person. What is ethic in a domain could be regarded opposed in another job. As military talent is hard to find in living men, this talent and experience will be the most important elements for selecting a military commandant, event he is not so honest or devoted to regime (in war it would be regarded as honest by his side if he could trick the other side and save the life of his conscripts); and as the virtue is hard to find in comparison with skill, where there it is about guarding a treasury, the right person would be those who poses virtue and are honest, because the skill is common to almost all people. As the justice has multiple aspects, we could see that so do the ethics. Nevertheless, we most reckon the importance of

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<sup>35</sup> Baruch Spinoza, *Etica demonstrată după metoda geometrică și împărțită în cinci părți*, București, Editura Științifică și Enciclopedică, 1981, p. 45

<sup>36</sup> Genesis 2:8 – 3:24

<sup>37</sup> Voltaire, *Political Writings*, Cambridge, Cambridge University Press, 2000, p. 81

<sup>38</sup> Aristotel, *Politica*, București, Editura Paideia, 2001, p. 134

following words once told by a renowned diplomat: “As in other walks of life, and as in other professions, a man is ultimately judged, not by his brilliance, but by his rectitude.”<sup>39</sup>

Society is composed by individuals and it works as a system; each individual share with his acquaintances some common beliefs and perception regarding the world, the society where they live and the way it works. During time, there we could see an evolution regarding ideas and systems, and what was perceived as *anathema* in the past, it could be seen in another historical period as normal and even *ethic* thing. It is important to point here the existence of the struggle between conservative forces in the society and the liberal ones. As in society, conservatives sustain that “radicalism” is threatening to swallow all conservatives elements and the leadership must take strong position for “crushing the revolutionary hydra”, the liberals sustain that “upon our thinking, the danger is not so-called revolutionary hydra, but the traditionalism’s obstinacy, which is curbing the progress.”<sup>40</sup> What is ethical for one could be regarded contrary by the other. Anyway, when one of these tendencies wins in society, its tenets would impose on society and will result in building a system based on those tenets and principles. So, ethics could change depending on evolution in society and particular systems in that society. What has moral approval at one moment has great force upon society and one piercing eye would see that there will appear a strong link between moral norms and justice. The presence of Justice – sustains Cicero – constitutes moral goodness. “Justice is the virtue that holds society together and allows us to pursue the common good for whose sake society exists.”<sup>41</sup> Justice is “the crowning glory of the virtues” and it is “the basis of which men are called ‘good men.’”<sup>42</sup>

Now what connection exists between ethics, society and higher education?

In universities young generation – who represents tomorrow’s generation – could become aware to specific tendencies in society. Young generation is the most susceptible to be influenced in one direction or another, and as such, very much responsibility press upon “its shoulders”. Here the teachers have big merits and great *responsibility* for construction the society’s future, who could be a prosperous one, or a decaying one, depending on the spirit which is behind their work, and on the spirit which they could “introduce” to the young’s souls and minds. If it is there lethargy and self-satisfaction, the danger of decay is almost there, because it brings with it the loss of adaptability, and with it comes loss of imagination.<sup>43</sup> And as society learns like individuals – respectively through shock or through anticipation – one could observe the great danger brought by lethargy. If there isn’t constant preparation in order to meet the challenges of the future, through adaptation, the present young generation would rise from dreaming in the future, but it would create a great shock in order to adapt itself to then present tendencies.

Teachers have (together with ecclesiastical and administrative institutions) great responsibilities for keeping alive the spirit of the young generation and to create so valuable skills for those whom they learn. Nowadays universities and teachers have at their disposal means which could facilitate very much learning, but in the same time the “attractions” which faces young generation could mesmerize it and distracts the young’s attention to “little” things. It is noteworthy to say that the Internet extremely facilitates learning, but in the same time it could be a trap for young generation; the young generation sustain that it is easier and better to navigate than to read a book or to constantly read a newspaper or a particular magazine – which has negative impact upon their future development.<sup>44</sup> As they in present spend very much time watching TV (or navigating on Internet), as future generation, they would not be “prepared for the front line of life;” they simply will have “no mental defenses to confront the reality of the world.”<sup>45</sup> As a man of letters – one who made a habit of study – will have “certain equipment which he might otherwise lack.”<sup>46</sup> And the universities are the places where is learned how this equipment to be worn.

But teachers not only must strive to develop great abilities in their students, they must look for the best *direction* to which they concentrate the attention and efforts of their students. This is a great responsibility; now we can speak about things which in the past concerned only the most sagacious men. Due to modern

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<sup>39</sup> Harold Nicolson, *Diplomacy*, London, New York, Toronto, Oxford University Press, 2<sup>nd</sup> edition, 1950, p. 78

<sup>40</sup> Lev Tolstoi, *Anna Karenina*, vol. I, București, Editura Univers, 1980, p. 12

<sup>41</sup> Alan Ryan “Introduction” in Alan Ryan (ed.), *Justice*, Oxford, Oxford University Press, 1993, p. 9

<sup>42</sup> Cicero “De Officiis” in Alan Ryan (ed.), *op. cit.*, p. 41

<sup>43</sup> Harold Nicolson, *op. cit.*, p. 122

<sup>44</sup> Larry Woiwode, “Television: The Cyclops that Eats Books” in Douglas A. Jeffrey (ed.), *Educating for Liberty*, Hillsdale, Michigan, Hillsdale College Press, 2002, pp. 217-224

<sup>45</sup> *ibidem*, p. 218

<sup>46</sup> Francois de Callieres, *On the Manner of Negotiating with Princes*, Boston & New York, Houghton Mifflin Company, 2000, p. 45

means of communications we have globalization and with it we could speak about international morality and world public opinion.<sup>47</sup>

We now even have books which describe codes of conduct with global coverage. A case in point is Oliver Williams' *Global Codes of Conduct*.<sup>48</sup> Chapter 19 refers to corporate ethics; and the example from its beginning could serve as model for institutions which want to "construct" future generations, and through it the future of society. As private companies realize that they needed to promulgate *ethic* statements and communicate them to their employees, these statements became codes of ethics (or codes of conduct). This happened in USA in 1913.<sup>49</sup> And as US companies grew and expanded internationally, most "decided the ethics policy they had in place should apply wherever they operated."<sup>50</sup> We could see here an example regarding the way in which commerce and internationalization of production serve to the expanding of codes of ethics which guide the behavior of company's employees. And as this brings welfare and regards cheating with suspicion and contempt, we have in the same time the rising of welfare and the worship of God, which is the essence of goodness. So we are in the framework of ethics.

Much more, universities are "factories" where there are formed minds and codes of conduct which will affect welfare of society in the future, the relationship among its members and how the social system will work. Much more, in educational program regarding economics, the ethics has a special importance. It does meter how students are learned regarding how profit is made (doing well, but doing good, for example), how to use the obtained profit (for what purposes), how to invest it, what destination to be given to it; and, what it is very important how to *redistribute* at national level what has been earned during a period of time. A case in point is how religious values guide business conduct and how some ethic values specific to one religion could bring prosperity and welfare in a society where there people share religious beliefs which promote hard working, small spending, encourage savings and rectitude. Think at Max Weber's *Protestant Ethic and the Spirit of Capitalism* and you would see countries in which is promoted this kind of ethic are among the most prosperous on the Earth.<sup>51</sup> Montesquieu sustained that climate and geography are important factors which contribute to the spreading of specific religious beliefs and in the north part of the Earth there are geographical condition which push men to hardworking in order to survive.<sup>52</sup> Of course, severe conditions impose adaptation and as the geography doesn't always give men everything in the places where they live, they must find the right ways for their survival. Their very survival depends upon the way in which they organize themselves and their society. Geography forced them to develop skills and methodical working. It is a good reason why in northern part of Europe, the seeds of Protestantism found perfect ground.

The choose of one destination and the amount of revenues destined to each one could be shaped in much part be ethic which guides the decision maker codes of conduct; and this ethic could be developed during years which one is studying in university (when people are younger than 24 years they are extremely responsive to new ideas). And what they learned in university could well guide their conduct for the rest of their lives. Here we must note that one teacher could teach a student in three different ways:

1. through coercion;
2. through reward;
3. being a *model*. It is important to be a model for those you are teaching. As a model you will capture their hearts and minds and they will fill the *liberty* (and not compulsion) to learn by a person who is loved by them, being aware of the importance of preparedness for their future. This will have a great impact upon their future development and if the teacher is sufficient aware of the culture of the country where he/she teaches and of specific tendencies which are present in society and could adapt himself/herself to those trends, there are great chances for him/her to fulfill well his role and to finish well his/her magnificent work.

In Romanian past '89's society, in place of appearing and improvement of some genuine democratic, business and moral values, there appeared extremely fast, almost imperceptible, some *psedovalues*, promoted by written press and audio-video means of communications, which have presented an ugly and dehumanized reality.

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<sup>47</sup> Hans J. Morgenthau, *Politics among Nations. The Struggle for Power and Peace*, New York, Alfred A. Knopf, 5<sup>th</sup> edition, 1973, pp. 225-267

<sup>48</sup> Oliver F. Williams, C.S.C., (ed.), *Global Codes of Conduct. An Idea whose Time has Come*, Notre Dame, Indiana, University of Notre Dame Press, 2000

<sup>49</sup> Patrick E. Murphy, "Corporate Ethics Statements" in Oliver F. Williams, C.S.C., (ed.), *op. cit.*, pp. 295-304

<sup>50</sup> *ibidem*, p. 295

<sup>51</sup> Max Weber, *Etica protestantă și spiritul capitalismului*, București, Editura Incitatus, 2003

<sup>52</sup> Montesquieu, *Despre spiritul legilor*, vol. II, București, Editura Științifică, 1970

And as we see above, ethic delivers the instruments and means to achieve the development of habits which could promote a moral behavior, making the individual to elaborate and to take good (and ethical) decisions. Without values and objectives people could not have the control on their life, career and destiny and in the present the moral mission of education is much more important than anytime.

The motivated and talented students have a strong sentiment regarding interpersonal responsibility – to be trust one – in imminent situations, in relations with their colleagues and their superiors. But, maybe due to the fact that more of them were isolated by differences and/or failure and weren't encouraged to have an ethical reflection regarding the important problems with which they were confronted to in society, they had just a limited perception about what counts – the stake and their pure interest.

As a consequence, much of them haven't articulated a vision through which they could be made to believe that they could affect in the positive sense the collective life – signaling in this way the absence of sound visions. Until then they aren't effectively initiated in looking for attaining public objectives and the ethical norms of their profession, they will be bad prepared in delivering a sound managerial leadership capable to treat complex relations among loyalties; they won't be able to furnish ethical leadership in public life.

Now we will take a look on what answers students gave to the questions regarding ethical aspects.

1. In University of Oradea, relating to trust which students give to specific institutions, most of them manifest totally trust in church (60.4%), UN (18.5%) and army (17.1%). The lowest trust given by students in Oradea regards political parties (a big share of them have totally distrust in political parties – 49.6%), govern (39.2%) and parliament (32.9%).
2. 98.9% declare they believe in God; 31.39% of them declare they go to church with important occasions (like Easter, Christmas), 24.82% declare they go to church weekly, 18.25% go to church once a month, 11.31% declare they go to church quite rarely and 1.09% don't go to church at all.
3. The morality of students is checked through an example; they are in the following situation: “you are in a bus station at 10 o'clock pm and a thief steals one madam's bag.” What would you do in a situation like this? 29% declare they start to run after the thief, trying to catch him, 58% are thinking they would try to do this and 13% think they aren't eager to be entangled in other's problem. Another question: “You are driving and pass near two cars which just have been involved in an accident, one of them being overturn. What would you do?” 76% declare they would stop; 21% would pass away, but they would call the police and the ambulance and only 3% would pass away, without announcing the authorities.
4. The most important characteristics which must be encouraged by parents are:
  - assuming of responsibilities (77.2%);
  - the diligence (50.4%);
  - religious belief (49.3%).
5. Regarding the working for inter-humane relations' building, 51.1% declare that the most important thing is to understand the others preferences and 48.9% think that the most important is to express with clarity their preferences.
6. The students' attitude regarding some social behaviors is predominantly a negative one, even intolerant. On a scale from 1 to 10 (where 1 points for never justifiable and 10 for always justifiable) one could see that suicide ranks with 1.52; prostitution – 2.25; homosexuality – 2.64; abortion – 2.68; euthanasia – 3.32; and divorce – 4.6.
7. The tolerance is higher regarding the immigrants as they could be socially integrated and transformed in labor force in Romania. 37.6% of students consider that every foreigner could have the right to work in Romania; 49.6% think that it could be possible, but taking account of available labor places; 11.6% consider that it isn't important the strict limitation of immigrants' number which could enter Romania; only 0.8% appreciate that there must be forbidden foreign labor force's entering in Romania.
8. The attitude toward work place is in the most part conditioned by the salary which they could get. To the question “Which are the three most important peculiarities of a labor place?” 88.3% declare that good payment is important; the possibility to develop a career – 59.8%; the continuity of activity at that place of work – 59.4%. The least important aspects which could motivate choosing a working place are: long vacations (95.3% didn't chose this possibility); the need for a special talent or skill (91.5%); and the social importance of working place (90.9%).
9. The most unethical behaviors of teachers are considered: teaching while alcohol is teacher's “master” (48%); accepting bribe in exchange for passing examinations (47%); teaching while teacher took drugs before entering the class (44.4%). But students are more open to accept

behaviors for commentary with political propaganda content (92% accept it); the teachers' ignorance regarding evidently copying attempts of students (90.5%), copying (88.7%). Here we must point that even copying is theft, the *advantage* brought by it made students to regard it as acceptable.

10. Regarding unethical behavior of students, the hardest acceptable behaviors are: mates' insult (50.5%); participating at class while student is under drug influence (46.2%); giving bribe in order to pass an exam (39.6%), a percent lesser than that regarding the acceptance of bribe by teachers (their advantages makes them to accept much easier to bribe). The most acceptable behavior is making of political propaganda (94.9%); comments and gestures with sexual meaning (83.3% answered that they don't consider it as an unethical behavior).
11. Regarding the relation with social system, the opinion of students is a little upper than medium point, which suggest moderation or the absence of information. The answers tend to indicate the students' inclination for praiseworthy society, based upon the valorization of individual, in comparison with general welfare. The medium answers at each of the questions are:
  - “The incomes of people must be as close to each other as possible **or** there must be made a difference among incomes, depending on individual efforts” – 6.41;
  - “State **or** private ownership must prevail in economy” – 6.73;
  - “The governments must assume responsibility for the citizens' welfare **or** the individuals should take the responsibility for their personal welfare” – 5.68;
  - “The competition generates nervous tension, isn't benefic on long term **or** the competition is an incentive for development” – 7.49;
  - “The creation of a egalitarian society with little difference between the rich and poor, doesn't matter on each individual involvement **or** the creation of a competitive society” – 7.06;
  - “The creation of a general welfare society, with high taxes **or** the creation of an individualistic society with low taxes” – 7.49;
  - “The creation of a high regulated society, with high governmental responsibility **or** a strong deregulated society, with strong individual responsibility” – 7.85.
12. The evaluation of future tendencies regards especially the high importance given to technological development (47.6%); the reduction of importance of money and propieties (28%); the rise of importance given to family (11.6%); the reduction of the work's importance (8.4%); and the rising the respect for the authority (4.4%).
13. The students' opinions regarding the acceptable forms of protest, depend on their legality. The most acceptable forms of social protest are: the signing of petitions (45.1%); taking part in mass demonstration (38.9%); taking part in *ad-hoc* strikes (15.8%).
14. The students' attitudes regarding the protection of the environment are divided. 53.7% consider that the environment's protection is the most important, while 46.3% considering that the most important thing is the economic development and the creation of new jobs. 89.8% consider that the man must coexist with the nature.
15. The number of students which declare they were involved in volunteer actions is smaller than the number which presents the people who were involved in such activities. The most desired volunteer activities in which young people were involved are educational, cultural or artistic (48.1%); sporting clubs (38.3%); the activities run by organizations of young people (32.7%). These answers could be explained through the quite intense activity run by the association of students of University of Oradea and AISEC Oradea, which is a powerful branch of this organization. The sport clubs are, as others study shows, the prevailing domain of volunteer activity in which students are involved.

Based on observations from the answered questions we can see that it could be seen the presence of respect for authority (almost all of them believe in God and trust church), which indicates the fact that there is present a background upon which could be built some ethical principles – an encouraging aspect; regarding the position to be taken when they could be confronted with an immoral act (thieving the madam's bag), there could be seen a great percent of them (87%) which intend to do something.

The responsibility's assuming and diligence's cultivation ranks among the most important things to be encouraged by their parents – another base for cultivating the working tendencies in young people, which should be exploited by teachers in universities.

There is present a negative image on problems like specific social behaviors – in each case, there is under the medium point the value which they give to suicide, euthanasia or even divorce (here is another encouraging aspect – most of them think the same, and the shaping of their perception as a group is much easier).

They are tolerant regarding immigrants, which indicate that they are quite well prepared for globalizing economy and society (they could enter with success on globalization's coordination) – a strong point, taking account present and future global tendencies.

Regarding their working places, what motivates them most is payment, and after that there is career and the continuity of working in that place. These aspects show that they are much more mobile than the previous generation (a good salary will determine the employee to change the working place), and this could be correlated with answers at 11<sup>th</sup> question, where we could see an inclination toward individualistic society (each response is above medium 5 points).

What must attract attention is the unethical behaviors of teachers (alcohol, bribe, drugs) – it is hard to be “model” if you enter one of those points. But what is very important is the fact that 92% accept political propaganda during classes, which indicates their proclivity to listen to new ideology and of course new ideas which could have great ethical content.

Regarding environmental protection 53.7% consider that it is much more important to have a clean environment, which is another ethical aspect, taking account of recent global tendencies like climate change and global warming. As “environmentalists”, they have some peculiarities with ethical content – protecting environment and not exceeding economical activity to the point which could affect the habitat. (The environmentalists' peculiarities could be found in Paul Schumaker, Dwight C. Kiel and Thomas Heilke's, *Great Ideas/Grand Schemes, Political Ideologies in the 19<sup>th</sup> and 20<sup>th</sup> Centuries*<sup>53</sup>).

They are involved in artistic and sport activities, and if we remember their desire to take responsibilities and to develop diligence's cultivation, it could be observed that there is favorable ground for developing ethical norms which could serve their interest and the society's welfare.

Teachers could “exploit” these desires of students and they could “build” tendencies in their students which could bring welfare to entire nation and better understanding among people in the future. And if the teaching staff could succeed in inducing young people to be aware of the importance of the developing of a desire to work hard, we could say that they accomplished their mission. And above all, it could be interesting to meditate to following worlds: “work without argument is the only way to make life bearable”<sup>54</sup> and as a consequences “we must go and work in the [G]arden”<sup>55</sup> of Eden – which could be take as symbol for the Earth; but the work should be made as the Wise Solomon affirmed: “Whatever your hand finds to do, do it with all your might, for in the grave you are going, there is neither working nor planning nor knowledge nor wisdom.”<sup>56</sup>

And this could be regarded as the maxim of all ethics.

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<sup>53</sup> Paul Schumaker, Dwight C. Kiel and Thomas Heilke, *Great Ideas/Grand Schemes, Political Ideologies in the 19<sup>th</sup> and 20<sup>th</sup> Centuries*, New York, McGraw Hill Companies, Inc., 1996, pp. 387-400

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## DESTINATION MANAGEMENT SYSTEMS (DMS)—STRATEGICAL VARIABLE

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*Abstract: Over the years, in order to achieve success, the companies' management has focalized on material, financial, human resources; but nowadays it comes to recognize the importance of another resource. Specific, it is the information resource which becomes a much more important one. This paper presents the importance and the advantages of a data system's fulfilling at a tourist destination place, it being perceived as a source for obtaining competitive advantage.*

*Key-words: risk, information, data base, management, competitive advantage.*

In tourist sector, where the travelers can't perform the product for themselves and it is very hard for them to receive back their money which they paid if they aren't pleased with quality of services, the precise, trustful and punctual access to the meaningful information are essentials in taking the purchasing decision. The tourists need information both, before starting taking the journey, in order to have the possibility to choose among different options, and during the journey, in order to extricate themselves from a difficulty, especially in the case of individual journeys, which are more and more petted. The vacation and even the week-end represent for much people a big financial and emotional investment, which couldn't be replaced easy if something goes wrong (Pollock, 1995).

D. Buhalis (1997) sustains that "[t]he buyer's bent for looking for information regarding the product/service is bigger as the degree of risk during pre-acquisition process is bigger." This risk springs from the characteristics of tourist product. Furthermore, tourist products rarely are bought at individual level, and the possible combinations and the permutations of tourist alternative routes, type of transport, leisure time utilization, make the decision regarding the travel a difficult one, even for the "experts" in the field (Kaven, 1974). That for, efficient communications, actualized and relevant information are essentials for efficiency's rising in tourism industry.

The travelers could receive information from very much sources. But, due to the pressure of time, very much tourists choose to use the Internet. Gradually, there were built real "electronic encyclopedias", named *destination database systems (DDS)*, *destination management systems*, *destination marketing systems (DMS)*, *destination information systems (DIS)*, *visitor servicing systems*, *travel information systems (TrIS)*, *central reservation and information systems (CRIS)*. Even if their precise content differs, all of them shared a common philosophy: they were drafted in order to distribute the information regarding a series of tourist products from a distinct geographical area, in order to capitalize in the highest possible degree the potential of that specific area (French, 1994).

As a result, we could see the comprising of the little suppliers and of un-traditional tourism services' suppliers, and these bring benefic effects for them, for the region, and for tourists, too, who are more and more attracted by the little dimension locations/places of destination.

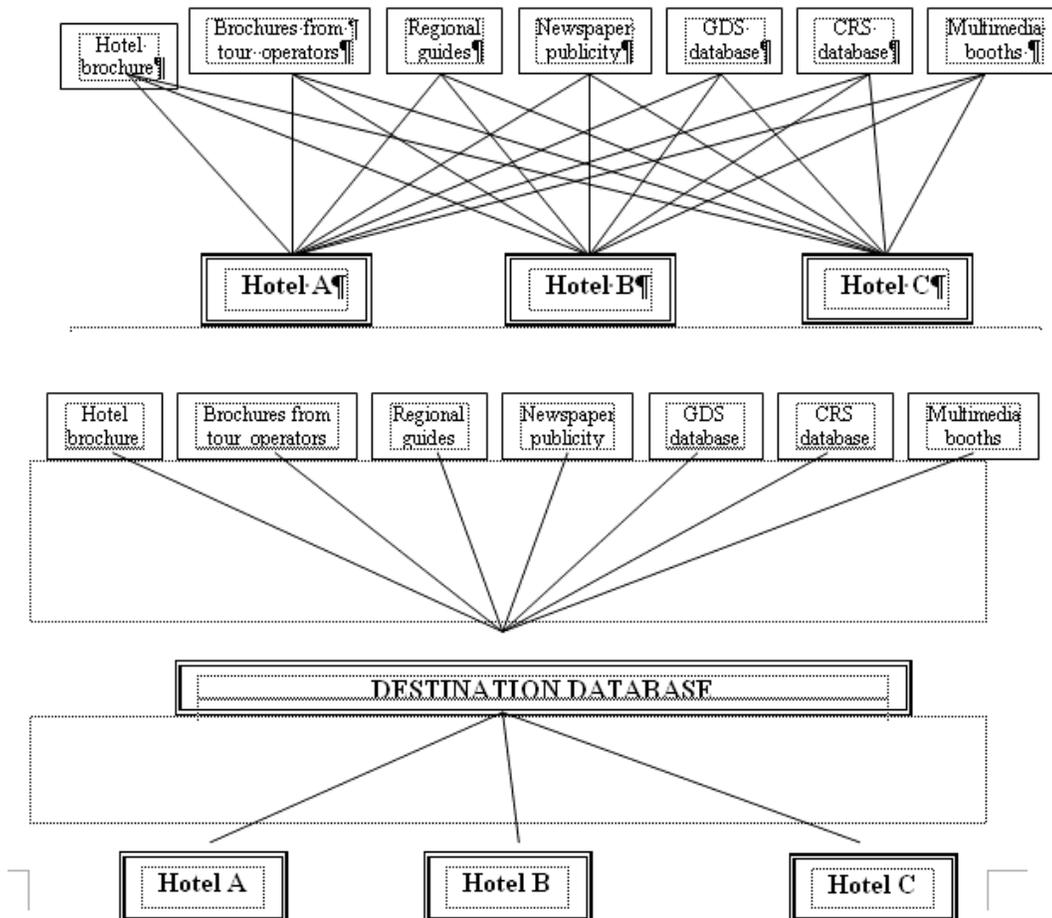
The simplest DMS type is that one which concentrates and distributes information about suppliers of tourism services, about the attractions and events which are taking place in a specific area (Crichton, 1995). Having its source in the "client data base", it has been developing permanently, and transformed itself a resource. Sheldon (1996) points boldly that a system like this one must offer information regarding: accommodation (types, classifications, locations, facilities and availabilities); transport (duration, destinations, tariffs, availability); attractions, events and pleasures (details, locations, tariffs, opening hour and availabilities); restaurants (kitchen type, location, dimension, opening hour); parks, museums, galleries (opening hours, description, entrance tariff, location, maps); public transport (program, destination, tariffs); environment (traffic conditions, whether reports, skiing conditions, condition and facilities on the beach) and legal requirements.

Information could be divided in two distinct categories: (i) editorial content; and (ii) specific data about individual products, services and suppliers. Here appears the great need of multimedia, because a system like this should comprise photos, film sequences, sounds and video images. Also, there must be included detailed information regarding tourism services suppliers, attractions, activities, events, local celebrations, available facilities and arrangements, and, of course, transport/access modes to and from a particular location. This kind of information has a big volatility and it constantly must be actualized and regularly improved in order to assure a bigger accuracy (Pollock, 1997). Normally, the writing, keeping, and the administration and utilization of such a big quantity of data, could be very difficult, but the power, accuracy and the memory characteristics of computers help much these things. As the information is stocked in digital format, it could be manipulated easy, and if there is needed, it could be reorganized, re-used as here appears the necessity, and—a very important thing—it is supplied with electronic speed (Pollock, 1997). As a system like this one comprises information about all suppliers and the facilities at destination place, it permits the staff to answer quickly and efficient to

clients' questions. For example, if a visitor is looking for a luxury hotel with the rooms view to the beach, with TV-set and baby sitting services at € 80/one night, the employee looked in the data base for a list which had the required qualities asked by client. The system rise the quality of this trip counselor's service facilitating the presentation of all available tourist products to the client (not just only the services and goods which counselor remember) and through counselor's assistance in structuring the tourist demand. In this way there appears the reduction of cost and time for each demand, and in the same time, rising the quality of supplied service. The traditional tourist middlemen (tour operators and tourist agencies) could offer to the visitors the information they needed before their arrival at destination place. In some situations, this thing is done through the database's loading in Global Distribution System (GDS), and as a result both parties obtain benefits. The information regarding the destination place are distributed to GDS users, rising in this way the area's popularity on global markets (Haines, 1993).

The competitive advantage could be obtained, in our opinion, if this database could be made available directly to travelers. It is truth, there were made attempts to offer data to potential clients using the CD-ROMs, teletext and World Wide Web (WWW). At the destination place, tourists could access many times information regarding the region's facilities and attractions using multimedia, or little booths situated in public places as big stores, airports and hotels' entrances. One of the "keys" of profitability resulting from trip database's using regards the fact that desired information for the smooth working of supply systems had to be collected only once. Traditionally, the tourism suppliers must distribute the same information through different distribution canals—for individual brochures, for regional tourist guides, for tour operators catalogues and for the electronic sources like GDS, CRS and DMS (databases)—or through the development of supply canals like CD-ROMs guides or WWW. As the number of users is rising constantly, the necessary time for the information's administration and the potential for making errors rise similarly. With a database regarding trip information, they must be furnished and maintained in a location, as could be seen in the following figure:

**Figure nr. 1 The using of database DMS for information spreading**



In this way the users of tourist information have access to only one sure and multifunctional information source. The performers and “producers of tourist products” have the possibility to use the digital alternative which could help them in producing fitted promotional materials. We could see once again that “[T]he interdependence has bigger value than independence.”

Although, furnishing of information is not very efficient as distribution strategy. A logical extension of DMS concept is the inclusion of reserving facility and in recent times the tele-selling centers’ introduction.

But in the same time there are needed information from oppose direction, too. In order to work efficient, the tourism suppliers have to know much more about their clients, in the epoch called by John Naisbitt “*the age of individual*”. More and more clients leave the snugness (like the standard package trips) and ask significant experiences which are personal and subjective and, if not unique, then made after a command, flexible and projected in a professional way (Pollock, 1997). In order to create the possibility to answer the clients’ needs, the marketers must utilize targets in marketing, which are concentrated upon individual. In this way, DMS system permits the efficiency’s rising for the marketing actions, the costs being linked by the results and marketing niches could be identified and “*targeted*” in a profitable manner. The value of depositing and analyzing the information about clients was traditionally recognized in hotel sector. Much hotel companies have invested remarkable resources in fulfilling and staining of “*a guests’ book*”, a comprising one which contained much information regarding their guests. As the potential is there and exists, for the exploitation of this opportunity some DMS have improved their facilities through incorporation of database for clients, which stored the demographical details, the preferences and other information about visitors and potential visitors. This constitute in itself a valuable resource used for the more accurate potential clients’ identification and “*targeting*”, which contributes to the reduction of marketing costs and to the rising of efficiency (Francese, Renaghan, 1990).

Through the incorporation of a specific question in a questionnaire, these data can be used by the members in order to send very precise e-mails, to administrate tele-shopping or other forms of direct marketing. In this way, the marketing costs are reduced and in the same time the efficiency is risen, as the efforts are concentrated upon a relatively interested audience (Sheldon, 1997). In short, DMS must become a part of the region brand’s identity, and as the client thinks about that region, he automatically thinks about DMS, this being the “*place*” where he could find the information and to reserve the needed products.

In the theory, one perfect DMS could help the marketing/promotion functions’ administration, but in the same time it could surpass the departmental and organizational borders in order to help the administration of destination as a single and unique unit—a development which Buhalis (1997) named DICIRMS (*destination integrated computer information reservation management systems*). The advantage lie in the rising of “*pie’s dimension*”, which could supply, in its turn, a bigger slice to everyone.

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# LE MANAGEMENT VISANT L'AMELIORATION, DE LA MOBILITE URBAINE

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We called **transport measure** all innovations made concern transport problems which improve urban mobility in terms of: introduction the hydride or electrical vehicles, design and build the park&ride services or other new services, create the special areas with controlled access for pedestrians etc.). Each measure is related with the potential impacts which could be associated with four main impact categories: economical, environment, societal and transport. For assess amplitudes for the impacts, we will use one index list and the help given by modeling, experimental assessment and some public investigations made by experts.

agglomération urbaine, outil d'aide à la décision, analyse multicritères, transport, environnement

## 1. Méthodologie d'évaluation d'une mesure de transport

Les deux principales étapes de choix et d'évaluation de l'efficacité d'une mesure transport sont:

Etape 1 : *choix d'une mesure pour un objectif fixé*, si le décideur se trouve dans l'hypothèse de faire un choix préliminaire parmi plusieurs mesures (par exemple, pour décongestionner le hypercentre des villes, on peut imaginer l'implantation des zones d'accès contrôlé, modifier la tarification des parkings etc.) ;

Etape 2 : *évaluation de l'efficacité d'une mesure transportée*, visant à étudier les impacts de la mesure mise en oeuvre en comparant un état de la ville « à priori » avec celui après implantation de la mesure « à posteriori ».

Le schéma associé à la méthodologie, les méthodes employées et les résultats attendus est présenté dans le diagramme ci-dessous (tableau 1).

## 2. Méthode de choix d'une mesure de transport

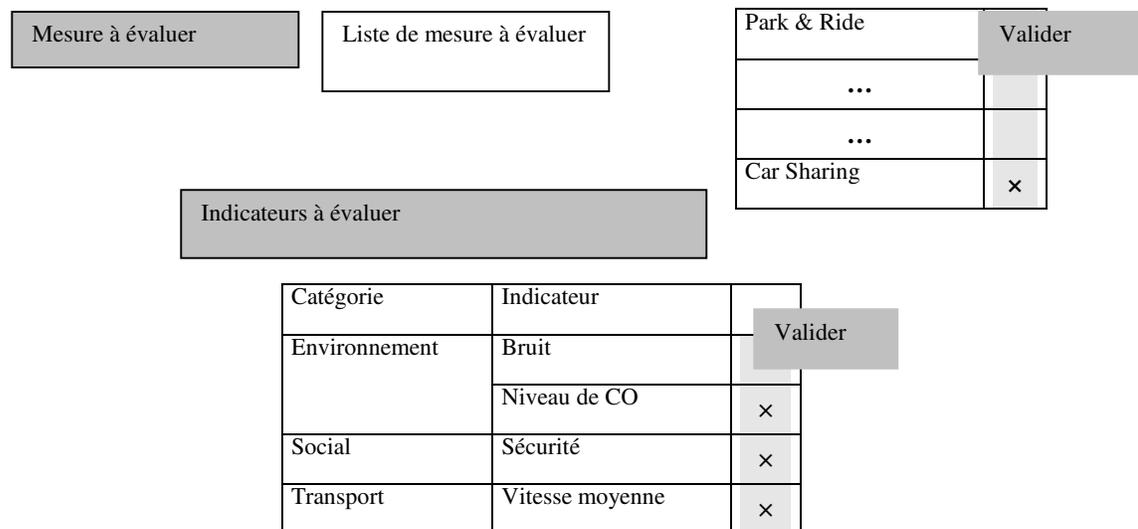
D'une façon surprenante, cette étape n'est pas abordée dans le projet SUCCESS (Smaller Urban Communities in CIVITAS for Environmentally Sustainable Solutions) appartenant au programme CIVITAS (qui a résulte d'une collaboration entre Université Petrol-Gaze Ploiesti, ATMO Poitou Charentes, CdA La Rochelle, La Mairie du Municipie de Ploiesti, Ecole des Mines Paris, Université La Rochelle et TTP, Preston UK), bien que choisir de mettre en place plutôt une mesure qu'une autre est toujours une lourde tâche pour les décideurs pour plusieurs raisons: soit les critères de choix sont parfois discutables, soit parce que tous les impacts potentiels ne sont pas pris en considération, soit parce que les usagers du réseau eux-mêmes ne sont pas vus comme des « acteurs » mais comme des « consommateurs » passifs.

**Tableau 1. Principe de l'approche, méthodes employées et résultats attendus**

Etapes	Méthodes	Résultats
1 Choix d'indicateurs pertinents	Evaluation subjective	Liste des indicateurs pertinents à évaluer
Evaluation préliminaire des indicateurs	Logique floue, Enquêtes à préférences déclarées	Evaluation linguistique des indicateurs
Estimation des poids	Grille Kelly, Analytic Hierarchy Process	Similitudes des indicateurs, Poids des indicateurs
Classement des mesures	Logique Floue	Score pour chaque mesure
2 Sources d'évaluation par indicateur	Choix source : modèles, enquêtes, avis, me expériences	Evaluations numériques ou qualitatives
Fusion des évaluations: - Multi sources - Multi critères - Multi experts	Théorie des croyances	Evaluation globale: - Par indicateur - Pour tous les indicateurs Efficacité de la mesure

**2.1. Choix d'indicateurs pertinents**

*Méthode:* Dans notre démarche, nous considérons qu'un chef de projet sélectionne des mesures susceptibles de répondre à un objectif fixé. Dans une liste non exhaustive (ouverte) d'indicateurs, qui s'inspire de celle utilisée pour le programme CIVITAS, le chef de projet retient des indicateurs communs aux mesures à comparer et qui lui semblent pertinents.



**Figure 1. Quelques exemples d'interfaces homme-machine**

*Utilisation* : En pratique, l'utilisateur de l'outil d'aide à la décision fera une intervention au niveau de l'interface homme-machine afin de sélectionner les mesures qu'il veut comparer et pour des indicateurs qui lui semblent pertinents (figure 1).

## 2.2. Une estimation préliminaire des indicateurs pertinents

Pour cette phase préliminaire, le chef de projet estimera les indicateurs à l'aide de variables qualitatives (termes linguistiques du type très bien, mauvais etc.). Ce choix s'explique par le fait que, pour un nombre élevé de mesures satisfaisant potentiellement le même objectif principal, des évaluations quantitatives « a priori » seraient exhaustives. Cela est d'autant plus vrai que, pour certains indicateurs (ceux liés à la qualité de l'air, par exemple), les campagnes de mesures expérimentales seraient trop coûteuses ou elles nécessiteraient de s'équiper d'une instrumentation lourde qui risque de ne pas être exploitée par la suite. Du fait de sa subjectivité et de la multitude de sources d'informations dont le chef du projet peut disposer (modèle, enquête, rapports, mesures expérimentales,...), l'évaluation des indicateurs se fait selon le formalisme de la **logique floue**.

Renseigner le niveau des indicateurs quantifiables (qualité de l'air, niveau de congestion, etc) à l'aide de spécialistes en écologie, transport ou économie ne pose pas des problèmes particuliers. En revanche, estimer les impacts sociaux (sécurité, le degré de satisfaction, etc) implique l'organisation des enquêtes auprès des usagers du réseau de transport. Cela est toujours « risqué », car un chef de projet peut voir le rejet « social » d'un projet issu d'une enquête classique (que pensez-vous de l'implantation d'un Park&Ride ?...) alors que point de vue économique, transport, écologique il est évalué comme étant le plus efficace. Mais ne pas s'y intéresser, est également une faille de nombreux projets transport/urbanisme.

Nous proposons d'intégrer une méthode dont l'idée à la base est de développer des enquêtes lors desquelles les personnes interrogées seront placées dans une situation hypothétique et confrontées à une série d'options imaginaires. Les personnes interrogées doivent indiquer ce qu'elles choisiraient, si elles se trouvaient dans une telle situation, dans la réalité. Ce type d'enquête porte le nom **d'enquêtes de préférences déclarées**.

Ce type d'enquête a l'avantage de modéliser et donc prévoir un comportement « moyenné » des usagers, selon des catégories sociodémographiques que l'utilisateur peut définir lui-même: communautés ethniques, niveaux de revenus des ménages, tranches d'âge etc.

*Utilisation*: L'utilisateur devra compléter une grille comme celle présentée dans la figure 2.

En ce qui concerne les indicateurs qui seront évalués par enquêtes, un module spécial sera créé où l'utilisateur pourra définir lui-même les catégories sociodémographiques et les variables dont il veut tester les effets: à partir d'une bibliothèque de configurations stockées en mémoire, une enquête sera proposée et le traitement de données sera informatisé. Le décideur aura comme informations supplémentaires:

- les variables les plus significatives pour les usagers interrogés;
- leurs préférences pour une mesure en matière de sécurité, degré de satisfaction, perception de l'accessibilité etc.

Indicateur	Type	Niveau
bruit	qualitatif	faible
...		...
sécurité		Très bonne

Figure 2. Evaluation linguistique des indicateurs

## 2.3. Poids des indicateurs pertinents

*Méthode* Supposons que dans la phase de choix de mesures tous les indicateurs ne pourraient pas être évalués (manque de sources d'informations, par exemple): il pourrait être intéressant de mettre en évidence certaines similitudes entre les indicateurs car dans ce cas l'utilisateur pourra se limiter à déterminer un seul par catégorie, sachant que les autres ont une évolution similaire. Cela permettra également de limiter des campagnes de mesures expérimentales trop coûteuses en évaluant expérimentalement un indicateur et en utilisant un modèle approché pour estimer ceux qui en dépendent. L'utilisateur peut choisir de mettre en évidence des similitudes entre les mesures ou dépendances entre les indicateurs par la méthode dite de la **grille répertoire**.

Chaque indicateur peut prendre un poids (degré d'importance) plus ou moins important qui va affecter le classement des mesures. En plus, pour une même mesure, on peut retrouver d'autres perceptions pour le poids des indicateurs selon les spécificités des villes (par exemple, si à Ploiesti et La Rochelle on envisage d'introduire un système de bus GPL, la mairie de Ploiesti pourrait s'intéresser aux impacts sur le transport plutôt qu'aux impacts sociaux, tandis que la CdA La Rochelle pourrait faire l'inverse). Il est donc primordial de laisser à l'utilisateur la liberté de quantifier lui-même le poids des indicateurs à évaluer. La méthode que nous allons employer est la **AHP (Analytic Hierarchy Process)**. La AHP est réputée très performante dans le domaine de l'analyse multi-critères car elle classe des grandeurs quantitatives aussi bien que qualitatives, trie des éléments d'un système dans différents niveaux et dans des groupes à caractéristiques similaires, permet de garder une consistance logique des jugements utilisés pour déterminer les priorités.

*Utilisation* Une fois complétée la grille d'évaluation linguistique des indicateurs, l'utilisateur disposera d'une représentation sous forme hiérarchique qui lui permettra de grouper les indicateurs selon de degré de dépendances. Un algorithme intégré dans le logiciel permettra la quantification des poids des indicateurs pour chacune des mesures analysées et cela en fonction des particularités d'une ville.

#### **2.4. Classement des mesures de transport**

*Méthode:* Chaque indicateur étant évalué et son poids estimé, nous allons développer une méthode de classement. L'emploi des variables linguistiques, est la force de notre approche mais peut être source d'ennuis à la fois. Il va falloir élaborer des fonctions de classement permettant de transformer les nombres flous en nombres réels. A partir des caractéristiques liées à l'exactitude et l'uniformité, on propose d'utiliser **l'approche de classement flou de Chang**.

*Utilisation:* Un algorithme sera implémenté pour qu'un utilisateur puisse disposer d'un classement des mesures et du score correspondant pour chacune, afin de choisir, au cas de scores proches, celle qui lui semble la plus fiable.

### **3. Evaluation de l'efficacité d'une mesure de transport**

Une fois choisie la mesure à mettre en place, il faut justifier son efficacité en réalisant une évaluation approfondie des impacts dans les quatre catégories. L'idée de base est de faire une estimation globale de l'état de la ville (ou de la zone urbaine concernée par la mesure) avant et après l'implantation de la mesure. Cela passera donc par l'estimation de chaque indicateur pour ces deux mêmes phases.

Le procédé peut être très simple: le chef de projet dispose d'une source d'information unique pour chaque indicateur et la source est la même pour les deux phases d'évaluation. Mais, d'une façon beaucoup plus réaliste, et quand on connaît le temps d'implantation d'une mesure, les choses sont beaucoup plus complexes; pour un projet d'envergure (réseau de bus GPL, par exemple), plusieurs experts interviennent (spécialistes transport, urbanisme, environnement etc.), chacun avec son degré d'expertise sur les quatre catégories d'impacts. A cela on peut ajouter que chaque expert dispose de plusieurs sources d'informations de fiabilités différentes (mesures expérimentales, modèles, enquêtes, rapports, avis personnels) et qui ne sont pas forcément les mêmes entre les phases avant et après implantation de la mesure transport (le NOx peut être évalué par mesure aussi bien que par modèle). De plus, certains indicateurs peuvent être évalués numériquement (par exemple la vitesse moyenne des véhicules), alors que d'autres ne disposeront que d'évaluations linguistiques (le degré de satisfaction des gens, par exemple).

Pour chaque type d'indicateur (NOx pour la pollution atmosphérique, vitesse pendant heures de pointe pour le trafic etc.) il existe une multitude d'approches allant de simples enquêtes, mesures expérimentales jusqu'à des modèles mathématiques plus ou moins sophistiqués.

Une première partie du travail est donc le recensement des méthodes existantes pour chaque catégorie d'impacts (socio-économiques, trafic, écologiques) et l'implémentation des algorithmes d'évaluation selon le type d'évaluation. Pour tester et valider l'outil d'aide à la décision qui sera conçu en parallèle, les équipes partenaires ont déjà effectué en amont des analyses préliminaires pour estimer les impacts des deux mesures implantées dans les deux villes (Ploiesti et La Rochelle).

Les indicateurs sociaux renseignent sur le niveau de d'information, d'acceptation d'une mesure à mettre en place, aussi bien que sur la perception de l'accessibilité et du coût de déplacement. La plupart de ses indicateurs s'évaluent avec des enquêtes.

L'analyse des impacts liés aux conditions trafic suite à la mise en place d'une mesure d'amélioration de la mobilité urbaine peut se faire de plusieurs manières:

- *enquêtes auprès des usagers* ou des services de transport afin d'estimer des indicateurs comme: l'efficacité en terme du gain de temps, la qualité du service, le taux d'occupation d'une voiture;
- *opérations de comptage* proprement dits pour évaluer le nombre total de véhicules lourds se déplaçant dans la zone d'étude, le taux d'occupation d'un véhicule;

- *modèles trafic* pour estimer le report modal, la vitesse moyenne, le taux de congestion des routes.

La perspective du coût total du transport au niveau d'une communauté urbaine implique en fait deux aspects : les coûts directs et les coûts indirects.

**Coûts directs** sont les dépenses directement impliquées dans les activités de transport, on les appelle aussi le coût du cycle de vie, qui comprennent la totalité des dépenses à partir de l'initiation du projet jusqu'à l'élimination de l'équipement présenté dans le projet, c'est-à-dire le coût de recherche et de développement, le coût de production, le coût de l'opération et d'entretien.

**Coûts indirects** mesurent les effets de type externe aux activités de transport, comme par exemple : la pollution de l'air, des congestions, des accidents dans la zone urbaine. Ces coûts indirects (sociaux) sont essentiels pour les facteurs de décision car ces coûts sont perçus en étroite liaison avec des facteurs économiques et politiques, même si c'est difficile d'estimer leur valeur monétaire.

Lorsqu'on fait le pessimiste bilan des conséquences écologiques, au moins trois préoccupations différentes peuvent être à l'origine d'une évaluation des nuisances des transports:

- Evaluer les niveaux réels d'émissions des transports routiers pour les comparer à celles des autres secteurs d'activité et imputer ainsi à chacun sa juste part de responsabilité dans la pollution atmosphérique;
- Mesurer la sensibilité des émissions aux variations des caractéristiques du système de transport, permettant par exemple de tester et de comparer l'impact environnemental de différents scénarios d'évolution du réseau ou de la demande de transport;
- Développer une approche spatialisée des nuisances pour rendre compte à un niveau local voire micro local des problèmes posés par les transports routiers.

Les indicateurs associés aux impacts environnementaux peuvent être évalués de plusieurs manières:

- *par mesures expérimentales* (pour des indicateurs comme CO, NOx etc.);
- *par modèles associés aux émissions* (pour des indicateurs CO2, NO2 etc.);
- *par enquête* (pour la perception de la qualité de l'air et du bruit).

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# L'ATTRACTIVITE DE LA ROUMANIE POUR LES FIRMES MULTINATIONALES

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*Résumé : Dans le contexte actuel de la globalisation, la présence des firmes étrangères est perçue par les pays en transition comme un vecteur de croissance, une force dynamique capable de stimuler leur transition systémique. Pourtant, si on regarde les statistiques internationales, on observe que les performances de la Roumanie, en termes d'attractivité pour les firmes étrangères, sont beaucoup plus faibles par rapport aux celles enregistrées par les autres pays d'Europe centrale et orientale. Le but de ce papier est de présenter au lecteur les principaux repères sur le positionnement de la Roumanie au sein des investissements directs mondiaux. Une analyse comparative confrontant les performances de l'économie roumaine à celles des autres pays d'Europe centrale et orientale en matière d'attractivité pour les firmes étrangères s'est imposée parce que cette démarche permet d'apprécier les performances de la Roumanie en les relativisant par rapport aux pays qui se trouvaient dans un contexte semblable au début de leur période de transition.*

*Mots clé: firmes multinationales, investissement direct étranger, attractivité, pays d'Europe centrale et orientale.*

## **Introduction**

Le processus de transformation systémique des anciennes économies communistes inclut, parmi les réformes les plus importantes, la libéralisation des entrées d'investissements directs étrangers (IDE). Dans ce contexte, la plupart des gouvernements des pays d'Europe centrale et orientale (PECO) ont admis dès le début des années 1990, la nécessité de l'ouverture vis-à-vis des investisseurs étrangers, comme l'une des réformes essentielles à accomplir.

Face à une demande de plus en plus accrue pour les IDE, les firmes multinationales (FMN) font preuve d'une sélectivité de plus en plus accentuée dans leur choix de localisation. Comme leur capacité d'évaluation et de sélection s'est renforcée, la conséquence qui en découle est le classement des territoires selon leur attractivité pour les IDE, classement qui délimite d'un côté un « noyau » de pays les plus attractifs et d'un autre côté les « pays périphériques » qui attirent un nombre limité de firmes étrangères (Michalet, 1999).

Ce papier a pour but de fournir au lecteur les principaux repères sur le positionnement de la Roumanie au sein des investissements directs mondiaux vers les PECO. Le bref aperçu des tendances, ainsi que des principales caractéristiques des IDE en Roumanie depuis le changement de régime politique est suivi par le positionnement de la Roumanie au sein des investissements mondiaux vers les PECO. Une analyse comparative confrontant les performances de l'économie roumaine à celles des autres PECO en matière d'attractivité des IDE s'est imposée parce qu'elle permet d'apprécier les performances de la Roumanie en les relativisant par rapport aux pays qui se trouvaient dans un contexte semblable au début de leur période de transition.

## **1. Les IDE en Roumanie. L'évolution des flux d'IDE reçus**

Le montant des IDE reçus depuis le début de la transition atteignait en 2004 18 milliards de dollars. Cette même année ce stock qui correspondait à un quart du PIB roumain souligne l'importance des IDE au sein de l'économie roumaine. L'évolution des flux d'IDE vers la Roumanie depuis le début de la période de transition peut être scindée en deux, voire en trois sous périodes, sous réserve de la confirmation des tendances récentes durant les années à venir. Une première période allant de 1992 à 1996 qu'on peut qualifier de période de démarrage avec des montants inférieurs à 500 millions de dollars reçus annuellement ; le début de cette période est marqué par une dépression profonde où le PIB roumain a été amputé d'environ un quart entre 1990 et 1992. La reprise timide de la croissance qui intervient à partir de 1993 semble avoir stimulé les entrées d'IDE. Cette évolution se poursuit en début de la deuxième période qui s'étale de 1997 jusqu'à 2004 où le cap d'un milliard de dollars est franchi. Les entrées d'IDE réagissent avec deux années d'écart aux résultats enregistrés sur le front de la croissance, puisque l'économie roumaine entre de nouveau en récession pendant trois années consécutives de 1997 à 1999. Mais le seuil d'un milliard de dollars d'IDE reçus par an se maintient en dépit de ces contre-performances. Les données provisoires sur l'année 2005 indiquent un nouveau saut qui pourrait se confirmer dans les années à venir. Il s'agirait dans ce cas peut-être d'une troisième période où le montant des IDE reçus franchirait le cap des 5 milliards de dollars par an.

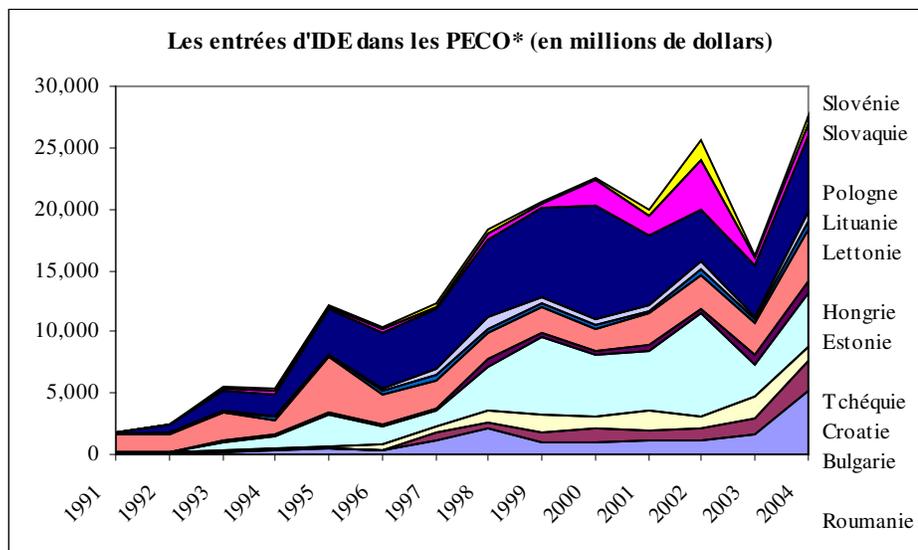
## 2. Le positionnement de la Roumanie au sein des IDE vers les PECO

La comparaison des performances enregistrées par la Roumanie à celles des autres PECO, en nous fournissant un repère, nous permet de situer la Roumanie par rapport à son « attractivité potentielle ». Dans cette perspective, nous commencerons par saisir le positionnement de la Roumanie à l'aide d'indicateurs simples, comme les montants d'IDE ou d'IDE/tête reçus.

### *Le positionnement selon les principaux indicateurs simples*

Dans le partage des 200,7 milliards de dollars d'IDE reçus par les PECO sur la période 1991-2004, la Roumanie avec 15,6 milliards figure en 4<sup>ème</sup> position derrière la Pologne (60,9 milliards), la Tchéquie (42,3 milliards) et la Hongrie (33,4 milliards) (Cf. figure 1.). L'évolution de la part relative de la Roumanie au sein des flux d'IDE reçus par les PECO est semblable à celle que nous avons constatée pour les flux (Cf. figure 2.). Depuis la seconde moitié de la décennie 1990, la part de la Roumanie au sein des IDE reçus par les PECO est marquée par une tendance à la hausse qui est par ailleurs confirmée par la part de la Roumanie dans le stock d'IDE qui atteignait 7% en 2004.

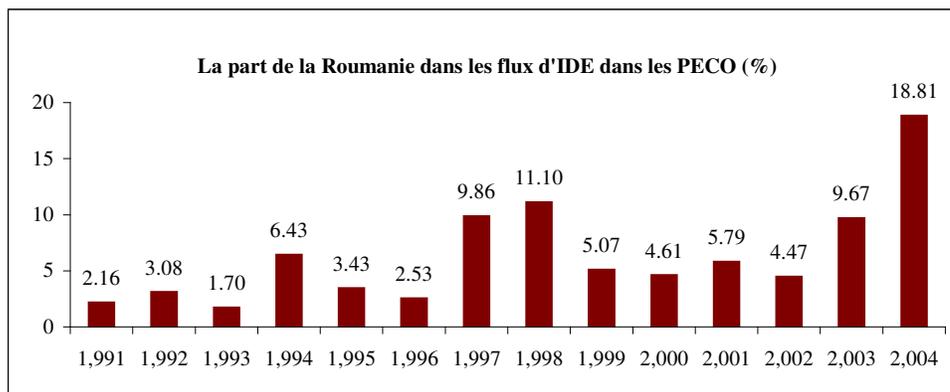
Figure 1.



\*Notre analyse porte seulement sur les 11 premiers pays de l'Europe centrale et orientale, les plus attractifs en terme de stock d'IDE/tête en 2004 : Estonie, Hongrie, République tchèque, Croatie, Slovaquie, Slovenie, Lettonie, Lituanie, Pologne, Bulgarie et Roumanie. Les ex-républiques yougoslaves, l'Albanie ainsi que la Russie et les ex-républiques soviétiques sont exclus.

Source : calculs à partir des données de la CNUCED, WIR, divers numéros.

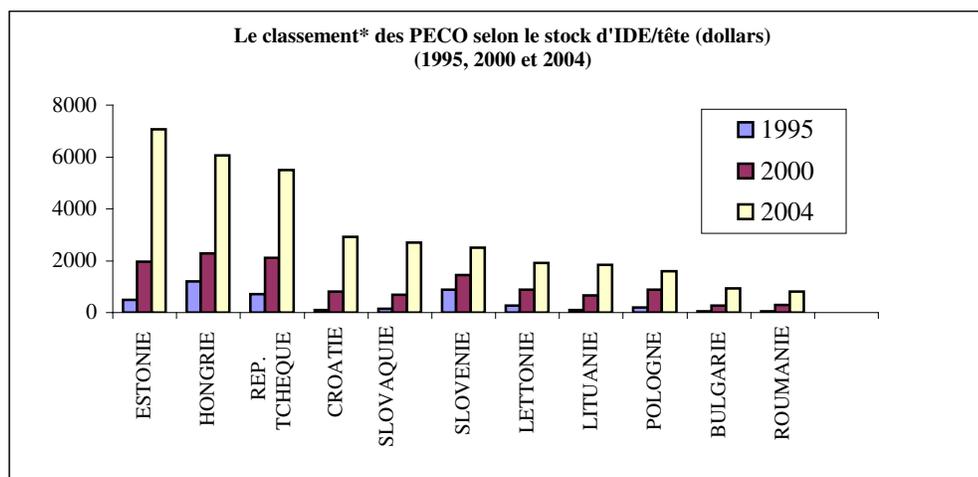
Figure 2.



Source : calculs personnels à partir de la CNUCED, WIR, divers numéros.

À la lumière de ces informations, on pourrait dire que la Roumanie a reçu une part non négligeable du stock d'investissement étranger dans les PECO. Mais ces observations ne tiennent pas compte de la taille de l'économie réceptrice. Lorsqu'on intègre la population qui constitue un indicateur de la taille du pays, on s'aperçoit que la part de la Roumanie baisse pour ne représenter que 2,33% des IDE/tête reçus par les PECO au lieu de 7% observé au niveau des IDE reçus. On découvre également que le classement des pays est profondément modifié (Figure 3). Seules la Hongrie et la Tchéquie préservent leurs positions en tête de liste, alors que la Pologne est rétrogradée à la 9<sup>ème</sup> place. De même que la Roumanie qui figurait au 4<sup>ème</sup> rang dans le classement précédent, se trouve reléguée en dernière position.

**Figure 3.**



\*classement effectué selon les entrées d'IDE/tête en 2004.

Source : calculs personnels effectués à partir de données de la CNUCED, WIR, divers numéros.

La figure 3 témoigne des disparités importantes au sein des PECO en termes d'attractivité des IDE. L'observation des données depuis 1995 permet de distinguer trois sous-ensembles au sein des PECO :

- un « noyau performant » qui apparaît dès 1995 : Hongrie, Slovénie, République tchèque, Estonie qui ont réussi attirer la plus part des flux d'IDE vers la région.
- un deuxième groupe, moins attractif par rapport au premier, mais qui a attiré des volumes d'IDE importants : la Pologne, la Lettonie, La Slovaquie, la Lituanie et la Croatie.
- enfin, les derniers pays, à savoir la Bulgarie et la Roumanie, se trouvent bien loin par rapport aux groupes précédents.

En ce qui concerne notre sujet, les observations font apparaître clairement les mauvaises performances de la Roumanie au sein des PECO. Toutefois, ces indicateurs qui fournissent des indications nécessaires pour démarrer l'analyse, révèlent rapidement leurs limites, dans la mesure où ils ignorent les caractéristiques comme la taille ou le potentiel d'accueil de l'économie hôte. Sur ce plan les indices élaborés par la CNUCED offrent une vision plus précise des performances roumaines que nous proposons d'étudier. Dans ce but, nous avons choisi d'évaluer, dans les lignes qui suivent, la performance de la Roumanie en termes d'IDE, en utilisant un des indices proposés par la CNUCED : l'Indice d'entrées d'IDE.

### ***L'indice d'entrées d'IDE de la CNUCED***

Le rapport de la CNUCED (WIR 2001) présente un indice des entrées d'IDE (ID) (*Inward FDI Index*) qui prend en compte le poids économique relatif du pays récepteur, en indiquant ainsi sa capacité à attirer les investissements en fonction de ce poids. Cet indice composite est une moyenne non pondérée de trois indices mettant en relation la part relative d'un pays dans les flux mondiaux d'IDE et sa part relative dans le produit mondial, l'emploi et les exportations :

$$ID = 1/3 I_p + 1/3 I_E + 1/3 I_X, \text{ où}$$

$$I_p = (IDE_i / IDE_m) / (PIB_i / PIB_m),$$

$$I_E = (IDE_i / IDE_m) / (E_i / E_m),$$

$$I_X = (IDE_i / IDE_m) / (X_i / X_m),$$

ID = l'indice des entrées d'IDE

IDE<sub>i</sub> = les flux entrants d'IDE pour un pays i

IDE<sub>m</sub> = les flux d'IDE mondiaux

PIB<sub>i</sub> = le PIB du pays i

PIB<sub>m</sub> = le PIB mondial

E<sub>i</sub> = l'emploi du pays i

E<sub>m</sub> = l'emploi mondial

X<sub>i</sub> = les exportations des pays i

X<sub>m</sub> = les exportations mondiales

Un indice égal à 1 signifie que la part du pays considéré dans les IDE mondiaux correspond à son poids économique mesuré par ces trois indicateurs. Pour les PECO, les valeurs de l'ID, ainsi que celles pour chaque variable qui le compose sont présentées dans le tableau 1. On observe que la plupart des PECO présentent un indice ID supérieur ou égal à 1, ce qui signifie qu'il s'agit d'économies à forts potentiels et ouvertes à l'extérieur. Les deux pays, la Roumanie et la Slovénie, qui ont des ID inférieurs à 1, sont des pays qui présentent des faiblesses, puisqu'ils auraient dû recevoir davantage d'IDE, compte tenu de leurs poids respectifs dans l'économie mondiale. L'indice d'entrées d'IDE qui constitue un point de départ pour mesurer l'aptitude des pays à attirer les IDE, doit être interprété avec prudence, dans la mesure où il ignore d'autres données économiques et politiques. Sa construction n'échappe pas non plus à des critiques, notamment en ce qui concerne l'usage des variables comme l'emploi et les exportations. Tout d'abord, parce qu'ils se superposent au PIB dans la mesure de la taille du marché et de la puissance économique d'un pays. Ensuite parce que la relation de ces variables avec les flux d'IDE n'est pas clairement établie.

**Tableau 1. L'indice d'entrées d'IDE dans les PECO (1998-2000)**

Pays	Part dans les IDE/part dans le PIB	Part dans les IDE/part dans l'emploi	Part dans les IDE/part dans les exportations	Indice des entrées d'IDE	Classement
Bulgarie	1,9	0,7	1,0	1,2	5
Croatie	1,6	1,6	0,9	1,4	3
Tchéquie	2,7	2,3	1,0	2	1
Estonie	2,5	1,5	0,7	1,6	2
Hongrie	1,2	1,2	0,5	1	8
Lettonie	1,7	0,8	0,8	1,1	6
Lituanie	1,7	0,8	0,9	1,1	6
Pologne	1,5	1,1	1,3	1,3	4
<b>Roumanie</b>	<b>1,1</b>	<b>0,3</b>	<b>0,9</b>	<b>0,8</b>	<b>10</b>
Slovaquie	1,5	1,0	0,6	1	9
Slovénie	0,3	0,5	0,1	0,3	11

Source : CNUCED, *WIR 2001*, p. 254.

## **Conclusion**

Ce papier a eu pour but de fournir au lecteur les principaux repères sur le positionnement de la Roumanie au sein des investissements directs mondiaux vers les PECO. On considère qu'une analyse comparative confrontant les performances de l'économie roumaine à celles des autres PECO en matière d'attractivité des IDE s'est imposée parce qu'elle permet d'apprécier les performances de la Roumanie en les relativisant par rapport aux pays qui se trouvaient dans un contexte semblable au début de leur période de transition. Les résultats des comparaisons sont pourtant décevants ; ainsi, quel que soit l'indicateur pris en compte, on observe que les performances de la Roumanie, en termes d'attractivité pour les firmes étrangères, sont beaucoup plus faibles par rapport aux celles enregistrées par les autres pays d'Europe centrale et orientale.

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# USAGE OF MARKETING BY SMALL AND MEDIUM PHARMACIES IN ROMANIA

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*Increasing competition of pharmaceutical marketing Romania imposed new rules for pharmacists as significant players of drugs and para-pharmaceutical stuffs. In order to survive to the hard competition, pharmacists must now leave classical medical condition and pass the border to the economic one. Pharmacists play now a double role: medical advisers and seller, and this double role is more evident when it comes to small and medium pharmacies, where the owner is in the same time and diligent of pharmacy. Those ones are forced to do this change due to the large pressure from the pharmaceutical producers, increasing the consumer expectations and expanding of the chain pharmacies. Considering this facts knowing and usage of marketing concepts became a natural condition to survive on the Romanian pharmaceutical market.*

*Pharmaceutical marketing, qualitative marketing research, B2C marketing, marketing for small companies,*

## **Usage of marketing by small and medium pharmacies in Romania**

This work is a part of a larger one in that I study understanding and applicability of pharmaceutical marketing in pharmacies as main distributors of pharmaceutical products in Romania.

## **Methodology of the study**

The study consist in 18 in-depth interviews with pharmacists, diligents and owners of small and medium pharmacies, including diligents of minichains of pharmacies (2-5) in Bucharest and main 6 towns (Constanta, Iasi, Cluj, Timisoara, Craiova, Brasov). Present results are those from Bucuresti where I was interviewed 4 pharmacists owners of small/medium pharmacies and 2 dirigent pharmacists - owners of mini-chains of pharmacies.

## **Background and marketing objectives:**

Romania represents an attractive farmaceutic market through his future and actual dimensions. It is a 23 million people market with a total value of only 5476,3 million RON (70 euro spent for drugs per capita comparing to France: 400 euro per capita), with a good geographic emplacement for the neighbour markets supplying. Also, it is a market which is far from his highest potential. However, we don't have to forget that it is discribed by unexpected evolutions, an incomplet and misinterpreted law.

Near medical doctors, pharmacists are vital in terms of drugs prescription and sales. For RX drugs (prescription drugs) pharmacists can influence the sales through their medical role: they can observe and send back to the medical doctor any drug that is not appropriate to the disease or interacted negative to other drugs prescribed to the patient. Also the pharmacists can influence the sales through their economic role: having or not in their portfolio prescribed drugs, changing medical prescription in terms of commercial name of the drugs. They also have and significant role as suppliers and advisors for OTC (over the counter drugs / drugs sold without medical prescription) and Para-pharmaceutical products. Due to the large pressure from the pharmaceutical producers, increasing the consumer expectations and expanding of the chain pharmacies.

Knowing and usage of marketing concepts became a natural condition to survive on the Romanian pharmaceutical market

The interviews were conducted in pharmacies, at various hours, depending of pharmacists programs, in January 2007. Each interview has lasted between 1-1 ½ hours.

## **Research objectives:**

- identifying what means marketing concept for pharmacist
- identifying what of marketing techniques are used by pharmacists in order to grow their business
- finding if pharmacists consider as a true necessity applying marketing in their pharmacies
- identifying how evaluate the pharmacist marketing actions of pharmaceutical products and accordance of those actions to pharmacist interests

- identifying how are conceived and applied marketing politics (products, prices, distribution, promotion and personal)
- evaluating real interest of pharmacists to learn marketing techniques and most credible source for teaching them marketing

### **Top lines/ briefly findings:**

Speaking about marketing I could observe something that in my opinion was natural: a confusion about marketing and sales, they haven't any clear opinion about marketing. Pharmacists are mixing together element of sales, marketing, even accounting and finance and name them marketing. Considering that they are pharmacies owners for a long time (minimum 10 years) – that's indicate an average age about 40 years, and they conduct small and medium business – their level of qualifications in marketing is low due to lack of economic background – “when I studied pharmacy I never took marketing courses”. Some of them have studied before 1989 or in the early 90's so that “economic courses I have attended were completely inappropriate for today economic reality”.

In terms of business, their development on the market was somehow natural due to expanding the pharmaceutical market. Almost all pharmacies have grown due increasing demand both aspects: quantitative – population is more preoccupied for improving health (more medical visits, more medical prescription, more attention to OTC claims); in big towns is now a larger number of citizens (larger quantity of sold drugs), population has a better access to medical services – due to higher economic power in the big cities and medical care improvement (more private medical clinics, more specialized medical equipment for an early trace of a disease) and qualitative - the intensive communication between pharmaceutical producers and pharmacists as prescribes and sellers (producers are interested in offer many information about products and marketing support in order to be present in as many possible point of sales); larger options in terms of variety of treatments for a disease – that increase the quality of pharmaceutical services offered, large addressability of pharmacies offer – cosmetics and dermato-cosmetics, personal care, baby care etc.

Actions done in order to expand their business: adapting the offer to the local demand, the development of a relation with loyal clients and local prescriptors, other services (eg., dermo-cosmetic consultance, contraceptive advices, AT measurement).

First of all pharmacists have a high degree of awareness about their importance in terms of being “the final link” of medical services. They are the ultimate piece of a whole system (medical one) who can correct any wrong element/ wrong prescription “if I, as final link of whole medical system, I don't observe and correct any mistake in a prescription, could be even a disaster for the patient, as he can even die”. The pharmacist consider final clients “not customers but patients”. Those patients have particular need and demands. Sometime poor educated patients or low income patients try to substitute medical advice to the pharmacists ones and create a difficult situation because “I can't refuse to give an advice – is not a professional attitude, but in the same time I can't substitute the medical doctor, is not professional attitude...and the patient is low profile, and he has less access to medical services...”

This dual role of? put the pharmacist in a very fragile position as economic player because “I can only sale drugs – I'm not a seller but my life depend on my profit”. They have survive only finding an delicate equilibrium between medical and economic role “sometimes I give short medical advices”, “I refuse to sale drugs when I observe mistakes and I strongly recommend another visit to the medical doctor in order to correct prescription”, “I try to adapt my offer to the local conditions”, “when I know patient for a long time I give drugs even without medical prescription”.

Deeply aware about their lack of economic education, despite any exact information about what really marketing means, pharmacists are open to any economic area (including marketing) that affords them to develop their business. Need for an economic approach of pharmacies came especially from big threats represented by large chain pharmacies – “they are very well organized; they invest large sum of money in developing a fidelity program; they invest large sum of money in interior design; they have power to negotiate better financial agreements with en-gross distributors; they can support marketing actions together with the producers; they offer various secondary services”.

Marketing actions powered by pharmaceutical producers and distributors are considered to be appropriate and normal to the activities developed by pharmacies “it is normal to do such actions (communication and promotion for pharmaceutical products) for their products”, “we can't do this alone”, “if they want to have better sales they must help us in order to increase their sales”. In the same time when comes to cooperation to such marketing actions, owner of small and medium pharmacies admit that is difficult for them to participate in other ways than offering to the patients medical information and promotional materials (eg., leaflets, posters, samples if case) and using the branded materials put at their disposal (eg., shopping bags, ball-pens). A cooperation in financial terms, sharing costs to promotion is excluded because large pressure on loans and taxes “we must pay a lot of taxes to the government” , “we can't easy get our money back

from National Insurance House but we sell some drugs included in national health program and we must pay the drugs to the distributors from our own money ”

Marketing mix isn't a known concept that so all aspects concerning about marketing policies are empirical.

- Product policy depends in most cases to the area where is pharmacy is placed. When is nearby policlinics are a lot of drugs according to medical specialities located there (eg., cardiovascular drugs in case of 2 cardiologists nearby), “I have an homeopat nerby...and I'm selling inclusive homepatic products, is a good opportunity for me”. When it is a hospital, due to the lack of specific drugs and para-pharmaceuticals in romanian hospitals pharmacies offer missing products and basic care products (soap, shampoo, dental care products). Although the population profile from the neighbourhood is important in establishing product policy, “I have my pharmacy in a poor area/ predominant elder people, my clients can't afford to pay expensive products”, “only pharmacies placed in a intense pietonal traffic area can have all kind of products: drugs, para-pharmaceuticals, cosmetics, dermato-cosmetics, baby care”, “only young people from my area buy care products from my elder people buy it from other places, is not familiar for them to buy such products from pharmacy”.
- Price level for prescription drugs (RX) is established by the Ministry of Health. Only OTC (non-prescription drugs) and the rest of products can be object for a price policy and that is depending on public profile in the geografical area where is placed the paharmacy, same as product policy.
- Place /distribution policy intervenes only in case of minichains due to strictfull legislation for selling drugs, “we can't sell RX drugs outside the paharmacy, is illegal” Decision to open other location is now restricted by large expenses and great competition especially large towns “now is more than 1 pharmacie at 7000 citizens and we can't get approval for a new location. It is only a possibility: to buy an old pharmacy and relocate this, but is a very expensive action”, “another solution is to open a pharmacy outside the town”
- Promotional policy is bounded to promotions of producers and distributors.Seldom they copy an idea from big chans “a have seen an “anti-flu kit”at Sensiblu and I made one from less expensive drugs in my pharmacy, it wasn't a bad idea”. They like promotional idea but consider that is to expensive for them to communicate through classical media channels and “you can't copy every move of big chains, isn't fair and interesting”

### **Conclusions and recomandations**

All intervied pharmacists were interested in aquiring economic knowdleges, especially marketing ones in order to obtain a competitive advantage. In most cases thay can't ask that objective clearly, due to the lack of economic educations, but each of them is aware about importance of selling techniques and marketing. Pharmacists need for informational presentations and discussions by industry representatives and others speaking on behalf of a pharmacy provide valuable scientific and educational benefits. That could be although an opportunity for economic universities offering post-graduate programs special designed for pharmacists and more accurate for small and medium pharmacies.

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## SMES IN ROMANIA NOWADAYS AND THE ENTREPRENEURSHIP

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***Abstract:** The integration in EU is a shock for Romanian entrepreneurs because they are not strongly prepared for this process. The forecast prevision are not good - a half of SMEs will disappear ; SMEs need informational process, training courses, counseling and first of all, financial support. Romanian entrepreneurs need very through training programs for all the professional categories. The integration process bring new standards, competition and new demands, but at the same time new opportunities because of the access to an open market. The entrepreneurs must be prepared both for threats and for opportunities. The most difficult to apply are the environment protection norms because SMEs haven't invested much in this area until now. This investment in the environment protection technologies is too big for the small business in Romania. Therefore unreturnable funds must be allocated through programs specific to EU.*

*Key words: competition, threats, opportunities, entrepreneurial initiative.*

Small and medium enterprises play a significant and irreplaceable role in all countries with a market economy. Their dynamic development is one of the basic presumptions of healthy economic development. Small and medium enterprises with their high adaptability to market requirements and their innovative and creative approach are able to respond immediately to the newest demand trends and to satisfy the requirements of the most exacting customers. A no less important role is played by SMEs in the area of creating new job opportunities, and with their healthy diffusion they positively affect employment growth.

The fuel of small private-sector growth is entrepreneurial initiative. Entrepreneurship is key in making these small enterprises innovative, adaptable, flexible, and able to adopt new technologies. Through the success of the enterprise, the entrepreneur will achieve his own economic success. The entrepreneur, therefore, will follow the logic of profit maximization, market expansion, and accumulation. To achieve these goals, the entrepreneur must calculate rationally and try to find the most profitable combination of production factors. Profit is reinvested into the enterprise but credit is also constantly sought as the enterprise grows.

The small enterprise is both horizontally and vertically networked. It interacts with both small and large companies as supplier or subcontractor and purchaser. Its market is limited only by the opportunities available and can reach beyond the boundaries of the locality, the region, and even the nation-state when profitable.

The entrepreneurial approach sees economic units in the private sector on a continuum from the smallest, single-person business to the largest company. Each size is a station in the process of entrepreneurial expansion. Growth has its limits, but not before the business reaches at least medium size. The very expression "small- and medium-sized enterprises" (SME) suggests that small and medium-sized enterprises are similar in principle and there is a smooth progression from one to the other.

In the creation of new enterprises, the entrepreneurial approach emphasizes opportunities and pull factors. People start small enterprises because they see new opportunities opening up in the market. Entrepreneurship is an active choice and not a forced, defensive move. Enterprise growth follows the business cycle. During bad times, the number and size of small entrepreneurs contracts, while during good times there is entrepreneurial expansion. During periods of growth, small enterprises employ greater numbers and hire new people from the open labor market.

Policy makers view small enterprises as a major source of taxes, even given awareness that tax collection is not always easy. From this perspective, the main policy instrument to stimulate small enterprises is credit. To make credit available to small businesses, policy makers must set up special funds that give loans to small enterprises, guarantee funds that entrepreneurs borrow from banks, or persuade banks through regulation or various financial incentives to offer loans on favorable terms. Stimulating the small sector thus can be an instrument for cutting unemployment through the expansion of existing businesses that need to hire more employees.

The causes of the upsurge of the small private sector, the entrepreneurial paradigm argues, are new opportunities, some of which are the long-term legacies of the socialist economy. Small businesses thrive because they fill the holes created by the weakness of the service sector, the poor supply of consumer goods, the deficiencies of socialist trade, and the inefficiencies of a concentrated, overcentralized economy. Coupled with the information revolution and the process of globalization, these factors create new possibilities upon which entrepreneurs seize.

What shall happen with Small and Medium – sized Enterprises in Romania? In Romania there are almost 500 000 SMEs which assure 67% of NGP and employ almost 60% of labour force.

Small and Medium – sized Enterprises in Romania have survived to law instability, to the control of different institution, to underfinancing, to the aggressive of the multinationals enterprises marketing, to the lack of experience, to the belief that import goods are better than autochthon goods, but will they survive to integration process?

The answer is between the ignorant's optimism and the sceptic's pessimism.

No one knows for sure what will happen. But the experience of our neighbour can be studied. The price for integration will be for many Small and Medium – sized Enterprises the bankruptcy. All enterprises which have not built an efficient business, based on modern technologies, consumers of little energy, complying with the European rules of environment protection and other norms for consumer protection, will fail.

For a Small and Medium – sized Enterprises which hardly survives from a month to another, from a year to another is very hard or even impossible to realize investment in modern technology to provide a good offer for a good future.

From 2007 a half of SMEs will disappear because of operational costs of integration. These are the specialists forecasts taking into account the example of Poland, Hungary and the Check Republic. The quality cost, the audit cost, the consumers protection and the administrative costs will be unbearable for SMEs after 2007.

How the '2007' impact upon SMEs could be diminished? The SMEs must be helped with low-interest credits for modern technology and other investments.

There are specialists who believe that the SMEs sector will develop after integration but there aren't specific rules for positive evolution of this important sector in Romanian economy.

How can get informed the SMEs in Romania?

There are 8 European Informational Centers in Romania which represent the ideal source of information. The entrepreneurs can use this and benefit from the opportunities which the Single European Market offers them. They can obtain updated information and to access the main data base of the Comission. This one cooperates with the other members of EIC, bot hat national and at inernational level.

SMEs in Romania must know that sevicies which EIC offers such as information, primary assistance and consulting are focused on European measures which are often unknow for Romanian entrepreneurs, especially for very small entrepreneurs, but which are capable to directly contribute to their developement and to the production of new workplaces.

Innovation is the characteristic tool of entrepreneurs; it is the means through which they exploit change as a possibility to accomplish different businesses or services. It is necessary for entrepreneurs to consistently search for innovation sources, their changes and symptoms, which indicate the possibilities of realization of successful innovations.

Nowadays, because of acerb competition, entrepreneurs have to practice systematic innovation. Change is the one who is always offering opportunities to create something new, something different. Systematic innovation therefore consists in the organized, purposed search for change and in the systematic analysis of the opportunities that these changes provide for economical or social innovation.

Some specialists consider innovation a process that attempts 'to couple' imaginative people's ideas with current realities in science, technology and market –it represents a continuous creative flow, which begins from the initial idea and moves through the stages of the research-development activity, as it is oriented towards finding the best solutions of harmonizing the different factors' requests and incidents, appropriate solutions during a certain period and, therefore, changing.

In the past the EU's 23 million SMEs often only made it into the footnotes of political speeches. Now they are gaining the recognition they deserve as the backbone of the European economy, acknowledged as a constant source of ideas, innovation and entrepreneurial skills, the principal providers of existing jobs and the main source of new employment.

SME issues were at the top of the agenda at the 2006 spring summit of EU leaders where European Commission President José Manuel Barroso declared "We need to roll out a red carpet for entrepreneurs, not create red tape."

The summit gave a strong endorsement to policies that offer SMEs the support and advice they need to meet today's business challenges, in clear appreciation of the fact that these challenges are often greater for SMEs than for their larger counterparts.

Sustainable growth and jobs are generated by enterprises, not policy-makers. But if SMEs are to provide the dynamic boost to the economy that the EU so badly needs, policy needs to provide the right business environment for them to thrive.

In its new partnership for growth and jobs, the renewed Lisbon strategy for economic reform, the European Commission is pushing for the integration of the “think small first” principle into all EU and national policies. This means assessing initiatives from the point of view of smaller businesses and ensuring SME needs are prioritised.

The EU Treaty requires that environmental requirements are integrated into the definition and implementation of all Community policies and activities. This implies striking an appropriate balance between environmental, economic and social objectives. The European Commission, Directorate-General for Enterprise and Industry promotes the integration of sustainable development into enterprise policy and aims to ensure that the definition and implementation of policy instruments for achieving environmental goals foster entrepreneurship and encourages innovation, thus contributing to competitiveness.

From a macroeconomic perspective, one important contribution of small firms is that they form a “seedbed” in the sense that they provide the conditions favorable from which new business can be started and from which the existing ones can grow through internal resources, borrowing or mergers (Waite, 1973). Small firms also contribute to innovation in their sectors.

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## THE FUTURE SUCCESSFUL ENTREPRENEURS—OUR STUDENTS

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**Abstract:** *After graduating an University, the inevitable question is: "What comes next?" The answers are very varied, depending on the University graduated, on the expectations, on the professional level that the persons want to reach. Because this question concerns every fresh graduate, why wouldn't it be applicable to those who have graduated from an Economics Faculty? In this case, the most followed path is opening your own business. The purpose of this paper is to describe in detail the young graduate's position, the way in which he prepares to become a skilled entrepreneur, the problems he confronts, the strategies he applies, all of these inserting themselves in the young person's way from the neophyte stage all the way to the initiated stage.*

*Key words: entrepreneur, initiative, intellectual flexibility, ambition, performance.*

The ambitious young students can transform themselves into young successful entrepreneurs, trying to reach new performances, to make their enterprises competitive and their businesses as profitable as possible. Armed with new ideas, with impressive power to work, mastering the theoretical bases and having a lot of ambition, the young entrepreneurs bring freshness into the business world and some of them become truly appreciated. An entrepreneur's work is based on a complex of theoretical knowledge and practical skills. Through all these, the entrepreneur has the possibility to understand the theoretical bases of the entrepreneurial activity, to collect a fund of expertise documentation, to outline standards regarding performances, conduit and ethic criteria.

Experts divide an entrepreneur's assets into several categories. One of the categories is created on the basis of individual talents, entrepreneurial knowledge and entrepreneurial expertise, and characteristic features, while the other is created on the basis of the actual content of the activities, expertise and experience and talent in working with human beings.

Intelligence, energy, far-sightedness, decision-making, capability and initiative are also among the most important features of entrepreneurs. Nevertheless, we should not forget about emotional balance, intellectual flexibility, intuition, passion for working with employees, receptivity towards technical and social progress, honesty, good intentions, integrity and justice. In certain situations when an entrepreneur has to possess other features too: tolerance, the will to listen to others, quick evaluation, recognition of the good side of things and employees. The following features are also vital: intellectual capacity, intellectual efficiency, enthusiasm and power to express your thoughts and opinions.

Psycho-socio-professional requirements of the entrepreneurial activities necessitate for the entrepreneur to have additional characteristics besides the ones presented above. These characteristics are in close correlation with creativity, imagination, temper and character.

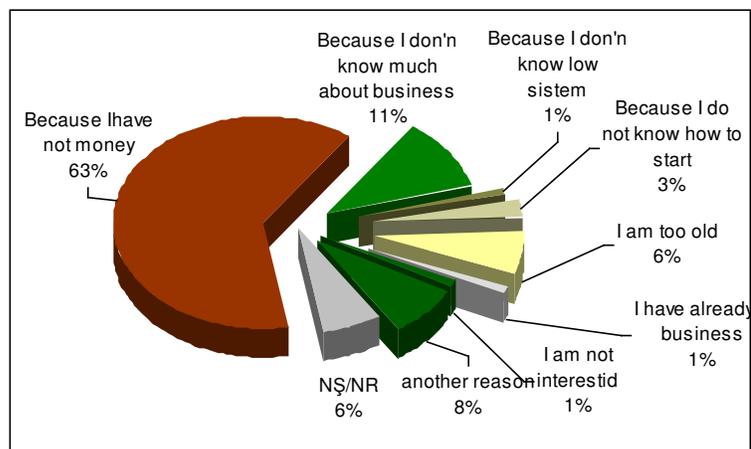
One of the EU's top priorities is to stimulate in young people a strong desire to become entrepreneurs, and the Commission is working closely together with EU national governments to achieve this goal. The young potential enterprisers in Romania will benefit from entrepreneurial training with a strong practical character, in order to achieve the necessary knowledge so that they are able to start and develop a business (management knowledge, marketing, financial knowledge, conceiving and implementing a business plan, developing of negotiation capacity etc).

A lot of young people from Romania don't want to start their own business.

We try to answer to the following question:

Which are the most important reason because of that the young people from Romania don't want to start their own business?

(% from who don't want to have his own business in the next years)



Sursa: INSOMAR, IMAS, TNS-CSOP and CURS, on a sample of 4.304 subjects

Entrepreneurial training classes are organized by ANIMM in Bucharest and in the whole country. Some of the participants to the entrepreneurial training classes, selected considering their performances, will benefit from advantageous microcredits, with the contribution of two important banks from Romania, based on the microcredits program financed by the European Fund of Investment. Primarily, the persons belonging to the following centres: Iasi, Cluj, Timisoara, Bucharest, Craiova, Brasov and Constanta will be selected. (Oradea will be in the next step). Then, these persons will be trained in management, marketing, financing, business planning and negotiation abilities classes. Secondly, the students will draw out a business plan for their own business. In the third phase, the business plans will be evaluated and the best 100 will be selected. They will be financed with low interest through different banks, from the European Fund of Investments.

In the past years, student and graduates organizations from Romania have diversified their activity, becoming more and more preoccupied by the entrepreneurial development of their members. On the other hand, many more new organizations have been created. Besides the student associations, which exist in only one University, organizations belonging to wide international networks, which attract through image and opportunities, are becoming more and more appreciated.

Besides the ordinary Romanian student's problems, such as the financial ones, the organizations deal with the development of the communication skills and leadership of youths. In these fields, the international experience is decisive; especially considering that, in the occidental countries, volunteering it is truly a tradition. In this way, many famous businessmen and politicians have started their activity in a youth organization, such as Junior Chamber International. In Romania, Junior Chamber Bucharest has initiated, in less than one year, almost 20 projects, in 4 distinctive areas: international, communitarian, business focused and personal development.

In order to realize their projects, the organizations need funds. Besides the financial funds that they have to attract, they also have an accessible variant: available funds through "Youth" program, belonging to European Union. In order to benefit from this source of financing, organizations only have to contact the agency (Agentia pentru Sprijinirea Initiativelor Tinerilor-ANSIT) and to send a well realized project.

Our students become more and more preoccupied by the entrepreneurial activities. Therefore, we introduced in the programmes of our Faculty some courses (Antreprenoriat-Entrepreneurship, for example, beside other courses like: Small Business Management) who want to discover and to develop the

entrepreneurial spirit to our students. We want to prepare our students for the company of the future, the company where a lot of changes will appear.

All the companies will have to keep up with these changes if they wish to stay competitive. But what remains unknown is the nature of these changes, their magnitude and the fields in which they will be most obvious.

Comparing to the enterprisers who already have a certain experience we consider that, although young enterprisers have a lot to learn from them, they adapt their companies to the changes a lot easier. Moreover, those young businessmen initiate the changes in a whole field of activity when they start a new company.

A source of these changes would be the innovative spirit that springs from each from each and every young enterpriser, their freshness and anticipative spirit in business field. All these qualities always maintain a business at the top. It is obvious that the entrepreneur's actual innovation and innovative spirit are of great importance. Many entrepreneurs are very capable and obtain expected results in production or product opening, but very few know how to sustain a creative innovative activity or to stimulate the creativity and innovative spirit of the staff he is working with in research. The implications are the more obvious if we consider the fact that the force of modern development consists in the capacity of inventing and then in the capacity of creating new products based on innovations.

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# GENERAL TRENDS AND BUSINESS ATTITUDES TOWARDS SOCIAL RESPONSIBILITIES

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*This article gives an overview of general trends and business attitudes towards social responsibilities, as understood and applied in both the World.*

*The USA has the longest history of CSR whereas both Britain and the European continent developed CSR practices intensively over the last 20-25 years, driven largely by external factors. The American doctrine has not dramatically changed over the last 100 years and has been developing smoothly reflecting gradual shifts in social development. The UK business community is distinctive for being more enthusiastic about CSR than its European counterparts. Despite the rich CSR heritage in America, it can be argued that British and continental European CSR experiences within the last 20-25 years have more in common with today's Russia. Relevant parallels and distinctions between Europe and Russia can be drawn especially in consideration of the dramatic changes in Russia's economic and social systems in the past 15 years.*

*Key words: Corporate Social Responsibility, dimensions of CSR, 'explicit' and 'implicit' CSR.*

## **1. The relevance in the thematic area**

Corporate Social Responsibility is a broad field with many different issues and concerns to consider - but many are relevant only to certain sectors. Therefore, to make it valuable, companies should focus first on making Corporate Responsibility efforts relevant to their business and its specific stakeholders. Only relevant efforts should be integrated into the business.

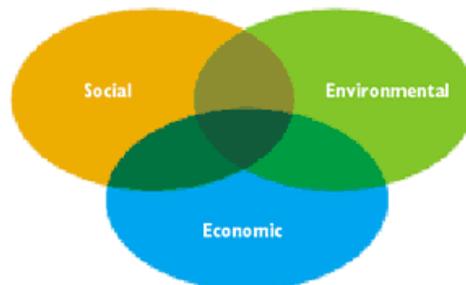
Corporate Social Responsibility is an umbrella concept, that describes corporate wide systems and is used to define the overall role of the company and its responsibilities. It therefore relates mostly to corporate governance and corporate strategy and is less valuable as an operational concept.

As a consequence of being company specific and of little value as an operational concept, Corporate Responsibility is often perceived as a confusing practice. This is partly evidenced by the confusing terminology used to describe it.

Many definitions exist for Corporate Social Responsibility. Even though it is very difficult to create a commonly used definition but there are some common characteristics:

- Meeting the needs of existing stakeholders without compromising the ability of future generations to meet their own needs.
- Adopting CSR because it is seen to be in the long-term interests of the organisation, rather than just a legal requirement.
- Integrating social, environmental and economic policies in day-to-day business.
- Accepting CSR as a core activity that is embedded and integrated with an organisation's management strategy.

Figure 1 illustrates the key dimensions of CSR - social, environmental and economic, and how they link and also overlap. These three dimensions are consistent with the three dimensions of the Triple Bottom Line, people, planet and profit.



**Fig. 1 The Three Dimensions of CSR**

Examples of areas particular to each dimension are:

- Economic responsibility: integrity, corporate governance, economic development of the community, transparency, prevention of bribery and corruption, payments to national and local authorities, use of local suppliers, hiring local labour, etc.
- Social responsibility: human rights, labour rights, training and developing local labour, contributing expertise to community programmes, etc.
- Environmental responsibility: precautionary approaches to prevent or minimise adverse impacts, support for initiatives promoting greater environmental responsibility, developing and diffusing environmentally friendly technologies, etc.

CSR patterns in the USA and Europe have recently been defined as ‘explicit’ and ‘implicit’ CSR.

Explicit CSR refers to corporate lines of behaviour/policies that lead companies to assume responsibility for some interests of society. Explicit CSR would normally involve voluntary, ‘self-interest driven’ policies, programs and strategies of corporations to address issues perceived by the company and/or its stakeholders as part of their social responsibility.

Implicit CSR refers to a country’s formal and informal institutions through which the corporations’ responsibilities for society’s interests are agreed and assigned to corporations. Implicit CSR normally consists of values, norms and rules, which (mostly) result in mandatory requirements for corporations to address issues, which social, political and economic interests consider a proper and reasonable obligation upon corporate actors.

## **2. CSR in the USA**

Corporate social responsibility is often regarded as an American phenomenon based on the principles of self-help and participation. The culture of philanthropy in America can be traced to the early 20th century and provides an excellent outline of its historical evolution (i.e. Rockefeller’s public libraries, Carnegie’s initiatives, etc).

Due to the nature of American entrepreneurship, which is based on maximizing the freedom of participants, there are a number of self-regulating mechanisms in contemporary American society. Thus, employer-employee relations are mainly the subjects of bilateral agreements between the respective parties.

The right to health protection is regarded as an individual choice, i.e. to acquire health insurance or not (hence, voluntary medical insurance). The Government guarantees the fundamental rights of citizens in this sphere. Likewise, all CSR initiatives are carried out on a purely voluntary basis by corporations.

America has developed numerous mechanisms through which the private sector participates in social support initiatives, such as through corporate funds that address various social problems. It is well-known that higher education in the USA is sponsored by the private sector to a far greater extent than in most other countries. Education financing pattern can partially be accounted for by the motives of corporations to voluntarily support education, pension and insurance schemes for the staff, and other socially important programs. Socially responsible corporate behaviour is often underpinned by appropriate fiscal incentives that are statutory by law.

It is important to point out that the American Government has a “hands-off” approach when engaging with the private sector. At the same time, there are several instances of corporations taking an active interest in areas that are of concern in the public domain and quite often exist outside the scope of business’s commercial activities. The Bill & Melinda Gates Foundation, with a capital base of almost 27 million dollars, is a striking example, being fully financed by Bill and Melinda Gates, it aims for an improvement of educational and health protection systems in different countries throughout the world.

## **3. CSR in Continental Europe**

Unlike the United States, where CSR tends to be initiated by corporations and often exceeds the bounds of corporate responsibility to stakeholders as required by law, the private sector in Europe is more inclined to carefully define and circumscribe its responsibilities to wards society. European CSR practices rarely originate from the explicit policies of corporations. Corporate activities, which are traditionally carried out on a voluntary basis in the US, are normally implicitly

codified in the norms, standards and legal frameworks of respective countries in Europe. Distinctions between American and continental European models of CSR can be discerned from a company’s economic, legal and ethical responsibilities and philanthropic activity.

- Economic responsibility concerns itself with ensuring the profitability of business and protecting shareholder interests (as is the case for the US). European companies have an expanded concept of economic responsibility which encompasses the welfare of employees and local communities;

- Legal responsibility in Europe is a basis for any social responsibility. Europe and businesses mainly consider the State as the entity that enforces accepted rules, where as in the USA such regulations would be viewed as governmental interference in private liberty;
- European corporations tend to regard most social issues as lying in the area of ethical responsibility. Due to a strong civil society in Europe, business operations are subject to close public scrutiny (for instance, issues of nuclear power, animal testing, and genetic engineering are always on public's agenda);
- Philanthropic responsibilities do not play a large role in European businesses in Europe in contrast with the US. This is accounted for by the higher tax burden in Europe than in North America. Accordingly, European corporations are generally engaged in philanthropy through vested legal frameworks. The above factors have contributed to the emergence of the term 'Corporate Social Responsiveness' as a more accurate description of the European model of CSR.

Another significant deviation in Europe from the US is governmental oversight of CSR. Due to the increased role of government regulations, the European CSR model is also known as 'implicit' CSR and is reflected in legislation dealing with systems of health insurance, pensions and other socially relevant issues. Furthermore, employer-employee relations are more clearly defined and regulated in Europe than in the United States. In general, the European model of state regulation on CSR-related issues surpasses its North American counterpart. While European countries differ from each other, they share several common elements that serve as unifying factors. The first such factor to mention is European politicians paying close attention to various CSR initiatives. Three years ago, the European Commission defined CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis'.

#### **4. CSR in the UK**

CSR in the UK combines elements of the American and Continental European models. There is active governmental support in CSR development in Britain that encourages socially responsible corporations to work within a welldeveloped welfare system. On the other hand, following Thatcher era reforms in the UK, many practices appeared which may be considered similar to those followed in the US. CSR in Britain has the following characteristics: a well developed CSR consultancy industry, increased interest in CSR from the investment community accompanied by the growth of socially responsible investment funds, increased media attention to CSR. The Times publishes a social responsibility index in its weekly company profiles, UK business education surpasses that of Continental Europe in terms of variety and quantity of CSR focused courses.

Active involvement of the UK Government in CSR development through public-private partnerships in the educational sector, co-financing of CSR projects, fiscal incentives to socially responsible companies and encouragement of consensus on UK and international codes of practice. In view of his concern about CSR development in the country, the Prime Minister created the position of Minister for CSR.

During the 19th century and the first three quarters of the 20th century, CSR as philanthropy was evolving 'implicitly'. Philanthropic initiatives were driven by a number of businesses focused mainly on supporting local communities, employees and their families. In the 1980s, British forms of CSR shifted to wards more 'explicit' modalities and became more concerted at the national level.

Instead of waiting for the Government to increase the tax burden and intensify labour relation regulations, the private sector took a proactive stance and initiated CSR implementation measures, which has since been considered the 'first wave of explicit CSR'. At first this meant the emergence of the Special Programmes Unit at the national level. Corporations created opportunities for higher education targeted at youth by using their own resources. The Special Programmes Unit held conferences, interacted with certain companies and acted as an intermediary in resolving conflicts.

It is now common for most large UK-based businesses to have CSR dedicated staff/ UK Government is actively involved in encouraging companies that disclose their policies and practices on decisions which impact their actions on social, environmental and employee issues. There are a number of Acts which introduce fiscal incentives for ethical and socially responsible business – energy efficiency, reuse of production wastes, etc.

The common feature for both British and Continental Europe's CSR practices is their inherent implicit modalities taking on more of explicit CSR characteristics. Table 1 below highlights a few of the more notable distinctions between the American and European patterns of CSR.

	<b>American Context</b>	<b>European Context</b>
Economic Responsibilities	Corporate policies with regard to “good corporate governance”, “remuneration” or consumer protection”	Legal framework, codifying corporate constitution the 35h-week, minimum wage legislation, overtime regulation, development and testing of pharmaceuticals
Legal Responsibilities	Relatively low level of legal obligations on business	Relatively high levels of legislation on business activity
Ethical Responsibilities	Corporate policies with regard to local communities	High level of taxation in connection with high level of state welfare provision
Philanthropic Responsibilities	Corporate initiatives to sponsor art, culture or fund university education	High level of taxation sees governments as the prime provider of culture, education etc.

**Tab. 1 CSR Models in the American and European Contexts**

## 5. CSR in Russia

Despite a plethora of Russian publications on CSR in the country over the last 2-3 years, there is still a shortage of in-depth analytic research similar to what is available in the West. The conclusions below are based on currently available Russian materials and do not pretend to be exhaustive. Based on existing academic papers and media reporting on CSR in Russia, it appears that the prevailing academic and private sector opinion is overoptimistic regarding the current state of CSR development in the country. In the same way, some companies seem to be rushing to present themselves as socially responsible entities when, in fact, they have not had enough time for a proper CSR screening by authoritative experts/auditors.

This optimism is probably due to CSR related elements, inherited from Soviet regime (holiday camps, holiday houses, other social and cultural programs). It is a fundamental mistake when employer-employee relations are considered a comprehensive socially responsible way of doing business. Other stakeholders (with the exception of the State) are given less consideration. Another reason for such an overestimation of CSR practices is the relatively short period of time for fostering a CSR culture – maximum three years by now – and in misapprehensions of the concept of CSR as applied in countries with longer CSR traditions. Finally, the private sector may be motivated to report positive CSR outcomes to the Government which wields a large influence and closely observes business practices.

Unlike the American and European CSR models and, probably, due to some command system elements inherited from the Soviet era, the role of the Government as a CSR driver is hard to overestimate. It is quite obvious that CSR in Russia is still at the early stages of development.

## 6. Conclusions

Since CSR development in the country is still in the early stages of being applied, the concept, practices and utility of CSR are not fully understood. CSR as it currently stands is relevant to the immediate stakeholders – the Government, the owners and the employees. The broader degree of interested parties, such as local communities, suppliers, etc., is not yet part of the system, but the process will by necessity become more inclusive as the market develops and society matures.

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## E-LEARNING OR ELECTRONIC SYSTEMS OF TRAINING

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*Training systems assisted by the computer are generic named “E-Learning” and have become familiar in Romania and all over the world. The implementation of these systems in the institutes of Romania has proved their efficiency that means they could be used also in the organizations who want to educate their personnel.*

*The utilization of these systems assumes a lot of problems based – principally – on the definition of the educational content and to the composition of data bases and of the technique platforms which is built. Working on a different platform, the system behaves stable enough, data base’s loading, the definition of the roles involving milieu’s acquaintances from the system’s administration and user.*

*A good solution could be the identification of the main increasing directions of the informatics’ systems for management in the existence’s conditions on the IT’s market of the main components which allow the passage to the informatics systems which are processing dates and information’s to the systems so that they may recording, processing and transmitting acquaintances.*

*e-Learning, electronic systems, educational methods, Blended Learning, training communities*

The continue instruction in Romania is one of the priority for the objective’s achievements generated by the process of adherence of European Union and also for the new economy based on the knowledge, a concept which tend to include the economies of the most increased states of the world.

Achieving these major objectives can be made through the permanent education of the all social’s categories of the Romanian’s population and conscientization of the politic and economic decision’s factors that every measure of economic and social’s increasing must lead to competitively based on knowledge.

Up to present the high competitively supposes a continue innovation. In accordance with this concept, an efficacious economic increasing depends on the continuous process of modernizations. The reference’s model was the Porter’s Model in which he identified three stages of the economic competitively: the economy based on factors; the economy based on investments and the economy based on innovation.

Every economy has its dominants sources of the competitive advantage such as the cheap working force and the access to the natural resources in the case of the economy based on factors; the competitively through the high efficiency of the production and improving of the quality of the assets and services produced to the economy based on investments, respectively the utilization of the most method’s and technique’s advanced for achieving innovator’s assets and services from the global limit of the technology to the economy based on innovation.

In the 2003’s years, the Sapir’s report presents the limits of this concept. According this: “A system built around to the existenting technologies, to the production and an industrial structure dominated by the big companies with stable’s markets “. Nowadays it is necessary for many opportunities for the new entries on the market; for a better employee’s mobility into the company and between the companies, for a better efficiency, for an intense dependence on the financials markets and more investments both in the investigation development and in the education. All these one demands a urgency and a massive change in the economics’ politics of Europe.

Since 1972 in a UNESCO’s report named “Learning to be” coordinated by Edgar Faure is coming to the conclusion that following the interaction between education and society, it will manifest a new phenomenon which is leading to change the relation between the education’s level and the economics’ increase for a long period. Another phenomenon reported by UNESCO is that the education is foreseeing and preceding the economics’ increase such as the society declines a number much and much more from the school’s products.

A good explication could be given by the contradictions which are declined on the training’s process:

1. The contradiction between the time period when the person is there as an training’s object and the length which represents the object of her/his own activity.
2. The contradiction between the time earmarked to the documentation, to the identification of knowledge’s sources and the time earmarked to the assimilation and to the analyzing of the

knowledge's obtained. An investigator came to the conclusion that from all his investigation's total time only 1% is using for creation and 99% coming up to the information.

3. The contradiction which concerns the gap's increasing between the evolutions of the information's requirement of the students comparatively with the diversity of the information's possibilities.

In Romania the finalities of the initial's education have a new view to the all levels of general and compulsory's foundation such as: primary school; gymnasium; secondary school are:

- the increase of the reflection's capacity of the world; resolving the current problems using the knowledge's learnt in different domains.
- the increase of the social-culture's competences and of the active integration's capacity in different groups (familiar, professional, etc.)
- the increase of the main's competences for social success: resolving the problems; taking decisions; negotiation; resolving some strafes; the creative utilization of the information.

Paradox, in UNESCO's Report, in Contemporary European's School, "the education suggests to make people for all kind of society which doesn't exist yet, education by her systems, must foresee and take care of the unknown world."

After December 1989, the educational ideal of the contemporary Romanian's society is changing and becomes: free increase; integral and harmonious of human's individuality, in building-up a self-contained and a creative personality.

Also, in sequence with the new educational trends on the European and Mondial's Plan, the educational ideal of our society couldn't be examined only by it's raportation to the main humane contemporary's models being in conflict: the individual model, the sociocratic model and the creative model. Through the new law of the education, the training's finality is represented by the humane personality's buildings-up through:

- learning Scientific's knowledge; of national and universal's cultures;
- building-up the intellectual's capacities; of the affective availabilities and of the practice's diplomacy through assimilated des human, scientific and technique's knowledge;
- the assimilation of intellectual's techniques necessary to the training during the whole life;
- the education in the spirit of respecting the rights and the freedom, basic for people; the spirit of demnity and the tolerance;
- the sensibility for the human's problems; the respect for nature and for ambient.
- In Romania the best organization's forms of the training's activities are:
- activities which are proceeding indoor the school: the lesson, coaching, independents activities, the nature's observations, independent learning in the school, permanent activities organized as courses on the different themes, homework, etc.
- instructive-educative activities: activities in the technique's circles, different activities of the club, party, going to the cinema, mountain trips, camping, etc.

In the increase's countries, the organization of the training process is made depending on the program structure of the different learning activities that goes to a variety of forms, such as: The Interest Center's Method; The Dalton's Plan; The Jena's Plan; The Winnetka's Plan; The Alternative's Schools; C.Freinet; Waldorf's Schools; Master-Learning, etc.

Knowing the diversity of the training's systems and their role in the society, a good solution could come from the new methods of training, especially those electronic based on the Internet's technology (e-Learning Systems).

An e-Learning System is made from a planning experience of teach-learning organized by an institution which supplies immediately the materials in a sequential and logical order for being assimilated by students.

The principal functionalities of e-Learning systems are:

- a professional soft of creating electronic presentations with static or dynamic text;
- audio-video recordings;
- virtually bookcases;
- support for the interaction with the communication systems.
- The purpose of the electronic systems may be:
- the spread of knowledge: setting up/importation; stocking; filtering; modifications/increasing and publishing the contents for students such as virtually bookcases and sending on-line the information;

- testing the student's knowledge: the computer games represents case studies for an initial evaluation; summary evaluation and finally evaluation.

The educational methods used in the training process can be group such as (table1):

**Table 1**

	Traditional Education		e-Learning
	Local	Distance	
<b>With instructor (synchron)</b>	<ul style="list-style-type: none"> <li>• Electronic Presentation (PowerPoint)</li> <li>• Interactive</li> </ul>	<ul style="list-style-type: none"> <li>• Video-conference</li> <li>• Web-conference</li> <li>• Chat</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic e-Mail (e-Mail)</li> <li>• Electronic Presentation (PowerPoint)</li> <li>• On line dialog (Chat)</li> <li>• Electronic testing (e-Testing)</li> <li>• Electronic process simulation (e-Simulation)</li> </ul>
<b>Without instructor (asynchron)</b>	<ul style="list-style-type: none"> <li>- Courses in electronic format (e-Read)</li> <li>- Video-conferences</li> <li>- Distance's dialog (Chat)</li> </ul>		

The most important factors that must accommodate to the protection of a training system are:

- the motivation;
- the informational content;
- the increasing, which contains:
  - the hardware's technology;
  - the software's technology.

Through the electronic education it must accommodate with the next forms:

- electronic and virtually courses;
- the informal education;
- the combined training systems;
- the training's groups;
- the knowledge management;
- the training for work.

The most discussions made in the e-Learning's centers are on-line, these one becoming university lecture or organized courses under the direction of an instructor (professor) are accompanied by different forms of spreading the information: text, graphic, animations, multimedia presentations. The instructors are orientated to the programs of teach-learning activities. The courses are divided in learning units, every unit contains: learning's objective, the content of learning, different interactive and evaluations methods.

Blended Learning has appeared as a reflection of the inefficiency of e-Learning. The tip of training blends the cases of synchronic and asynchronic's learning, ultramodern and classic's methods.

The training communities consider that "learning is a social activity". Because the most problems from business domain are very complex and dynamic, the solutions of the yesterday's problems are not the same with the day's problems.

Knowledge Management represents an interactive form of learning which is achieving by changes of different information between the real economical activity and the didactic activity.

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## MODERN TRADE AND TRADITIONAL TRADE - ACHIEVEMENTS AND PERSPECTIVES IN ROMANIA

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*In Romania, modern commerce finished the year 2006 with a balance of a quarter of the total Romanian commerce, the most developed part being the hypermarkets, which doubled the market share, and the discounters which increased from one percent to four percents. Thus, we can say that the modern commerce registered the most accelerated rhythm of development last year, and in 2007 it is assessed that it will continue growing with the same rhythm.*

*Key words: trade, traditional trade, modern trade*

The intense increase in modern trade in the last years did not deteriorate traditional trade. Thus, the weight of modern trade was of 23%, while traditional trade was of 77% in 2006.

**Tabel no. 1.**

**Modern trade vs. Traditional trade (2004 - 2006) (%)**

	Jan. – July 2004	July – December 2004	Jan. – July 2005	July – December 2005	Jan. – July 2005	Evolution (2006-2004) (+/-)
<b>Modern trade</b>	17	19	22	22	23	6
<b>Traditional trade</b>	83	81	78	78	77	-6%

Source:\*\*\*Review “Progressive store”, no. 87, January 2007

All data in the table above underline the fact that, during 2004 – 2006 (January – July), there was an increase of 6% in modern trade and a decrease of 6% in traditional trade. Although traditional lost ground to modern trade, still it holds 3 quarters of the transactions volume on consuming goods market.

According to researches done by ACNielsen, one can notice that, as far as agro-alimentary markets are concerned, especially the acquisition of fruits and fresh vegetables, more than half of the consumers prefer forms of traditional trade to supermarkets.

As far as the alimentary products are concerned one can notice a split of preferences in acquiring these goods between traditional trade and modern trade, as it follows:

- For meat, fish and sea fruits, supermarkets are preferred;
- For coffee and basic food, consumers prefer especially supermarkets;
- For alcoholic drinks (others than beer) – the difference is bigger between the two types of trade, yet consumers prefer supermarkets;
- For snacks, sweets, milk products, meat products – traditional stores are leaders.

Hypermarkets register better rates of preference from customers for basic food, fresh meat, meat products and wrapped coffee, while cash&carry stores are preferred for basic food and fresh meat (about 10% of population).

Modern trade is preferred by 2 thirds of consumers for acquiring goods for personal and house care and clothes cleaners.

Considering the split of two types of trade in urban and rural areas, one can notice that the traditional trade gets a big start of modern trade in both of the areas mentioned.

Tabel no. 2.

**Modern trade and traditional trade – market quota in volume (%)**

	January – July 2006
<b>URBAN</b>	<b>100</b>
Traditional trade	70,9%
Modern trade	29,1%
<b>RURAL</b>	<b>100</b>
Traditional trade	92,3%
Modern trade	7,7%

Source: \*\*\*Review “*Progressive store*”, no. 87, January 2007

For the first 6 months of 2006 the buying rate in modern trade was 4 times bigger in urban area than in rural one.

Even if in rural area traditional trade held the biggest weight (92,3%), the people there more and more resort to modern trade, which registered a significant increase compared to the similar period in 2004. In 2004, modern trade in rural areas was holding 4.7%, and in 2006 it reached 7.7%.

As far as the stores where the most part of money is being spent are concerned, hypermarkets are leaders in Bucharest, and supermarkets in cities. Modern stores benefit of the main part of money spent by three quarters of people living in Bucharest and of two thirds of the people living in cities.

Traditional trade cashes the main part of the budget of a quarter people living in Bucharest and of a third of the people living in cities.

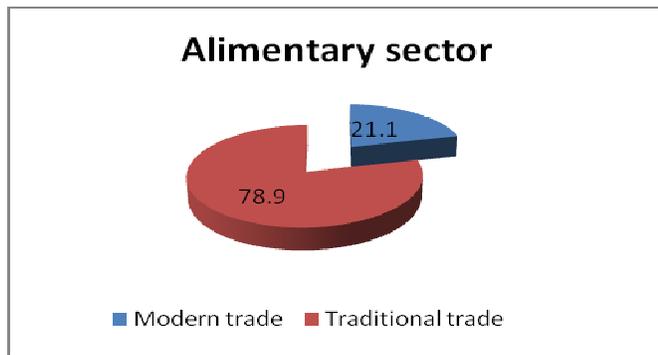
Tabel no. 3.

**Forms of trade in which most money is spent in Romania (%)**

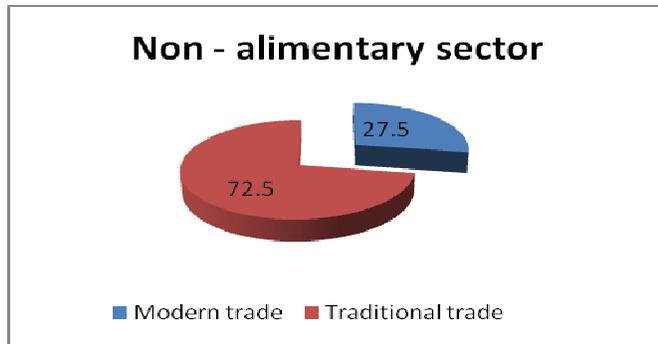
	București	City with over 20 .000 inhabitants
Hypermarkets	40	19
Cash&carry	6	9
Supermarkets	25	28
Discount stores	5	8
Traditional stores	13	25
Agro-alimentary markets	10	8
Kiosk	-	2
Wholesale stores	1	1

Source: \*\*\*Review „*Market*”, no. 28, february 2007

For both the alimentary field and the non-alimentary one, the weight of modern trade is almost a quarter of sales volume.



**Figure 1 – Market quota of traditional trade and modern trade in alimentary sector (January-July 2006)**



**Figure 2 - Market quota of traditional trade and modern trade in non-alimentary sector (January-July 2006)**

The weight of modern trade for non-alimentary products is bigger with 6.4% compared to the weight of alimentary products, customers tending to acquire a big part of alimentary products in the proximity stores.

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# DEVELOPING ECOTOURISM IN ROMANIA A CHALLENGE OF THE UE INTEGRATION

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*Romania has an unique natural heritage with an excellent chance of becoming a special attraction for the international tourist market, considering the current international trend of the increasing appeal of nature-related destinations. Increased sustainable tourism in natural areas is now considered to bring significant potential benefits to both rural environments and economies in the future. Today, socio-economic changes in Romania, due to transition to the market economy, and to some extent EU Enlargement, pose numerous threats to nature conservation in the Carpathians and Danube Delta, but also offer many new opportunities: ecotourism is one of them. Moreover, it is one of the few potential sources of income that can be channeled towards conservation measures and benefit sharing. Ecotourism development can add socio-economic value to the natural heritage and can be used as a sustainable tool for long term conservation and local development.*

*Sustainable development, strategy, partnership*

Ecotourism is generally defined as the type of tourism recommended in most protected areas, especially for national parks and other areas with strict conservation objectives. Ecotourism represents an excellent means for benefiting both local people and the protected area in question. It is an ideal component of a sustainable development strategy where natural resources can be utilized as tourism attractions without causing harm to

the natural area. An important tool for protected area management and development, ecotourism must be implemented in a flexible manner. However, the following elements are crucial to the ultimate success of an ecotourism initiative. Ecotourism must:

- have a low impact upon a protected area's natural resources;
- involve stakeholders (individuals, communities, eco-tourists, tour operators and government institutions) in the planning, development, implementation and monitoring phases;
- respect local cultures and traditions;
- generate sustainable and equitable income for local communities and for as many other stakeholders as possible, including private tour operators;
- generate income for protected area conservation;
- educate all stakeholders about their role in conservation.

There are many possible ways that ecotourism contributes to conservation. First, ecotourism can generate funds for protected areas. Second, it can create employment for surrounding communities, thus providing economic incentives to support protected areas. Third, it can advance environmental education for visitors. Fourth, it can provide justification for declaring areas as protected or increasing support for these areas. Finally, ecotourism programs aim to limit the negative impacts of nature tourists<sup>57</sup>.

By definition, ecotourism is about traveling to and visiting natural areas, places where nature still exists in a relatively unaltered state. In a world where population pressure and increased resource consumption are placing huge demands upon our natural resource base, natural areas are increasingly hard to find. At the same time, our global cultural heritage is under attack, making it increasingly difficult to learn from other cultures and to remain in touch with cultural roots throughout the world. Today, the remaining natural areas are mostly protected in some way. Ecotourism attractions, whether they are wildlife viewing possibilities or dramatic natural landscapes, tend to be found in these protected natural areas.

Tourism presents a mix of opportunities and threats for protected areas. Ecotourism seeks to increase opportunities and to reduce threats. If an opportunity is realized, then it becomes a benefit. If a threat is not avoided, then it becomes a cost. There are no automatic benefits associated with ecotourism; success depends on good planning and management. Carelessly planned or poorly implemented ecotourism projects can easily become conventional tourism projects with all of the associated negative impacts.

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<sup>57</sup> Drumm A., Moore A., "Ecotourism Development, A Manual for Conservation Planners and Managers, Volume 1: An Introduction to Ecotourism Planning, Second Edition", The Nature Conservancy, Arlington, Virginia, USA, 2002

## **Potential Opportunities of Ecotourism**

### ***Revenue Generation***

Bringing money into protected areas is a major concern of conservationists. Governmental funds available for protected areas have been decreasing globally, and many important natural areas will not survive without new sources of revenue. Tourism offers opportunities to generate revenue in diverse ways, such as entrance fees, user fees, concessions to the private sector and donations. New funds allow protected area managers to handle tourists better and to hold the line against other threats.

### ***Employment Creation***

New jobs are often cited as the biggest gain from tourism. Protected areas may hire new guides, guards, researchers or managers to meet increased ecotourism demands. In surrounding communities, residents may become employed as taxi drivers, tour guides, lodge owners or handicraft makers, or they may participate in other tourism enterprises.

### ***Justification for Protected Areas***

Visitors, or the potential to attract visitors, are among the reasons that government officials and residents support protected areas. For government officials, declaring areas protected and providing the financial assistance to maintain them is often a difficult process. These officials face many competing interests in making decisions about how to use land and marine resources. Conserving protected areas requires long-term vision; this is often a challenge for government officials, especially when confronted with the prospect of short-term financial gains for logging, mining and agriculture activities.

### ***A Stronger Economy***

Tourists visiting nature sites boost economies at the local, regional and national levels. If tourism brings jobs to residents at the local level, they then have more money to spend locally, and economic activity within the area increases. The same pattern may occur at the regional and national levels. Nature tourists arrive in the capital city of a country. They may stay for a few days or travel to the countryside. Along the way they use hotels, restaurants, shops, guide services and transportation systems. Typically, a multitude of businesses benefit directly from nature tourists. Although these businesses usually are set up to accommodate the broader groups of international and national tourists, nature tourists are an added market. Also, some operations whisk visitors directly from the airport to a full itinerary in a private protected area, thus leaving the visitor no opportunity to spend money in local communities.

In such cases, it is important to ensure that there are mechanisms such as airport taxes to obtain at least some tourist revenue. Industries that support tourism, such as manufacturing and farming, are also affected by numbers of tourists. Growing ecotourism creates a stronger economy throughout the country.

### ***Environmental Education***

Nature tourists provide an ideal audience for environmental education. During an exciting nature hike, visitors are eager to learn about the local habitats. They want to hear about animal behavior and plant uses as well as the challenges of conserving these resources.

Romania still keeps in their natural habitat plant and animal species that had disappeared, or can be visited only in captivity, in other countries. On the other hand the durable development in some parts and classic form of tourism, kept the natural habitat in good conditions, just great for developing ecotourism.

This is what imposes Romania as a very important destination for this form of tourism. The arguments favorable for an ecotourism Romania are: the existence of wild habitats, not affected by human activity, the existence of virgin forests, lots of plants and animals species unique in Europe, the diversity of natural resources, the existence of rural tourism: the increasing request for ecotourism, this product being fashionable nowadays; the existence of the legal environment which allows the boarding of forest and natural parks, natural protected areas and also creates the necessary conditions for instructing the administration of the protected areas.

The Association of Ecotourism in Romania (AER) succeeded to realize a partnership for nature conservation and tourism development among tourism associations, non-governmental associations acting in local development and nature conservation, nature conservation projects and travel agencies. The innovative idea brought by AER is to bring together the public, non-governmental and the private sector in a partnership for nature conservation and sustainable tourism development.

Romania has more than 800 protected areas and under current laws about 5% of its territory is covered by protected areas. Most of the ecotourism destination are situated within protected areas such as: the Danube Delta Biosphere Reserve, the birds paradise, the Zărnești-Șinca-Râșnov ecotourism zone focused on large carnivores (bears, wolves and lynx) situated within and around the Piatra Craiului National Park, the Retezat National Park, the oldest national park from Romania, and the Apuseni Mountains Nature Park.

Development and promotion of ecotourism will represent a tool for nature conservation acting on different ways, such as:

- direct funding towards nature conservation projects and protected areas;
- developing alternative sources for income for local communities increasing their capacity to develop high quality services, in order to decrease the pressure on nature;
- encourage sustainable local development of the rural communities within natural areas;
- promotion of the best environmental practices of tour operators and guesthouses;
- increasing the awareness of local people and tourists towards nature conservation, less energy consumption and proper waste ecological disposal.

Romania has a unique natural and cultural heritage that has an excellent chance of becoming a special attraction for the international tourist market, considering the current international trend of increasing the appeal of nature related destinations. Therefore, Romania has to conserve this natural heritage for a long term development and conservation policy.

Today, socio-economic changes in Romania, due to transition to the market economy, and to some extent EU Enlargement, pose numerous threats to nature conservation in the Carpathians and Danube Delta, but also offer many new opportunities: ecotourism is one of them. Ecotourism development can add socio-economic value to the natural heritage and can be used as a sustainable tool for long term conservation and local development.

Biodiversity in Romania is under serious threat from unsustainable exploitation, pollution and land-use changes. Continued uncontrolled investments in the nature tourism sector will have serious negative impacts on biodiversity. However, sustainable ecotourism is one of the few potential sources of income that can be channeled towards conservation measures, benefit sharing and service-based industries.

Starting in 1997 and even earlier, different conservation projects in Romania included an ecotourism component. Some of them proved to be highly successful, such as the ecotourism program developed by the Carpathian Large Carnivore Project (considered as a model approach by the World Wide Fund for Nature and the World Tourism Organization) or the Apuseni Experience program as part of an EU-financed conservation project. The successful stories led the project partners to the conclusion that Romania has a large potential in becoming an ecotourism destination.

Romania has some of the biologically most important temperate forests in the world (which cover 27% of Romania's land area), some of the last and largest tracts of relatively undisturbed and virgin forests still remaining in Europe, the large majority of European brown bears, wolves and globally outstanding flora and fauna. Biodiversity in Romania is under serious threat from unsustainable exploitation, pollution and land-use changes. Continued uncontrolled investments in the nature tourism sector will have serious negative impacts on biodiversity. Investments often target sensitive and fragile biodiversity hotspots with low capacities in economically (and geographically) marginal areas and therefore need to be managed carefully to ensure no negative impacts..

Moreover, sustainable ecotourism is one of the few potential sources of income that can be channeled towards conservation measures and benefit sharing, including diversification of local incomes, transfers of jobs into the environmental and environmental-friendly sector, cultural heritage, and payments for environmental services. It is also a unique sector in terms of its influence and dependence on other economic sectors (transport, energy, food, culture, biodiversity, energy) – a chain reaction with positive multiplier effects can be achieved throughout the economy. This is a vital consideration in Central and Eastern Europe where the economy is typically based on heavy and often inefficient, polluting and natural-resource based industries. Ecotourism will help with a successful transition towards increased service-based industries, critical for the sustainable use of biodiversity in the region.

Tourism is the world's biggest industry (comprising 11% of global GDP, WWF-UK, 2001), and is likely to be one of the largest new financial drivers in Eastern Europe, particularly in Romania, where the shift from heavy industry to service-based industries is taking place. Ecotourism is an important sustainable livelihood option for local communities dependent upon natural resources in many areas, particularly in those in which unsustainable activities such as logging were conducted. However, if not properly planned and developed, tourism will continue to represent a real threat through over-development of certain areas and by opening up access to natural areas that should be preserved for nature.

Therefore, it is necessary to develop a project that works on 2 fronts:

- Developing and promoting ecotourism in local communities in natural (legally protected) areas
- Developing and promoting ecotourism in rural, non-protected areas not conventionally linked to the environment

Ecotourism is also an excellent way to help local communities generate awareness of and support for conservation and local culture, plus create economic opportunities. Ecotourism can help to bring vast economic benefits to communities not wholly dependent on the tourism. In these types of communities, ecotourism development needs to be coupled with traditional activities that might become an asset for the whole tourist destination. For many biodiversity hotspots in Romania, which do not have formal legal protection or are poorly enforced, accredited, well-managed ecotourism programs can help to convince communities to realize that ecotourism can also serve as a stop-gap measure for the local economy until legal protection is recognized and/or enforced.

# THE TRADE FAIR INDUSTRY IN EUROPE

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*Abstract:*

*Participating to a trade show or exhibitions, if handled correctly, can have a positive impact over a company's activity, as it is shown in different studies. In this article the influence that the Romanian adhesion to the EU has over this market is also analyzed and possible advantages and disadvantages are showed. We also analyze the support given by different state institutions which have as a role encouraging such events, taking into account the fact that the European Union doesn't have a joint policy regarding the trade fairs and exhibitions.*

*Key words: European trade show market, advantages and disadvantages of the non-existing UE common policy regarding the fairs and exhibitions*

## **1. Why Exhibitions?**

Exhibitions are an influential, flexible and cost-effective business. In established economies they are an important part of the marketing mix, alongside direct selling, advertising, direct mail and the Internet.

In new and emerging markets they are a major stimuli for commercial development:

- Driving industrial development and technology transfer
- Boosting regional and national industry
- Stimulating foreign investment in industry and infrastructure.
- Exhibitions also have a major impact on local and national economies as they:
  - generate direct spending on local hotels, restaurants, transport
  - create employment
  - raise city/regional profile.

## **2. Show organization**

Many European shows produce important statistics. These huge international events are not singular. There are also thousands of smaller trade and consumer shows in Europe. Indeed, Europe holds 60 % of the world's trade show events, with Germany accounting for the biggest part.

But even regional events generally draw more exhibitors and attendees than do the American ones. As an example, Hannover's public show for car, boat, garden, tourism, caravan and camping attracts 250,000 consumers each year.

Why are shows - or fairs so large in Europe, compared with the US ones, for example? Because European countries are comparatively small, so companies have traditionally been active in international markets. Today, almost all of the larger European fairs are "international".

Another factor is the heterogeneous marketplace that has always existed on the European continent. Different languages and cultures make it very costly for manufacturers to rely heavily on sales calls, direct mail or print advertising. Travel is expensive, too. According to a McGraw-Hill Research study, the cost of a business-to-business sale call in Europe averaged \$640.13 in 1987, ranging from \$128.18 in Ireland to \$1,439.62 in Denmark.

At trade shows, exhibitors have booth personnel not only from domestic offices but from offices around the world because at many major European shows, 30 to 40 % of the visitors are foreigners.

Taking a look at the budgets we can see the importance of trade fairs in the marketing mix. European manufacturers devote as much as 50 % of their annual marketing budget to trade fair participation.

In Europe, a fairground or convention center is typically operated by an independent trade fair authority that is at least partially under government control. City and state governments are major shareholders in these enterprises.

In many places, the trade fair authority also owns many if not all the shows held at the fairground. For example, CeBIT is owned by the Hannover Fair Authority. However, various associations support the show and, as Klaus Goehrmann, Chairman of the Board of the Hannover Fair Authority points out, if they aren't satisfied, they can go elsewhere.

Some European shows are owned by associations. For example, the German Machine Tool Builders Association (VDW) owns EMO, the world's largest machine tool show. Still, other shows are owned by private organizers such as Blenheim and Reed. Associations and private companies rent exhibit space from the trade fair authority, at so much per square unit.

Typically in Europe, there is one strong international fair in an industry. Other groups then organize around this fair, perhaps by holding regional fairs.

Because European shows and exhibits are so large, the set up period is much longer than in the U.S. The installation period of the boot is of 3-4 weeks.

Show hours are longer, too. Many shows run a week or longer, with the doors opening daily at 8 or 9 a.m., and not closing until 6 p.m.

### **3. The European trade show industry**

#### ***3.1 The importance of the shows in Europe***

Even government leaders regard trade shows as very important. The infrastructure of a host city is usually geared toward making fairs work.

The general public recognizes its stake in the event, too. Hotel space is often very limited. Many attendees must stay in hotels on the outskirts of the city.

It's common for important persons to present a formal speech at the opening of an international fair. Government leaders also attend, looking at products and talking to exhibitors. Belgium's King Baudouin chatted with exhibitors at a recent exhibition in Brussels.

Entrance fees can be set to either encourage or discourage a broad audience. A specialized high-tech show may have a high entrance fee, but for a show like CeBIT, where a wider audience is wanted, the price is smaller. There are also shows planned for members of a specific industry.

#### ***3.2 German trade fairs – representatives for the European market***

Being in Germany you might get the impression that the national speciality is not some industry, but trade fairs. Almost every city has its exhibition centre (Messe); and local economies are influenced by the rhythm of big fairs. Now trade fairs are building new halls and modernising old ones at a furious rate.

Business certainly seems to be booming. Exhibition centres had revenues of \$2.2 billion and generated venues in business for hotels, taxis, restaurants and shops in host cities.

Trade fairs are one industry where German dominance looks safe. Germany has three of the world's five biggest fairgrounds and claims to host two-thirds of the 150 leading international fairs.

Part of the secret of Germany's success is that most fairgrounds are owned by city and state governments. They carry most of the property costs and have their own fair organisers, which make slim profits despite paying below-market rents. For most, the reward comes not from tickets sold or space rented but from the boost the fairs give to the local economy.

### **4. Last trends in the industry**

The industry focus on attendance will increase in the coming years as business environment changes continue to make attendees elusive. So, you must:

- Know your buyer. Too much emphasis is sometimes placed on attracting CEOs to shows, when they're often not the buyer. Know exactly who does the buying in your industry.
- Know your market
- Know what works. Different appeals work with different audiences
- Increase your marketing expertise. Attracting the attention of potential attendees is only going to get harder.

Show organizers spent an average of \$156 per exhibitor on sales promotion in 2005, according to the 101 show organizers who responded to an online survey conducted by *EXPO Magazine* and Exhibit Surveys Inc. in January 2006. Show organizers plan to spend 14% of their budgets on exhibitor sales promotion in 2006, compared with 13 % in 2005.

Not surprisingly, show organizers spend the biggest portion of their exhibit sales promotion budgets on direct mail (42%). 15% is allocated to e-mail, 9 % to print advertising and 8 % to public relations. Associations rely heavily on direct mail. In fact, 57 % of their exhibitor promotion budgets are spent on direct mail.

The average cost was \$156 per exhibitor spent on sales promotion

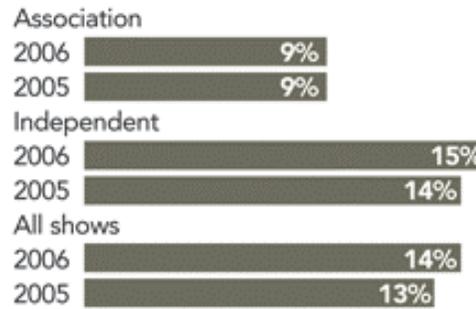
**Figure 1 :Spending per exhibitor on exhibit sales promotion in 2005**



**Figure 2: Average spending in 2005**



**Figure 3: Budget spent on exhibit sales promotion in 2006/2005**



According to published findings by the Incomm Center for Trade Show Research and Sales Planning, here is a summary of the latest trends in exhibiting.

- *Time limitations* by attendees cause them to stay longer and get as much accomplished at the show as possible.
- There has been an *increase in buying teams* at events compared to a single company representative.
- *Experiential exhibiting* is another growing trend. Aggressively selling products and their features to visitors became obsolete
- An event's success now is measured also in *building current customer relationships*.
- *New registration technology* with smart cards, bar coding and magnetic strips expedite the registration process, saving attendees and event sponsors time and effort. Another advantage of this technology is better tracking of prospect data allowing exhibitors to measure quality as well as quantity.

## **5. European trade show market, advantages and disadvantages of the non-existing UE common policy regarding the fairs and exhibitions**

Ruud van Ingen, UFI President thinks that Europe still denies the power and influence of the exhibition industry. This means that there is no policy, which gives the European countries some room to manoeuvre. It is well known that Germany supports its exhibitions industry compared to The Netherlands, for example.

There are proofs that countries which give exhibitions and events an important place in their economic development are very successful.

Europe was seen as a strong economic force. In the field of exhibitions it has a solid position as entrepreneur, as guide and advisor for developments in and relations with and between Asia and America, the Middle East and India. The cracks in the Union make us look as a power block that is getting lost. If no action is taken, the trust will decline and organizers will skip Europe to directly orient themselves to other locations. Therefore, the European market of fairs and exhibitions must look out for the competitors, China being a good example.

Governments can help the companies in participating to such events. For example, in Romania the Department for Foreign Commerce allocated in 2005 15 millions RON for the participation of Romanian companies to fairs and exhibitions; still, only 13.6 millions RON were used. That means either the companies didn't know about it or the managers don't consider important the attendance of their

companies to this kind of events. The closed export contracts of the attendees were of 240 millions Euros, the degree of usage of the funds designated to promote exports grew from 53% in 2004 to 90% in 2005.

Another example of country that invests in helping the companies that want to attend a fair or exhibition is France. It is well known the fact that fairs/exhibitions are a very costly way to prospect a certain market. For example in France COFACE helps the companies to insure the risk of prospecting activity which can be long and cost a lot of money.

In conclusion, trade fairs occupy an important place in the marketing budget, especially for small and medium enterprises. The role trade fairs occupy in the marketing mix is open to debate, and many exhibitors are unable to say whether the show had worked at all, as many of them don't have any goals at the beginning of the show. So, in order to be able to analyze the revenue that such an event brought to your company, you must set some goals and do your best to reach them.

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# **BENCHMARKING AND BEST PRACTICES IN MUNICIPAL SERVICES: A COMPARATIVE SURVEY ON THE PERFORMANCE INDICATOR SYSTEMS USED BY ROMANIAN WATER SUPPLY OPERATORS**

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*In the water supply sector, as in many sectors of the economy, the fundamental objective of benchmarking is to search and identify best practices. Collection of data is not benchmarking, but is a necessary step to conduct benchmarking. In many countries, such as Romania or Bulgaria, the lack of data prevents benchmarking as the data to do so is either unavailable or of insufficient quality to ensure any meaningful comparison of data. Although benchmarking is a highly used technique in European Union, in Romania there is a lack of experience in this field. In order to establish how benchmarking is used to evaluate managerial performance and quality of the service by romanian's water supply operators, there has been conducted a SWOT analysis. The main objective of the analyssis was to support access to comparative information that will help to promote best practice among water supply providers from Romania and eventually will provide consumers with access to high quality, and affordable water supply service.*

*Water supply system; benchmarks; management contracts; european standards; best practices*

In Romania, the water supply public service is going to have a **more significant role** in the next few years. Taking into consideration economic importance of water as a strategic resource, the efficiency and quality of the service represent competitive factors on the water supply market, with an essential role in obtaining investments in all setors, as well as in less promoted regions. Providing water supply public service in a performant and non-discriminating manner also represents an important condition for the functioning of a single market and for a faster integration in the European Union.

Also, the Romanian adhesion at the European Union requires the compliance with precised criteria regarding the **performant and quality public services** of general interest and, mostly, the development of the network industries and their connexions, in order to facilitate the European integration, the increase of the citizens wellbeing and the compliance in a short period of time with the European standards.

According to the European Union standards, Romania has to keep in mind the fact that, in the water supply service development and organisation process, the main principle regards the setting-up of those conditions able to offer to the consumers European services with affordable prices. The performant and quality water supply service are also essential for the increase of the citizens wellbeing and for their fundamental rights. The population has to be aware of the fact that the European Union considers very important the individual and non-discriminating access for everyone at the public services of general interest.

In this context, a very significant role is played by the organisations responsible to monitorise the water supply sector and to conduct surveys on the management performance of the service. The first preoccupations in this area were started by the World Bank, in 1996, who developed an initiative that would enable water professionals with an interest in utility performance to compare data by working on **reducing the key barriers to benchmarking** through three principal ways of action:

- a. the agreement on a standard set of indicators;
- b. the use of a standard set of definitions;
- c. the sharing of results.

In the water supply sector, as in many sectors of the economy, the fundamental objective of benchmarking is to search and **identify best practices**. Collection of data is not benchmarking, but is a necessary step to conduct benchmarking. In many countries, such as Romania or Bulgaria, the lack of data prevents benchmarking as the data to do so is either unavailable or of insufficient quality to ensure any meaningful comparison of data. Although benchmarking is a highly used technique in European Union, *in Romania there is a lack of experience in this field.*

Inter-utility performance comparison is needed in the water sector, because the sector offers limited scope for direct competition. Water companies operating in competitive markets are under constant pressure to out perform each other. Water utilities are often sheltered from this pressure, and it frequently shows: some utilities are on a sustained improvement track, but many others keep falling further behind best practice. This matters, because a well-run water utility is essential to people's lives. Only the most efficient, financially viable utilities are able to respond to urban growth, connect the poor, and improve wastewater disposal practices.

Generally, benchmarking systems for water supply public service uses **three categories of criterias: technical, financial and continuity.**

- a. *Technical criterias* includes the operational ones (regarding cost reduction and implementing the environment policies) and consumer satisfaction criterias (regarding the quality of the service).
- b. *Financial criterias* are used in order to analyse the economic viability of water supply operators. In order to evaluate the performances of the service, financial criterias includes three subcategories: profitability, solvability and liquidity. This indicators offers a general view on the financial situation of the operators and the statistical database needed to generate forecasts for the market evolution. Also, there is a strong need to monitorise the evolutions of this indicators, in order to identify their tendencies.
- c. *Continuity criterias* includes relevant informations regarding the variation of assets and the investment policy. The investment effort must be considered as a complex process that must be subordinated to objectifs like the achieving of european standards for life quality, environment protection and sustainable development.

In order to establish how benchmarking is used to evaluate managerial performance and quality of the service by romanian's water supply operators, we conducted a **SWOT analysis**. The main objective of the analyse was to support access to comparative information that will help to promote best practice among water supply providers from Romania and eventually will provide consumers with access to high quality, and affordable water supply service. We consider the results of this study can be used by various **stakeholders**:

- a. utility managers and employees can identify areas for improvement, adopt realistic targets and convince authorities of the need for change;
- b. local authorities can monitor and adjust sector policies and programs;
- c. National Regulatory Authority for Municipal Services can ensure that customers get value, and providers have incentives to perform;
- d. customer groups and other organisations that represents their interests;
- e. financial institutions can identify viable markets and opportunities for creating value.

The survey was concentrated in identifying the strenghts and weaknesses that describe how is the benchmarking technique applied by some of the most representative water supply services providers from Romania (Table no. 1).

**Table no. 1 Strenghts and Weaknesses: How is benchmarking applied by Romania's water supply operators**

Strenghts		Weaknesses	
1.	Generally, operators uses performance indicators systems in order to monitorise the management performance and the quality of the service. Also, in most of the cases, there exists the series of data needed to identify tendencies and trends.	1.	The lack of an unique indicators system at regional or national level, needed to assure an efficient benchmarking of the service.
2.	The complexity of the operational indicators. This permit a correct evaluation of managerial decisions at operational level.	2.	The indicators that are used are corelated only in a small part (just at technical level) with the one used at international level (IWA, IBNET, World Bank etc.).
3.	The existance, in a high proportion, of the technique indicators used in the international water supply benchmarks systems (IWA, IBNET, World Bank etc.).	3.	The unequilibrated structure of the indicators systems, which is due to the high proportion of operational indicators (over 80%), comparing to the continuity and the financial ones.
4.	The use of management contracts, as an instrument to evaluate managerial performance.	4.	There is a high preoccupation for evaluating operational management, unconsidering the stratgic and tactical level.
		5.	The lack of continuity indicators, needed to monitorise the investment policies practicated by the operators.
		6.	The lack of customer satisfaction

	7. indicators. Deficiencies regarding the preparation and the structure of management contracts.
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As we can see from the above analysis, one of the principal problem in measuring performances is the lack of continuity and financial indicators, especially in the field of the *quality of the service*. We consider that **IBNET (International Benchmarking Network for Water and Sanitation Utilities)** can provide the right indicators for measuring the quality of the water supply service (Table no. 1).

**Table no. 1 IBNET Water Supply Benchmarking System - Quality of Service Indicators**

No	Indicator	Definition	Unit
1	Continuity of Service	Average hours of service per day for water supply.	Hrs/day
2	Customers with discontinuous supply	The percentage of customers with a water supply that is discontinuous during normal operation.	%
3	Quality of water supplied: nr of tests for residual chlorine	The number of tests carried out on samples taken from the distribution system, as a % of the number required by the standard that applies. This may exceed 100%.  NB: Operational samples, or any others that were not taken to check compliance with the standard, are excluded.	%
4	Quality of water supplied: samples passing on residual chlorine	The percentage of samples tested for residual chlorine that pass the relevant standard	%
5	Complaints about W&WW services	Total number of W&WW complaints per year expressed as a percentage of the total number of W&WW connections	%
6	Wastewater – at least primary treatment	Proportion of collected sewage that receives at least primary treatment, i.e. involving settlement with the intention of removing solids, but not biological treatment. Both lagoon and mechanical treatment can be included, where appropriate.	%
7	Wastewater primary treatment only	Proportion of collected sewage that receives primary treatment only, i.e. involving settlement with the intention of removing solids, but not biological treatment. Both lagoon and mechanical treatment can be included, where appropriate.	%
8	Wastewater secondary treatment or better	Proportion of collected sewage that receives at least secondary treatment, i.e. removing oxygen demand as well as solids, normally biological. Both lagoon and mechanical treatment can be included, where appropriate.	%

Historically there has been limited attention paid to measures that capture the quality of service provided to customers. This, in fact, should be a particular focus of performance measurement. The measures presented above are a limited first step in the process of capturing information on quality of service. Complaints, while relatively easy to track, give only a glimpse of actual company performance - consumers may have become accustomed to poor service and not complain. In other instances it may be difficult for customers to report complaints. Capturing at least some customer derived data, however, is considered to be an important starting point.

Collection of wastewater does not mean that the waste is fully treated before discharge back to the environment. The wastewater treatment indicators will provide an understanding of the amount of effluent that is treated before being discharged. A more comprehensive set of quality of service indicators could be developed but the likelihood of the data being collected by utility managers is limited in the short term. Expansion of the set is therefore a medium to long term objective. Water supply stakeholders routinely search for information about the performance of their service, and that of comparator organisations, both regionally and nationally. Unfortunately such information is not routinely available – not because of a lack

of interest, but more because of a lack of a common framework within which to communicate and share the information effectively.

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# PERFORMANCE MANAGEMENT AND E- LEARNING IN VIRTUAL ORGANIZATIONS

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*Abstract: At the present time we are facing a paradigmatic change in developing learning assisted systems: in the last years their development was technology centered, but nowadays their development centers on the application of specific human behavior concepts in using the new communications, learning, and business technologies. In the business context, knowledge and learning management are perceived as the new critical managerial battlefields aiming to sustainable performance. Technology enhanced learning, approaches and new generation knowledge management systems reveal a new context for the promotion of business strategy. The concepts of competencies and competency management are the new blueprints for merging leading edge technology approaches to business objectives. The vision for knowledge and learning ecosystem within every knowledge intensive organization is crafted around the management of competencies that brings together business processes, training needs, learning and market demands.*

*Keywords: E-learning, performance management, virtual organizations.*

## 1. INTRODUCTION

The Internet has dramatically changed the way people get informed, interact and communicate in the 21st century. Distribution of information and knowledge is nowadays carried out more and more via the Internet.

The conditions under which knowledge based work is done are clearly different from those of the traditional industrial and/or service work and therefore the established criteria of work design cannot be simply copied. New approaches, concepts and methods are necessary to create optimum conditions for productive, healthy and attractive knowledge work at the organizational, team and individual level.

In the actual knowledge-based society, the activities in domains of all kind (productive, of design, economic, research, and of other nature) are interconnected with training activity. Therefore, the necessity of continuous education at working places arose. That is why one has to find efficient training methods, to solve problems, as the persons have to be able; to learn without leaving work places; to learn about subjects related to their instant work; to learn cooperatively with other persons, interested in the same domains, but located in other places; to share information resources with their co-learners.

At the present time we are facing a paradigmatic change in developing learning assisted systems: in the last years their development was technology centered, but nowadays their development centers on the application of specific human behavior concepts in using the new learning, communications and business technologies.

## 2. KNOWLEDGE MANAGEMENT VERSUS ORGANIZATIONAL E-LEARNING

The new economic theories of the firm shift the accent from individual knowledge to organizational knowledge. The organizational culture is represented by the groups' assimilated experiences, comprising evolving patterns of these experiences. At the organizational level, social processes, that essentially are knowledge conversion, perform the creation of economic knowledge. Organizational learning is a knowledge transfer from the individuals and groups to the knowledge organizational systems, being sustained by the individual and collective learning.

The general principles that stand for knowledge transfer in any knowledge organization are similar. But the specific changes in an organization cannot be transferred to other organizations, as their cultures are distinct and different communities operate in different organizational circumstances. The flexibility of the organization, its capability in adaptation, by accumulating knowledge (learning) has to be its essential feature for its evolution.

In spite of the close relationship between learning and knowledge, there is still a lack of cooperation between the fields of e-Learning and Knowledge Management (KM).

*Are learning and knowledge management different then? Yes: learning is a way to reaching an objective, instead of KM that focuses on the critical business activity performance problems. KM is not represented by a series of procedures that have to be implemented, but it represents a *paradigmatic change* in the functioning of an organization.*

KM addresses learning mostly as part of knowledge sharing processes and focuses on specific forms of informal learning (e.g., learning in a community of practice) or on providing access to learning resources or experts.

Current KM technologies are aimed on knowledge acquisition, storage, retrieval, and maintenance. However, regarding the deployment process, learning is considered to be a fundamental part of KM because employees must internalize (learn) shared knowledge before they can use it to perform specific tasks.

On the other hand, e-Learning systems might also benefit from KM technologies. Especially the ones focusing on the support of technical and organizational components can play an important role concerning the development of professional e-Learning systems.

During the last years, so-called Web2.0 technologies, such as Wilds and Blogs, received more and more attention and they are currently used in many different domains. So far, these technologies seem to have a positive impact in terms of community building, knowledge sharing, and content creation - even if their success has not been empirically proven. First questions arise to what degree these systems (e.g. Weblogs, Wikis, ML/RSS based content syndication and aggregation) support certain learning processes.

An integration of KM and e-Learning, especially by using Weh2.0 technologies, could dramatically change today's understanding of further education towards lifelong learning fed by dynamically changing public and organizational knowledge repositories.

### **3. KNOWLEDGE MANAGEMENT IN ORGANIZATIONAL BUSINESS**

Business processes form the core of a comparer organization. *Business Process Management* (BPM) refers to the ability to define, model, streamline, analyze and improve business processes. Successful BPM initiatives usually involve a mix of technology, process definition exercises and ultimately some degree of operational change within an organization. Business Process Management as a discipline is not new. It has evolved from a workflow to more workflows. The *Enterprise Application Integration* (EAI) appears as a system-to-system workflow. The term EAI describes automating information flow between systems, packaged business applications from different vendors and Web sites across heterogeneous platforms and networks. Then a few vendors added graphical process design to a workflow engine, added support for multi-dimensional human-based process automation, and called it BPM.

The Extended Enterprise denotes the process of linking partners in a supply chain together electronically through an extranet. This allows them to conduct business electronically, enabling them to respond more quickly to the needs of the changing needs of the consumer.

*Business intelligence* (BI) is a broad category of application programs and technologies for gathering, storing, analyzing, and providing access to data to help enterprise users make better business decisions. BI applications include the activities of decision support, query and reporting, online analytical processing (OLAP), statistical analysis, forecasting, and data mining.

*Business performance measurement* is a process of quantifying the efficiency and effectiveness of purposeful action. Performance measurement (PM) can be used as a tool for implementing a strategy for an organization. The purpose of this tool is:

- to translate a strategy into concrete objectives;
- to communicate the objectives to employees;
- to guide and focus employees' efforts according as these objectives are achieved;
- to control whether or not the strategic objectives are reached;
- to use double-loop learning to challenge the validity of the strategy itself;
- to visualize how individual employees' efforts contribute to the overall business objectives.

The first researches on performance management were concentrated on productivity measurement. During recent years, the research topic has been performance measurement in knowledge organizations, which have a dynamic, network-oriented, and knowledge intensive way of operating. These characteristics set many requirements for the performance measurement. Management and measurement of intellectual capital and business intelligence are currently examined in quite large research projects.

**Knowledge Management** (KM) is seen as a business process that formalizes management and strategic advantage of a firm's intellectual assets. KM is an enterprise discipline that promotes a collaborative and integrative approach to the creation, capture, organization, access and use of information assets, including the tacit, enraptured knowledge of people.

A **Knowledge Management System (KMS)** is a specific kind of socio-technological system, designed for management of functional integration of distributed hardware, software and network elements; it sustains the processes of organizational knowledge management (KM). Developing a KMS implies, as a first stage, creating the initial knowledge building architecture (KBA) that consists of infrastructure evaluation and alignment of the knowledge management (KM) to the business strategy. The second stage is dedicated to analyzing, designing and implementation of the knowledge management socio-technological system. The installation of the software tools in an operational environment is the third phase. The last stage consists of performance evaluation and measure of the return on investment (ROI). *Socio-technological systems architectures development* has to be linked to the organizational KM objectives. These objectives can be achieved through a hierarchical, top-down or decentralized communication structure, and/or process guided, and/or as a support for communities of practice.

Definitions and practical applications of performance measurement knowledge management and business intelligence differ between organizations. Any managerial tool or method is designed for an operative or a strategic level.

The nature of the involved activities makes it clear that KM requires a strongly *multi-disciplinary approach*. Different disciplines such as Business Economics, Human Resource Management, Organizational Psychology, Communication Science, Computer Science, and Operations Research can all make a contribution here. This not only covers the instruments for making improvements, but also includes the methods and techniques for understanding knowledge-intensive work processes and tracing the causes of problems. Several projects have also demonstrated that the added value of the KM approach for organizations lies in particular in the fact that the focus is on knowledge rather than on specific methods and techniques from a single discipline.

#### 4. CONCLUSIONS

Based on personal experience, we believe that information and knowledge gathered in some community-related nodes concerning practical subjects, is superior to that available in traditional, even academic, sources such as books, electronic or conventional.

Nowadays, where a multiliteracy education is needed for living and working in the digital era, digital communication skills are necessary. "Digital behavior" and "digital communication" rules and ethics are developed; therefore, all contemporary people should be "digitally literate", in order to be able to survive in a changing and competitive environment. Real communication skills are not enough; "digital communication" skills are also needed. The ability to use the Internet and the new media is vital for surviving in the 21st century.

Business needs are seen as key driver for learning and knowledge management. One future direction of technology-enhanced learning is therefore to integrate learning technologies into business platforms as well as combine it with competency management and formal/informal learning methodologies.

In recent years 'information' has become an important *new production factor* in the way we think and act in economic terms. The more we have developed this concept the more we have come to the conclusion that organizations should not become obsessed by the logistics of information.

It is just as important to focus on the organization's competence in dealing with information. The only way of combating information overload is to develop *knowledge management* is seen as a cyclic process of the three correlated activities: *creating, integrating* and *dissemination* of knowledge. Effective knowledge management then becomes extremely important for every business organization. Especially when we realize that countries in the world can only survive in a global economy by becoming knowledge economies.

The convergence of the tendencies evolving on the technology and education realm is represented by the fusion of the activities implied in *knowledge management, learning* and *performance*. These three elements stand for the link between the learner and technology, in supporting life-long-learning in knowledge based society and economy.

Our approach on organizational performance is multidimensional. Performance should not be considered only from the point of view of financial performance. It is also essential to regard customers and other stakeholders, as well as business processes, when monitoring organizational performance. Furthermore, especially today, when the business environment is changing rapidly, it is important to examine the success factors affecting the future performance, such as the knowledge of personnel and new innovations.

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## ENVIRONMENTAL ISSUES FACED BY INDUSTRIAL PARKS

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**Abstract:** *The EIP concept was first formalized in 1992-93 by Indigo Development, a team of people from Dalhousie University in Nova Scotia, and Cornell University's Work and Environment Initiative. In 1994, the U.S. Environmental Protection Agency (EPA) awarded a contract to Research Triangle Institute and Indigo to flesh out the concept and undertake a case study. By the fall of 1996, 17 projects declaring themselves eco-industrial parks were on the drawing boards in the U.S.; at least two had recruited their first tenants.*

*Key words: eco-industrial park, Eco- industrial development, EIP.*

An eco-industrial park involves a network of firms and organizations, working together to improve their environmental and economic performance. Some planners and researchers of EIPs have used the term "**industrial ecosystem**" to describe the type of symbiotic relationships that develop amongst participating firms. Specifically, Indigo's EPA research project defined eco-industrial parks as follows:

"An eco-industrial park is a community of manufacturing and service businesses seeking enhanced environmental and economic performance through collaboration in managing environmental and resource issues, including energy, water, and materials. By working together, the community of businesses seeks a collective benefit that is greater than the sum of the individual benefits each company would realize if it optimized its individual performance only. The goal of an EIP is to improve the economic performance of the participating companies while minimizing their environmental impact." The President's Council on Sustainable Development (1996) offers these generally accepted definitions of eco-industrial parks:

"A community of businesses that cooperate with each other and with the local community to efficiently share resources (information, materials, water, energy, infrastructure and natural habitat), leading to economic gains, gains in environmental quality, and equitable enhancement of human resources for the business and local community."

"An industrial system of planned materials and energy exchanges that seeks to minimize energy and raw materials use, minimize waste, and build sustainable economic, ecological and social relationships." An initial **definition of an eco-industrial park** by leading US practitioners was:

- “a community of manufacturing and service businesses seeking enhanced environmental and economic performance through collaboration in managing environmental and resource issues including energy, water, and materials... the community of businesses seeks a collective benefit that is greater than the sum of the individual benefits each company would realise if it optimised its individual performance” (Lowe and Warren, 1996: 7.8).

The Eco-Industrial Park Concept:

- A community of manufacturing and service businesses located together on a common property.
- Members seek enhanced environmental, economic, and social performance through collaboration.
- Seeks collective benefit greater than the sum of individual company benefits.
- May enable by-product exchange among firms. (This is often possible only through a broader network.)

Systems view:

- The EIP is a whole system linked to its environment.
- Generalists and many specialists learn from each other how to integrate their planning and action.
- They model each EIP's connections to surrounding natural, social, and economic systems.
- They understand the feedback loops between design, engineering, management, and environmental systems.
- -There is a feedback within each subsystems.

### DEFINING EIPs

While there is no widespread agreement on a single definition of what constitutes an EIP, attendees generally agreed that an eco-industrial park is characterized by closely cooperating manufacturing and service businesses that work together to improve their environmental and economic performance by reducing waste and increasing resource efficiency. Firms coordinate activities to increase efficient use of

raw materials, reduce outputs of waste, conserve energy and water resources, and reduce transportation requirements.

This resource efficiency translates into economic gains for the businesses while the local community benefits from the resulting improvements in its environment and from the creation of new jobs.

The first EIP formally identified as such was “discovered” in the Danish coastal city of Kalundborg more than a decade ago, and similar cases in other parts of Europe and the United States have been documented since then

## **TYPES OF PARKS IN DEVELOPMENT**

Besides the level of coordination among participants, a major variation among the different EIPs is the degree to which participants are co-located on the same site. For example, Brownsville, Texas, is developing one type of eco-industrial park, the *virtual eco-industrial park*, which is an affiliation or network of related regional companies. Although they are not physically located in the same park, by working together, companies in a virtual park can create economies of scale. For instance, they can cooperatively buy goods with a higher recycled content, or hire a shared engineering efficiency expert or compliance auditor. Affiliated companies participating in waste exchange will pay lower prices for secondary raw materials and realize savings in hazardous waste disposal charges. For example, Mobil sells styrene/ethylbenzene for 50 cents to a recycler, whereas it used to cost \$1 per gallon to dispose of it. In addition, clustered companies that are co-located in the same region can enjoy reduced transportation costs, whether the firms are industrial, commercial or retail establishments. In Virginia, the Port of Cape Charles is developing a second type of park, the *zero-emissions* eco-industrial park. The zero emissions, also called closed-loop manufacturing, design is the most ambitious type of EIP, having as its goal the total elimination of emissions, another term for waste. Just as with the virtual EIP, participants reap a certain level of resource efficiency through cooperative buying, waste exchange, and so forth.

But the zero-emissions park can achieve further incremental gains in efficiency because firms are located close enough that water, heat and energy sharing, as well as recycling of low-value byproducts, become physically and economically feasible. "EIPs are an appealing redevelopment option for brownfields because they offer the community sustainability, economic growth and lower environmental impact than traditional industry," according to Ed Cohen-Rosenthal.

## **BECOMING AN EIP**

Industrial parks have long been utilized as a means for realizing economic advantage. By co-locating, enterprises can reduce costs. In the typical scheme, however, industrial park members act as solitary individuals.

By neglecting the community aspects of co-location, an enterprise may forego the economic advantages of a symbiotic relationship with its neighbors. Such industrial symbiosis (IS) among proximal facilities can provide opportunities for competitive advantage and environmental amelioration.

As the evolutionary successor to industrial parks, eco-industrial parks (EIP) go one step further by linking local industries through a cooperative system of material and utilities exchanges.

The very large number of existing industrial parks in the world makes a positive answer to this question very desirable. Improving the environmental, social, and economic performance of companies at this scale would make a significant contribution to the companies and park management, to neighboring communities, and to sustainable development. The resulting EIPs would have more stable communities of tenants, supporting each other's business success and reducing tenant turnover. New services offered by eco-park management would yield new revenue streams.

If the management of an industrial park and the site's companies seek to become an EIP there are a number of actions they can take to earn the right to use this name. As with an industrial park in process of first development, these elements form a whole system to guide park redevelopment. If the park has ISO 14001 certification or another form of environmental management system, this could become the basis for setting eco-industrial performance objectives and the means for attaining them. Eco-industrial development is a means of achieving sustainable industry through local and regional action. The industrial park or estate is a point of leadership and leverage for change in its region's industrial community. This industrial community may be able to realize innovations larger than a park's management could undertake, such as an integrated resource recovery system or by-product exchange. A park seeking to become an eco-industrial park can act as the hub of a regional eco-industrial network through its own improvement projects and through the connections of its factories with suppliers and customers outside the estate's border.

Eco-industrial development seeks to achieve:

- Resource efficiency in energy, materials, water, and transportation, with the cost savings gained through higher efficiency;
- Cleaner production through good housekeeping, reduction and substitution of toxic materials, strict control of emissions, separation of by-product or residual materials, etc.;
- Use of renewable energy and materials to replace fossil fuel sources and finite material supplies;
- Rehabilitation of existing buildings to higher energy and environmental standards and use of green architecture and engineering in new facility and infrastructure design;
- Enhancement of quality of life and economic development in neighboring communities through projects between industry and community government and community-based organizations.
- Ecological site planning and utilization based upon clear understanding of the carrying capacity of air, water, and ground systems and the nature of remaining native ecological systems.
- Establishing environmental management systems such as ISO 14000 with objectives and indicators informed by eco- industrial development, not only compliance with regulations.

### Potential Benefits of Eco-Industrial Development

Communities	Environment	Business
Expanded local business opportunities	Continuous environmental improvement	Higher profitability
Improved tax base	Reduced pollution	Enhanced market image
Community pride	Innovative environmental solutions	High performance workplaces
Reduced waste disposal costs	Increased protection of natural ecosystems	Improved efficiency
Improved environment and habitat	More efficient use of natural resources	Access to financing
Recruitment of higher quality companies		Regulatory flexibility
Improved health for employees and community		Higher value for developers
Partnership with business		Reduction of operating costs (i.e. energy, materials)
Minimized impact on infrastructure		Reduction in disposal costs
Enhanced quality of life near eco-industrial development		Income from sale of by-products
Improved aesthetics		Reduction of environmental liability
Good jobs		Improved public image
		Increased employee productivity

Source: Maile Deppe and Ed Cohen-Rosenthal, *Handbook of Codes, Covenants, Conditions, and Restrictions for Eco-Industrial Development*, Work and Environment Initiative. 1999.

Eco-industrial development projects are learning systems that seek to gain multiple benefits from each activity. For instance, an integrated resource recovery system increases industrial resource efficiency, lowers pollution, creates opportunities for entrepreneurs and workers, and strengthens the local and national economy.

The essence of eco- industrial development is balancing industrial activity with ecological, social, and economic interests. For the management of an existing industrial park, this means working with its tenants and property owners to form a vision and strategic plan. The specifics of this plan will determine the investments required from both private and public sectors to earn the title eco- industrial park. Key activities in this process include:

- Form a project core team and recruit key stakeholders.
- Create a vision for the project and set economic and environmental performance objectives.
- Gather information on the current state of the industrial system by conducting baseline audits and surveys of energy, water, and material flows.
- Assess needs and resources in neighboring communities that could be served by a community enhancement program.
- Develop strategic plans at industrial park and plant levels.
- Recruit public agencies to support the initiative.
- Begin programs to improve in-plant performance (which may be conducted by a Cleaner Production Center).
- Begin programs to develop energy, water, and materials exchanges between firms or in the region.
- Review progress regularly in terms of the performance objectives and goals you have set.

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## ECOLOGICAL MODERNISATION – AN IMPORTANT PROCESS FOR ROMANIA'S ADHERENCE TO EU

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*Abstract*

*This paper focuses on the ecological modernisation theory which offers a variety of theoretical and prescriptive viewpoints on the mechanisms through which modern societies respond to the environmental risks of industrialism. Only limited attention has been given to issues of technological innovation and their implications for company competitiveness.*

*Ecological modernisation theory offers a framework through which to explore and explain the manner in which societies address the ecological risks surrounding industrialism.*

*The core of all studies in the tradition of Ecological Modernisation focuses on environmental reforms in social practices, institutional designs and societal and policy discourses to safeguard societies' sustenance bases.*

*Ecological modernisation is used as a concept dealing with the relation between institutional development and environment.*

*This paper analyses recent processes of political modernisation, asking how the innovations work within the logic of ecological modernisation and explore how the principles of Ecological Modernisation can help reconcile local economies with rising environmental costs and threats, especially for small and medium size enterprises.*

*Key words: ecological modernisation, environmental risks*

Ecological modernisation theory offers a framework through which to explore and explain the manner in which societies address the ecological risks surrounding industrialism. It provides a variety of theoretical and prescriptive propositions through which to analyze emergent policy discourses as well as policy options for the transformation of modern industrial societies to enable them to better manage these risks.

The keynote to the concept of ecological modernisation is the idea of transformation: technical, social and institutional.

If the innovation is only incremental and its diffusion restricted to niche markets, the potential of a new technology to bring about environmental improvements is not fully exploited. Therefore, ecological modernisation as a political strategy essentially needs to aim at radical innovations with a maximum of market penetration. Given the global dimension of most environmental problems, a far-reaching penetration of the world market is required to realize the full environmental potential of the new technology.

Ecological modernisation innovation lies in its attempt to reframe the environment-economy relationship in mutually beneficial terms. Today, environmental policy, climate policy in special, is increasingly composed within ecological modernisation logic.

In an age of accelerating, the logic and promises of ecological modernisation have never been so compelling.

Ecological modernisation is votary at promoting the benefits for environment and business of industrial efficiency and tehnological investment: a modernisation that can work well in many industries.

However, the ecological modernisation has some limitations. Ecological modernisation does not sufficiently distinguish between ecological modernisation and ecological restructuring (Janicke, 2004). The ecological restructuring require more industrial and political transformation than the ecological modernisation. While ecological modernisation inspirits alongside of ecological modernisation, it offers limited guidance on how to transmute infixed resistance to the ecological restructuring of a country's economic and political infrastructure.

Ecological modernisation advise going deeper into the process of industrialization, not stepping out of it and offers considerable opportunity for reforming the economy along ecological lines (Moll, 1999). In compensation for the costly production changes it may demand of industry, it offers the cost saving of improved efficiency and waste reduction.

In countries practicing even modest level of ecological modernisation it became clear that the necessary political conditions included consensual relationship among key actors often organized around corporatist frameworks (Dryzec, 2005).

Ecological modernisation presents compelling and persuasive proposals for the greening of industrial society, but it can only take us part of the way down the sustainable development road. This is particularly the case with the environmental governance of emissions intensive sectors, whose pollution abatement requires significant sectoral and hence ecological restructuring.

The ecological modernisation in Romania is aiming to achieve the following goals (Institute of Ecological Modernisation):

- to promote scientific and practical solutions to problems in the area of environmental preservation, health care and quality of life of local communities;
- to establish proper conditions for public involvement in the decision-making process, and for sustainable and environment-friendly development of regions and local communities;
- to provide social aid and assistance to marginal groups of citizens and ethnic minorities for their social adaptation and integration, and for improving the quality of their life;
- to set up conditions and to provide high quality training, capacity building and professional development of local authorities and business administrators, dealing with environmental, health and quality of life issues.

The Romania's modernisation through an ecological perspective is still in the incipient phase that requires a lot of efforts to improve before the country becomes moderately "ecologically modernised" in the world by the mid of this century.

It is necessarily to be studied about 30 indicators including carbon dioxide emissions, sewage disposal rates and forest coverage rates to measure the level of ecological modernisation for acknowledge that Romania has shortened the distance between its "ecological modernisation" level and that of the world's forerunners' from 1990 to 2007.

The frank attitude towards environmental issues will enable Romania to strengthen its environmental management in terms of investment approval, environmental impact assessment and project financing.

The environmental protection and conservation requires not only the government's efforts, but also a wider participation of the whole society such as companies and NGOs by adopting some programmes which has to facilitate the local governments and people to steer the economic development towards a harmony between development and environment.

The realization of actual modernisation should not come at the cost of environment degradation. Achieving ecological modernisation with developing economy is practically possible.

The goals mentioned before can be fulfill thus:

- raising funds from central and local authorities, from businesses and industries, and from other donors;
- implementing projects in environmental, health and social management, which focus on modernising these areas and bringing them into compliance with European and international norms;
- designing and implementing multi-year programmatic interventions, which seek to intervene in fundamental ways to introduce and strengthen sustainability and accountability into the modernisation of environmental health and social services;
- working with the responsible officials and professionals in the field of environment, environmental health and social activities and building their capacities in the process of achieving locally articulated goals and pursuing local priorities;
- rendering social assistance to citizens, living in social distress, marginalised groups of people, and ethnic minorities, who need support for their daily survival;
- developing advocacy campaigns, organizing coalitions to move policy in a particular direction, demonstrating support for certain policies and the common tactic of relying on personal contacts.

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# THE USE OF MARKETING PLAN FOR ATTRACTING PARTICIPANTS TO NONPROFIT ORGANIZATIONS

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*This work is about nonprofit publics and marketing plan as a tool used by organizations to reach them. To reach a category of participants to nonprofit organization is mainly a marketing task, carried out by nonprofit marketers.*

*Nonprofit marketing, human resources, marketing plan*

## **Marketing of Nonprofit Organizations**

Nonprofit marketing deals with analysis marketing environment, marketing research and identification the main public categories, segmenting and differentiating the market in order to identify the persons or group to be served and known, participation to strategic planning process and establishing the organizational strategy, acquisition of main resources of organization, developing policies, programs and activities designed to meet the needs of target publics, formulating and implementation the price, communication and distribution policies, managing the public image of organization, formulating and implementing policies both for products and resources, monitoring, evaluating and controlling marketing activities, attaining and management of volunteers and participants to nonprofit activities, research of funding markets, identification of existing and potential resources, project management and communicating with financiers of projects.

Nonprofit public can be input publics (donors, suppliers and regulatory organization), internal public (managers, board, staff, and volunteers), intermediary public (merchants, agents, facilitators and marketing firms), and consuming publics (customers, local residents, the general public, and the media). Internal marketing an human resource management deals with internal publics. Competition is the best hidden public in nonprofit context. Recognizing the existence of nonprofit competition is a clue that nonprofit organizations have adopted a strategically marketing view (Kotler and Andreasen, 1991). Some authors agree the competition in nonprofit sector is combative, collegial, and alternative or directional, others authors distinguish four types: desire competitors, generic competitors, services from competitors, enterprise competitors and other forms of competition.

We consider marketing mix of the nonprofit organizations to be a mix of ten elements (Coita, 2005). The elements are: the product, price, distribution, communication, participants (members, board, staff, clients/beneficiary, volunteers), process, partnerships, projects, fund raising activities, meetings, internal activities and events.

One of these elements refer to participants. These are human resources of a nonprofit organization, both from internal and from external environment of the organization.

Marketing literature refers to people as a marketing mix element of a service provider (Booms- Bittner, 1981). Internal an interactional marketing are two of the main marketing tasks in service organizations (Olteanu, 1999). Customer is involved in the operational process of providing services. Internal marketing refer to employees of a service providing company as if they were customers and tries to motivate them, but not with money. Salary is a tool used by managers in Human Resources Management (Abrudan, 2002). Coordinating the human resources in nonprofit organizations is a difficult task, because they are diverse and every category has another motivation and form of involvement.

The specific of participants- element of nonprofit marketing mix comes from the number of its constituencies. Nonprofit marketers should have each of this category as a target market and to use specific marketing tools for each of them.

We consider following important categories of participants:

1. Members (founding members of other members)
2. Board of the organization
3. Beneficiaries of the services delivered by the organization
4. Paid personel
5. Volunteers

To reach effectively every category in a successful manner it is necessary to use marketing plans.

## **The Marketing Plan**

A marketing plan is a written document containing some general requirements for marketing managers and for all the people involved in the marketing of the organization and its products and services. It can be compared to a “map” of the road that organization has to travel. The difference is that on a map one can see the place, the roads and the distances, while on a marketing plan one can see the time, the resources and the responsibilities. Having a roadmap to success will both keep you on track and help to maximize your outcomes.

The plan should contain data and specifics pertaining to the organization’s goals, the product or service it is offering, how the managers intend to market it and a means for measuring success. Generally, larger companies create plans that are extremely comprehensive in size and nature while smaller companies will do just as well with a 10 to 15 page strategy. It’s a good idea for a manager to refer to the plan regularly so that the manager can track the company’s progress.

There are some different people involved in using a marketing plan in nonprofit organization: First is the marketing manager - the mind that creates the core part of the marketing plan; and then, is the person responsible for writing, that is, to put the marketing plan in words in a document. If the marketing plan is not written, one can consider that the marketing plan does not exist at all. The written form of the marketing plan gives it the ability to be read and analyzed; to be improved; and after that to be used for people involved in carrying the plan to success. In some cases, the marketing plan is the proof for a partner or a funder that the manager has a clear idea about what he or she is going to do with the money. So, a marketing plan must be prepared to be read by the evaluator of the plan.

A marketing plan is a part of the marketing strategy of a organization. It is built on a thorough understanding of a market and of the clients, of the general situation of the organization, of the problems met in every-day activities and of the solutions that managers can find. In the same time, the strategy takes into consideration the marketing environment of the organization.

A marketing plan should leave its readers with a solid idea of what the program does and how it plans to go about achieving its marketing objectives. The following core components should be part of any solid marketing plan (Ballasy, 2004).

- Program mission statement
- Timelines of key strategies
- Recruitment goals
- Budget summary
- Target audience
- Appendix (any detailed supporting
- Positioning statement information)
- Strategies and tactics

In reaching participants, a marketing plan should have some recruitment goals. It is imperative, however, that the mission or purpose of the nonprofit organization to be translated into clearly definable and achievable goals. These goals may be written in various ways. Specific goals will facilitate both the development of actionable strategies and the measurement of whether it is achieved what it is set out to accomplish.

## **Structure of the Marketing Plan**

The following four goal structures may assist in clarifying the program’s goals across any number of areas, including mentor recruitment (Nickols, 2000):

- What you want that you don’t have? (Achieve)
- What you want that you already have? (Preserve)
- What you don’t have that you don’t want? (Avoid)
- What you have now that you don’t want? (Eliminate)

Mix of the offer: It is useful to use the model of the 4 Ps from marketing to refer to the offer described in the plan –see Table 1 (Balassy, 2004):

**Table 1**

<b>Four Ps</b>	<b>Product Definition</b>	<b>Our Definition</b>
Product	The product being offered	Service or benefit being offered
Price	The product's asking "price"	What is being exchanged (i.e., time, donation, commitment, etc.
Place	Where to get the product	Where service or program takes place
Promotion	Marketing communications and other activities used to motivate customers to "buy" the product	Marketing communications and other activities used to motivate "customers" to make an exchange

**Targets:** It is best to strategically determine which populations in the community would best fit the recruitment needs of your program. This includes looking at the specific design of the programs, meeting times and locations, and the youth population the organization is serving, as well as any other special issues about the programs. Targeting specific groups in this way will affect the content of the promotional materials, the types of organizations to be approached, the days and hours you do face-to-face recruitment, and so forth.

**Message:** message needs to capture the attention of the target audience and stand out in the crowd. And once noticed, it must be able to effectively persuade the target audience to take the action wanted from them. It is not always possible to separate the visual, auditory, and other sensory contexts from the message itself. In fact, it is common for the content (words) and graphics to be developed in unison. Still, it is useful to place a singular focus on carefully choosing the best words. Words by themselves have great power and influence, as it is the words that communicate your message. Any graphics or other sensory contexts should support and accentuate the text of your message.

**Marketing Plan Timeline:** An important component of the plan is the development of a timeline that visually illustrates the recruitment strategies over the course of the planning year. Having a visual reference provides a "bigger picture" perspective of the plan's strategies and how well the entire planning year is "covered." Timelines also lend themselves to more on-time project management when implementing the strategies, as staff can easily refer to the plan timelines as a guide.

**Budget:** Projected costs of the organizations' strategies and tactics should be summarized somewhere within the plan. It is common to have a budget summary early in the written plan, as key stakeholders will want to know the financial implications up front. These costs should represent close estimates even though final breakdowns of costs may not be known until strategies are actually implemented throughout the year.

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# ASPECTS CONCERNING THE LABELING OF ALIMENTARY PRODUCTS IN THE EU

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*Abstract: The main purpose of the labeling of alimentary product is offering the consumers sufficient information thus the consumer can take a fundamental buying decision, after which he will act, deposit and prepare, respectively consume the aliments in an adequate and safe mode.*

*The foods must not be presented in a manner that will confuse the consumer in what concerns the nature, composition or quality. When we say this thing, we refer to the “label”, as well as to the shape of the product’s package, the way it is put in the shelf/presentation in order to sell it.*

*Key words: Labeling, label, alimentary products, legal labeling conditions, consumer.*

## Introduction

In our society, the label of merchandise represents a main instrument of the releasing of the buy-sell act, being at the same time a simple and fast information means. The increase of the **prelucrare** grade, the diversification of the merchandise assortment, the evolution of packaging and advertisement, has increased the role of the label.

Generally, the conditions concerning the content, label information detail grade, language and certain aspect concerning the form/mode of presentation of the information, are regulated by the governments/institutions at national level; the producers of alimentary goods, respectively of labels, have a low control concerning the label and labeling. At the end of the XX century, have intensified the concerns on the labeling of the alimentary merchandise on global level, which has lead to the elaboration and publication of numerous regulations with international character (in commercial codes, international or regional standards, other law acts).

In what concerns the EU regarding the labeling of alimentary products, we can affirm that there have been elaborated numerous Regulation and Directives with obligatory or recommendation character. These make reference to the labeling of the aliments at the general mode, as well as the labeling of the alimentary products of animal origin.

The EU regulations do not need to be legislated; they are directly applicable to all the member states. As content, in these regulations are presented recommendations, opinions and/or decisions of the Justice European Court which are important for the interpretation of the law at EU member state.

In the directives there are presented the objectives that must be implemented in the national law of each EU member state.

## General aspects concerning the label, respectively the labeling of alimentary products

The label and, respectively the labeling have, firstly, the role of offering information to the tradesmen and consumers, but also the promotion of the respective product.

So, concerning the function it must accomplish, the label can be:

- **Persuasive label** – puts accent on the product’s promotion, on convincing the consumer to buy the product through the evidentiarea, not through the information it contains;
- **Informational label** – offers numerous information to the consumer, helping him to select, respectively buy the product fit for his necessities.
- In conformity with the law in the USA, the labels can be of three types, more exactly:
- **Brand label** – it is identified with the mark applied on the label/package; it does not offer sufficient information regarding the product, it does not help the consumer in deciding wither to buy the product or not;
- **Informative label** – offers multiple information regarding the product: composition, energy value, preserving conditions, use/consumption instructions, certain quality characteristics;
- **Grade label** – it indicates, through a letter, digit or word, the quality level/quality class of the product.

Concerning the grade label, the problem is deciding if this type of label is compulsory or not.

In the last years, the intense concerns regarding environment protection have lead to the so-called **voluntary ecological labels**, which are used, mostly, as marketing technique in sales' promotion. These labels can be of 2 types:

- **Ecological marketing labels** – they contain statements of the producers and suppliers like: the product contains several properties and specified ecologic qualities;
- **Eco-labels** – they are ecological labels approved by a governmental or independent private organism; it supplies the message that the product does not harm the environment in all of its life cycle and satisfies the requirements regarding environment protection.

To respond to all the requirements of the tradesmen, the labels must:

- Be attractive;
- Work properly as an advertisement material at the selling point;
- Present information regarding the mark (is the main mode in which the product is recognized by the buyer at the repeating of the purchasing).

At the same time, when a label is conceived, respectively when a product is labeled, it must have in view more rules/principles, among them:

- The images/illustrations/photos must be representative for the alimentary product which is bought by the consumer;
- The background images must not confuse the consumer regarding the type, origin and quality of the products.

### **The legal conditions for labeling the alimentary products**

In conformity with the EU legislation, but our country as well, at the elaboration of a label there must be considered the fact that it must contain at least the following elements:

- The product's name;
- The net and/or brute weight of the product;
- The list of ingredients, inclusively the allergens, if it is the case;
- The energy value of the product;
- QUID;
- The viability period;
- The depositing/preserving conditions (and transport conditions, if needed);
- The preparation/utilization conditions (if it is the case);
- The name and address of the producer/importer/supplier;
- The origin (especially when its misplacement can confuse the consumer: *Salam de Sibiu* made in Bacau).

### **The name of the alimentary product**

In what concerns the name of the product, it can be:

- **The usual name** – with time, it will be accept as it is by the consumers, without other explanations. *Surimi; Fish fingers* etc.
- **Descriptive name** – it indicates the real nature of the product, distinguishing it from other products with which it could be confused. *Natural yogurt with apricot pulp; Natural carrot and apple juice* etc.
- **Legislation described name** – they are specified by the E.U. legislation and international one, it can be used for certain alimentary products, like: *coffee, sugar, honey, flour etc.*

It must be remembered that a commerce mark can not replace the real name of the alimentary product.

### **Ingredients list, including the allergens, GMO (genetically modified organisms).**

Even if the main ingredients are found in the name of the product, they must be mentioned in the ingredient list as well, among the other prime materials. It must be mentioned that the ingredients are put in the decreasing order of the contribution they have in the fabrication recipe and for the main ones – main prime materials – it must be specified the percentage they have in the product.

For the beverages which contain more than 1.2% alcohol, it is compulsory for the percentage to be on the label.

In the alimentary products there can be found 2 categories of allergens, respectively:

- Allergens in the ingredients;
- Allergens resulting from mixed contamination.

Indifferently of the category, if they are found in the alimentary product they must be specified on the label.

In conformity *the guide for the alimentary industry hygiene*, the list of allergens contains:

- Cereals containing gluten – grain, rye, barley, oats and their hybrids;
- Crustaceans and related products;
- Egg and egg products;
- Nut-like fruits and products obtained from them – nuts, , peanuts, whole nuts, pasticcio etc.;
- Milk and milky products which contain lactose;
- Soy ad soy products;
- Mustard and mustard products;
- Celery and celery products;
- Sesame seeds and products obtained from them;
- Sulfur dioxide and sulfites with concentrations larger than 10 mg/kg or 10 mg/l.

It is recommended the use of simple fonts for the specification of the allergens, with the minimum size of 10 points; the names should be visible and readable.

Also, there should be distinction between the ingredients, allergen-ingredients and mixed contaminated-allergens.

<b>Ingredients</b> Milk, sugar, peach, flavouring
--

<b>Contains</b> Egg, wheat <b>May Contain</b> Peanuts
--

### **The energy value of the product**

The list of ingredients is accompanied by the declaration of the Energy Value (VE) and, where it is the case, the list of the main nutritional value substances (for each element the quantity is specified), respectively the Nutritional Value.

On the label of a product the following expressions can be added:

- *Product with low energy value* – only if the VE of a mass/volume unit from the respective product is larger that a  $\frac{3}{4}$  of the VE it equivalent with the mass/volume unit of a similar product which does not make this objection.
- *Product with lowered energy value* – only if the VE of the product is smaller than 167 kJ/100 g, respectively 167 kJ/100 ml (40 kcal/100 g, respectively 40 kcal/100 g). In the case of unprepared aliments, with lowered natural VE, on the label this expression must be added.
- *Product without energy value* – only if the respective product has a lower content of 0.5 fats/100 g (100 ml) product. The affirmation “X% without fat” is forbidden.

### **Validity term**

It is compulsory that on every label of an alimentary product the validity term is written. It can be written in any of the following modes:

- To be consumed/use, preferably, until the date of.....;
- Valid until ... ..;
- Fabricated/prepared in the date of ..... Valid for ... hours/days.

### **Depositing-preserving conditions. Utilization/preparation conditions**

In some cases, the labels of alimentary products must contain information regarding the mode/conditions of utilization, respectively the special preserving/depositing conditions.

For example:

- Shake well before consumption;
- Use it in the period of x hours/days after thudding;
- Use it in the period of x hours/days after opening the package;
- Do not refreeze after thudding;
- Do not thud before use.

Beside these elements, the label of the product can contain more specific information for the nutritional labeling, consumption arguments, illustrations etc.

The FSA recommendations – Food Standards Agency – regarding the mode in which the information can be replayed which hold of the composition of a product are orientating principles of the indication/information scheme written on a label, the producers/suppliers are allowed to develop their own formats. It is important that these writings are readable, clear, and easily understandable by the consumer.

### **Conclusions**

In conformity with the E.U. legislation, the alimentary products will not be accompanied by labels which describe them in a wrong or confusing manner in what concerns the nature, composition or the quality of these aliments.

The information with a compulsory character on the labels must be visible, clear, readable, translated in the language in which the product is dispatched (in case it is dispatched in another country), easily understandable by the consumer, without room for interpretation.

The labeling must not confuse the consumer through he suggestion that the respective product has special characteristics, which, in fact, are found in all the other products similar to it, through the attribution of properties it does not have.

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## USING SPONSORSHIP TO ACHIEVE COMPETITIVE ADVANTAGE IN THE PRESENT CONTEXT OF THE GLOBAL MARKET

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*Abstract: A company without a communication plan has now future in the present context of the global market. For customer to buy a product, they will have to know about its existence. This is where the marketing communication objectives intervene. Objectives like awareness increase or image improvement represent every organization's goals. This can be achieved through any of the promotional techniques, such as advertising, personal selling, sales promotion, but also sponsorship.*

*Considering Romania's integration in the EU, an organization must evaluate the possibilities that it has to promote its one activity, starting with the fact that advertising is not working anytime.*

*The scope of this paper is to show how an organization can use sponsorship to achieve its objectives. It is also important to evaluate any sponsorship activity to see how this process helped the company sales and image.*

*Key words: marketing communication, sponsorship, sponsorship objectives, sponsorship evaluation*

A company without a communication plan has now future in the present context of the global market. For customer to buy a product, they will have to know about its existence. This is where the marketing communication objectives intervene. Objectives like awareness increase or image improvement represent every organization's goals. And these objectives can be achieved with a coherent set of methods, techniques and media that form the promotional sub-mix. The most known and used technique of communication remains the advertising. But we can see that more and more organizations tend to use, besides advertising, other techniques, such as sponsorship.

Sponsorship represents a communication technique which allows the association of a brand with an attractive event for the targeted public. This is a contractual agreement in which the sponsor brings a financial or non-financial support for an event, a person, a group or an organization, in change of a set of services that is established with anticipation<sup>58</sup>. We can find sponsorship in a lot of areas, such as sports, culture, religion, education, science, health, environment protection and so on, but the most developed form of sponsorship is the one in sports, considering the media coverage and the interest shown by the public.

The evolution of sport sponsorship started by the end of the 70s and continued through the 80s, based on the advertising restrictions brought upon tobacco and alcohol companies, forcing them to find alternative ways of promoting their products. So that, in 1972, when the advertising for this kind of products was forbidden in England, 10-20% of the sponsorship was made by tobacco or alcohol companies<sup>59</sup>. The rest of the industries followed those two and, soon, sponsorship became a constant technique of promotion.

According to an IEG (International Events Group) study, the investments in sponsorship will register an ascendant trend in 2007<sup>60</sup>. For the American companies there is an increase forecast of 11.7% (from 13.4 billion \$ in 2006 to 14.9 in 2007). From the total sponsorship investments, the one in sports will represent 9.9 billion \$ (an increase of 10.5 % from 2006).

At a global level, sponsorship investments in 2007 will increase with 11.9 % from 2006, reaching a figure of 37.7 billion \$. In Europe, sponsorship will draw investments of 10.6 billion \$, in 2007 (with 11.6 % more than in 2006).

The importance associated to sponsorship is based on a series of factors, from which it can be mentioned: the fact that advertising is becoming more and more annoying for the customer, who is trying to avoid it; the increase in cost for promoting through TV ads; the fact that the sponsor can deduct from his profit

<sup>58</sup> Popescu, I., „Comunicarea în marketing”, ed. a II-a revăzută și adăugită, Ed. Uranus, București, 2003

<sup>59</sup> Oprișan, V. , „Marketing și comunicare în sport”, Ed. Uranus, București, 2001

<sup>60</sup> www.sportbusiness.com

taxes the sum that he put in the sponsorship contract; the interest shown by the media to sport as a mass phenomenon and attraction element for the public.

But these are only general benefits, and we have to take into consideration the fact that an organization main motive for sponsoring regards the communicational benefits, such as: awareness increase; corporate image improvement; community integration; the possibility of implementing a series of promotional sales techniques during the sponsored event; the possibility of conducting a press conference for announcing the sponsorship; concurrence differentiation (especially when in the sponsorship contract is stipulated that is not allowed to associate the event sponsored with another direct concurrent).

In her book “Marketing and communication in sport”, V. Oprisan (2001) presents the components of the sponsorship process. This process includes the sponsor, the entity that is sponsored, the sport event (including the spectators), the media and the general public. The first two categories find themselves on leverage positions, due to the contract that they signed (presenting the rights and the obligations of both parts). The relationship between them must transform into a long-term partnership, which will bring benefits for both parts:

- for the sponsor, a long-term association will put his name in the mind of the sport consumer;
- for the sponsored entity, this type of association will assure the financial support for the future events (without the need to search a new sponsor every time).

The sport event represents the product of his effort for the entity that is sponsored and a communication instrument for the sponsor.

The public of the sport event can be classified in two categories (considering the way they participate to the event) – the direct public (the spectators) and the general public. The connection with the general public is made through the mass media, which in this case appears as an interloper.

Considering the fact that, in Romania, sponsorship has not yet the proper importance, one of this paper’s objectives is to show the Romanian organizations the large area of problems that can be solved by implementing a coherent sponsorship program.

It is very important to know which are the objectives that drive a company to sponsorship, because then it can be measure the degree in which those objectives were fulfilled. In the marketing literature<sup>61</sup>, we have three general types of sponsorship according to their objectives:

- a. “Awareness sponsorship” is referring to the increase in popularity for the company’s name and products. In this case, the sponsor’s interest is to cover as much as possible the sport event area and the mass media with distinctive signs and logos, so that the public can identify them. There is a condition by which the organization can or can’t resort to awareness sponsorship – the customers must know the organization brand so that they can notice it at the event.
- b. “Image sponsorship” is fit for objectives such as brand’s image sustention or consolidation. This kind of sponsorship can build a strong association in the public mind between the sport event values and the ones that define the sponsor. It is very important to have concordance between the characteristics of the sport event and the image that the sponsor wants to form in the consumer’s mind.
- c. “Sponsorship for credibility” represents an opportunity for the companies that want to sustain an entity from the same domain as them, because these companies can show the efficiency of their products by putting them in the natural environment of use. In these cases, the objectives can refer to evidence of technological superiority and high technical performances for the sponsor’s products.

After stressing the objectives that can be fulfilled through sponsorship, it is important to show how an organization can be involved as a sport sponsor. There is the possibility to sponsor an athlete, a team, a league or an event. Each of these possibilities can lead to a successful association and, therefore, to an increase in brand awareness or to an image improvement.

Considering the possibility to sponsor an event, M. D. Shank (2005) mentions four types of sponsorship considering the geographic area that is covered by the sport event:<sup>62</sup>

- a. “Sponsoring a global event” – these types of events have the best media coverage and draw the most interest from the general public (for example, the World Cups and the Olympic Games).

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<sup>61</sup> Popescu, I., „Comunicarea în marketing”, ed. a II-a revăzută și adăugită, Ed. Uranus, București, 2003

<sup>62</sup> Shank, M.D., „Sport Marketing. A Strategic Perspective”, Third Edition, Prentice Hall, Pearson Education, New Jersey, 2005

- b. “Sponsoring an international event” such as European Football Cup or America’s Cup (yachting).
- c. “Sponsoring a regional event” – with a smaller media coverage because of the smaller public that has an interest in this kind of events, but we have to take into consideration that not all organizations want to activate in a big market, some of them have in mind a regional market for their products and for these organization sponsoring a regional event is the best thing (for example, Boston marathon).
- d. “Sponsoring a local event” (such as a school sport event) which doesn’t require a great financial implication from the sponsor.

Any of these types of sponsorship chosen, an organization must do an evaluation at the end of the sponsorship process. A sponsor can resort to one or more of these techniques for measurement of sponsorship efficiency:

- measuring participation at the event by socio-demographic criteria, trying to determine the correspondence between the event public and the sponsor’s customers;
- measuring performance – the best prove of quality for the sponsor’s products is the one in which performance is achieved by athletes using those products; for example, if a swimmer is using a new type of suit and he is breaking a record, we can make the connection between the swim suit and the broken record, showing the quality of that product;
- monitoring the media to see how many and what kind of information is published about the event and the sponsors;
- conducting a direct marketing research within the event public or the general public to find out how much they know about the event and the organizations that sponsored it; the best test are the ones about the spontaneous awareness to see if the public can mention the sponsor’s name by themselves, without any help from the researcher;
- analyzing the sales volume and evolution to see which were the sponsorship effects.

Even if this paper presented, until now, only the advantages of sponsorship, we have to be realistic and admit that there are some issues that can appear when implementing even a coherent sponsorship program. Here we can mention “ambush marketing”, a phenomenon that refers to planned efforts of an organization to steal the recognition and the benefits that are associated to the official sponsor organization.<sup>63</sup>

Most of the ambush marketing efforts target major sport event (such as Olympic Games, World Cups, and Super Bowl) or other big money sport events. The best example for ambush marketing is the Olympic Games from 1992, in Barcelona. Reebok was the official sponsor and Nike used ambush marketing to promote its products by association with the Olympic Movement, without any contribution to the Olympic sponsorship budget. Throughout the games, Nike conducted a highly visible advertising campaign featuring Olympic athletes who happened to be under Nike endorsement or personal-services contracts – without paying a penny in Olympic sponsorship fee. The tactic was to organize press conferences for Olympic athletes under contract with Nike and additionally display large murals of USA basketball team members (also known as the “dream team”) on the sides of Barcelona buildings. The biggest controversy regarding this ambush occurred when important basketball players from the American team (such as Michael Jordan or Charles Barkley), who were under contract with Nike, refused to take part in the medal ceremony because participation required them to wear a warm-up suit with the Reebok vector. The amount of free publicity surrounding this event was of great benefit and value to Nike. Trying to diminish this kind of phenomenon, the International Olympic Committee established a set of very strict rules regarding the Olympic Games sponsorship and the sponsoring of the athletes that are participating to these games.

For this reason, it is very important to have a clear legislation regarding sponsorship, which will restrain any attempt of stealing the credits from an official sponsoring.

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# A FEW CONSIDERATIONS REGARDING THE ROMANIAN INDUSTRY OF HOSPITALITY

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**Abstract:** A large varied ness of housing units is available today to modern tourist. These can be generously classified as: commercial housing sector (hotels, motels, vacation houses, camping) and the individual housing sector, represented by stable private residences used for housing of friends and relatives (secondary residences).

Recently, tourists prefer traditional housing services supplied by hotels and guesthouses; more flexible and functional forms like small motels owned by a single person or rented apartments.

*Key words: housing units, industry of hospitality, gastronomy*

## **Introduction**

Deriving from original meaning of hospitality – the action of getting visited and housing somebody -, the industry of hospitality has today a larger acceptance, including the activities with economic character – production of goods and services –, for tourists in vacation units.

In American literature, "hospitality industry" means the total of activities that perform services of housing and/or alimentation, plus the institutionalised services of alimentation insurance (food and drinks); institutionalised services mean services that are not addressed to travelling peoples.

Consequently, the hospitality industry means the industry of housing services and alimentation services, manifested outside individual or family residence.

## **Housing units**

Large varied nesses of housing units are available today to modern tourist. These can be generously classified as: commercial housing sector (hotels, motels, vacation houses, camping) and the individual housing sector, represented by stable private residences used for housing of friends and relatives (secondary residences). The camping and caravan tourism may be considered as an intermediate category, where the tents and caravans are set in commercial camping places. Some vacation houses can be just secondary residences or luxury hotels, but most of locations will offer a higher varied ness of housing units, depending on the climate and to which type of customer is designed for.

Recently, tourists prefer traditional housing services supplied by hotels and guesthouses; more flexible and functional forms like small motels owned by a single person or rented apartments. The flexibility in owning a property is also obvious. The apartments for tourist housing or condominiums can be bought through some leasing methods, or, recently through time-sharing, in this latter case more owners have proprietary right for a certain period of year.

Different collective housing types appeared in Romania, especially associated to social tourism politics. These are often manifested like holiday camps, with separate bedrooms and common mess halls, rest and amusement possibilities. Many of these facilities are governed by the state, local authorities or by syndicates.

*The main housing units* – form a distinct category, made by: hotels, motels, cabins, villas and hostelries.

*Hotels* appeared as housing units at the end of Middle Ages, their explosive impact was realized in the XXth century, when was recorded a high density of tourism.

The appearance and existence of first establishments for housing travelers were determined by travels with other goals than tourism; they were correspondently and with priority placed along the roads in urban centers, with modest capabilities and relatively simple services. Later, as the density of traveling and tourism grew, the housing methods adapted. The number of temporary travelers housing units grew, and they are situated outside the city, on tourism lands; the services and the endowments manifest a qualitative grow and variedness, to satisfy the needs of more customers.

Nowadays, more than 70% of housing spaces are situated in tourism lands (seaside, mountains, bathing resorts, urban centers).

Marco Polo mentioned the presence of "guest houses" in Orient, in the XIIIrd century. Step by step, these units played an important role in tourism, being usually situated in proximity of important tourism

objectives (some examples: the “Auberges des piramides” Hotel, in Egipt, near the great pyramid of Keops; “Louvre” Hotel, near the well-known Louvre Museum, in Paris). In Romania, an example is the “Peștera” Hotel, near the fantastic cavity phenomena and cultural point from superior valley of Iamolița, in Bucegi Mountains.

Besides the housing function, important in their own endowments and services, the modern hotels are adapting to their tourism types, in their sector. In the case of cultural tourism, these units have conference and video-projection halls, with stands or spaces for scientific forums. If the hotel is situated in a zone for recreation, it must have swimming pools, tennis fields, bowling rooms, discos, bars, a.s.o. The great hotels may develop optional services and activities (post office, exchange office, tickets office, different shops).

The placement of a hotel represents a mosaic arrangement. The oldest housing units appeared in towns and cities.

First building dedicated to accomplish the requests of hospitality as a hotel structure, was first opened in London, in 1774, in Covent Garden. Two decades later, in New York appeared the City Hotel, in 1794. But the first hotel with integrated housing and French kitchenry services, was Tremont, in Boston, opened at the beginning of XIXth century. It was the first unit of this type that had water conducts and sewages, separate access of customers to housing spaces and the possibility to secure the rooms doors, equipments, although the bathroom and the toilet were in common use. The guest rooms, as we know them today, began to generalize within the hotels only in the past 50 years.

In small cities, along secondary access roads, the hotels have a medium (71-150 persons) and small (1-70 persons) capacity. The bigger hotels (over 150 persons) are situated in big cities and large holiday resorts.

*The motels* are same as structure and functionality with hotels, the only important difference is their independent state related to transit tourism (especially the vehicles).

That is the explanation of their existence in Romania; the cause is the distance between localities and the high rate of transport.

The first motel was opened at 12<sup>th</sup> December 1925, in San Luis Obispo, California. At this type of housing unit, the housing period is the shortest one.

*Villas* are touristic bases of traditional characteristics, specific for the XIXth century and the beginning of the XXth century. As purpose, they support the healthy and recreational tourism, of medium and long period. That is why they are situated especially in bathing resorts. Main characteristics, as housing space, is the intimacy, ensured by reduced capacity, the climate created by their placement and interior decorations, some of them with a special architecture.

Unlike motels, in case of villas dominates the housing function, which most often is exclusive.

Being an inherited from the past times, with their placement in great tradition vacation resorts, villas are used by the organized tourism, which slows the seasonal density.

A modern alternative of villas is the “rest houses”, build and managed by institutions or organizations. The social character of the practiced tourism is reflected by the reduced cost of services for the employees. The capacity of the vacation houses is big, and their structure has services units.

Villas are still housing units highly requested by completing the housing function with indispensable elements for touristic comfort, even if their position is limited (bars, reception halls and dance rooms, clubs, a.s.o.)

*The cabins* are highly known housing units and is, almost exclusively, related to touristic activities. They meet, in different ways, the characteristics of hotels and villas.

The positioning of cabins in territory is made in a very mosaic way; such units can be found in plane regions, in Danube Delta, as well as in hills or mountains regions. Maximum density is recorded in mountain zones, which are the “proverbial” place for setting them. They are also placed along the rivers, near lakes, but also on mountain slopes (Omu cabin, Babele cabin in Bucegi Mountains, Negoiu cabin in Făgăraș Mountains, Dochia cabin in Ceahlău, a.s.o.) In these regions are also many vehicle accessible cabins. The cabins often appear near urban zones or near isolated touristic objectives. The variedness of their placement is based on their primary function of enlarging the tourism space. Being exploited, the cabins are a standard for the future tourism in their region.

The functioning of cabins varies in time, as a result of the type of tourism they contribute to and as a result of the type of resourced they exploit. The mountain regions cabins, proper for winter sports and seasonal trips, are recording a peak of their functioning in winter and summer; the cabins near the city zones have the same levels in the summer, and the proximity of mineral or thermal springs determine their permanent functioning.

Practicing lower prices and their singularity in the region, the cabins are for a large number of visitors, especially to local peoples.

*The hostelries* are traditional housing and public alimentation units, being the precursor of today's motels. Some of them are particular touristic habitats entities, just because of conserving the archaic traditions. Before, in XVIIth – XVIIIth centuries, their were meant to protect the dealers and diligences. Their typical placement was near crossroads or along the roads (Hanul Ancutei, Hanul Rosu on the road to Teleajen, Hanul Morilor, Hanul dintre Sălcii, near Alba Iulia, a.s.o.) First step represented the building of many hostelries within high-populated human establishments.

To housing function (10-50 persons) was associated the serving function. By their old age and their architecture, many hostelries have an attractive look, becoming important and well-known touristic objectives (Hanul lui Manuc).

It is considered that in Romania the hostelry can be assimilated, if modernized and functional adapted, to hotels from other countries, keeping intact the high valuable architectural and spiritual traditions.

**Secondary housing units (complementary)** they have units of "pioneer" functions, or a circumstance role in the evolution of touristic activities. From these activities, we can mention: the protection and safety, pensions and camping.

*Protection and safety units* are housing units with incipient touristic status, where the exploit is inexistent. They are complying with the social problems of the tourism, by ensuring a minimum of conditions (for a short period) to travellers surprised by different accidents. Build especially in high mountain and accidental regions, they have minimal services available (shelter, heating sources, food reserves) and are supported by organisms involved in promoting the tourism (Salvamont).

*The pensions and private housing units, agro-tourism farms*, offer to tourists some services of high quality, in populated regions, their characteristic being the intimacy and authenticity of services. These are organized in family apartments and are present a traditional hospitality. The regional gastronomy, the special climate of recreation, introducing customers in day-by-day rhythm of local peoples has for visitors from cities an undeniable originality.

Imagine a superb summer day. You are travelling to an isolated place. You make a stop at a guesthouse. You find friendship and hospitality – you have the feeling you are home. The host family tells you about them and the region's history. You find the ways to interfere in community's life style, how and how the events are taking place. You can get a brochure with information and photos related to recreation possibilities, facilities, activities and services available. After having a cup of tea and a home made cake, you make a small exploring trip. After an hour of walking, time in which you have the occasion to interact with the locality's people, you receive more information and you feel close to them. You have the occasion to taste the great home made gastronomical products – flitch, gems, cheese-derived products, and other traditional foods, then you can admire or buy many objects made in house, everyone with the print of that region or locality. Making a layover to the church, you will find new things about the history and tradition of the locality, about the existence and the living of the older people. You have a wonderful experience – so much space, virgin, spare, clean and fragrant. The people you have meet – village people, dealers, barman, the letter-carrier – all looked friendly to you and had a few moments to spare with you. You decide to stay a few days more and explore other amusement sources: golf, fishing, horse riding, traditional songs parties... (After "*Rural Development Through Agro-Tourism*", *A guide to developing an agrotourism enterprise*, Reur Technical, Series 14, FAO). Well, did I convince you?

So, the housing and alimentation in rural house-holdings is a formula that is not addressed to the poor people and is not a curiosity, but is an alternative of "industrial" tourism, of big hotels crowds, using the terms of "green tourism" or "mild tourism" for this sense.

## **Public alimentation**

The mutations of economical and social life, especially the ascension of tourism, towards to a modernization of public alimentation services, particularly by the increasing role of this activity sector into realizing a scientific alimentation, a healthy alimentation. It can be observed a deeper interest for eating outside the household. This interest is especially determined by advantages like:

- Commodity (saving the effort and time for getting products and preparing the meal);
- The varied ness of products which is definitely larger, so supplementary possibilities of choosing and adapting the menus to certain specific needs of children, older peoples or people who suffer of different diseases;
- Higher quality of products (these are made by professionals, by means of modern techniques, based on some scientific recipes);
- Economy (reduces consumption of materials, energy, work force);

- Accessibility (the prices and their variety);
- The climate (recreation, amusement).

The cumulated actions of alimentation specific actions and the actions of some contemporary facts (a growing urbanization level, higher mobility for population – associated to regular travel, jobs outside your living neighbourhood, working schedule, the existence of secondary living places -, modifications in day-by-day habits, the leaning to increased dimensions of spare time, more trips), all these are implying a growing in the alimentation products selling, more people who need these services and more meals served in this sector of alimentation.

In France, for example, almost half of the population are taking lunch outside their homes, more than 30% from the budget allocated to food, is spent in the sector of public alimentation; in USA, the country with the most extended sector of public alimentation, the part of the food budget allocated to meals outside their homes, reaches 80%; same, in Great Britain, the European country with the most developed system of public alimentation, the percent is near 50; in countries like Germany, Czech, Hungary, Poland, 20-30% of the population are taking at least one meal each day in the sector of public alimentation.

In Romania, the situation is a little bit modest; the main reason is the economy and an underdevelopment of this sector. The population allocates about 20% of the food budget and less than 10% of the goods and services expenses, for the sector of public alimentation.

For many potential tourists, the gastronomy is an important element for choosing the destination; with this fact, the touristic product having the main motivation the gastronomy is a reality, generating a sort of vacation – called “gastronomic vacation”. There are very well known gastronomic circuits like the “wine circuit”, “cheese circuit”, which satisfy the tastes and gastronomic requirements of the finest gormandiser.

From the point of view of the contents, the alimentation services are realized the same, no matter if the beneficiaries are tourists or residents, and this implies three moments: the production, the commercialisation and the service.

The production of gastronomic products may be compared with the alimentation production; the difference is the scale at which is realized, and the fact that products are made by explicit requests of tourists. The unit type determines the varied ness of products, by technical possibilities and by the existence of qualified personnel. More than just a simple processing of materials, as a characteristic is the processing is made through techniques based on modern principles of gastro-technique, the science that studies the transforms of aliments during different processes – boiling, baking, frying, warming – and the influence of these transforms on the health of individuals.

In the last time, just a small number of tourists want to buy a vacation with room and board included. Most of them want to choose the place and the mealtime, so any vacation destination must have a varied ness of alimentation units to correspond to the taste and the budget of any tourist.

Known as catering, the intentness and the commercialisation of gastronomic production, is found as a tendency in organization of production activity in almost every developed country and for a large varied ness of products. It requires the separation in time and space of consumption and to deliver gastronomic products for external customers, other than individuals.

From all the structures of public alimentation that maintain the traditional structures, the most important are the hotels, luxury restaurants and clubs, where the customers want to be served flawlessly and when they ask it.

The restaurant is an alimentation unit very well known, where the customers can find a large varied ness of gastronomic products, pastry and confectionery products, or alcoholic and non-alcoholic drinks. The word “restaurant” appeared in the XVI th century and was first used to name an aliment that satisfies hunger, particularly “a rich in ingredients and consistent concoction” capable of rebuilding your forces. From this meaning that remained until the XIXth century it passed to the “locally specialized” meaning in selling the aliments that reenergize the human body. Until the beginning of the XVIII th century the food was sold only in bait-houses and grog-shops. The first Parisian restaurant was the one described by Beauvilliers in 1782 in Rue de Richelieu, using the name of “The Great Tavern of London”. It brought the meal served at fixed times in day, separate tables with the ready-to-eat meal components presented on a list.

Nowadays, the “restoration” evolves in 2 directions: first, it tends to reflect its rebuilding function, feeding more and more people who take their meal outside their homes; the so-called collective restoration is related on this sector to coffee houses, beer houses and pizza houses; on the other side, a high quality restoration continues to offer to distinguish customers special climates, renowned wines, rare products and the most refined gastronomical products.

The most interesting category from the point of view of services, are the restaurants, being often developed in relation with housing services, within the hotels. But the restoration units are not limited only to restaurant within the hotels. Some characteristics can be highlighted for different types of units:

- Classic restaurants have a flexible demand regarding the income; the customers have an average age of 38; the frequency of serving the meal at these restaurants is once a month; the main items when choosing a restaurant are the quality of gastronomical products and the climate; the main discontentment of customers is the long waiting time before the meal is made.
- The fast foods have a commercial attraction area of 5km radius; the average age of customers is 32 years, and the main reasons for which they are frequenting these units are the quality of products and the quickness of services.
- Typically restaurants and the bars have customers between 21 and 35 years, the majority (70%) single, with high incomes.

As a result of actions of demographic, economic and concurrent factors, the conventional feeding style has been replaced with a new one, an avant-guard style. So, the young aged market is dominated by the quick alimentation or the pizza one, on the second aged level, the healthy food (the food for conserving health) is dominating. Many fast-food companies transformed in multi-national societies, and the tourists in trips that are looking for the familiar menus, are often attracted to these units when they are travelling outside their country.

It can be observed the expansion of USA on the European market, still growing, the first three trade signs of fast-food alimentation and catering are Americans: McDonald's, Burger King and Grand Metropolitan.

Pizza became an international food, which identifies with Italian kitchenry, and today has large consumption quantities, this business having important incomes. It has been observed the spectacular international step realized by pizza consumption and the growing incomes in this sector. In 1997, for example, the biggest pizza consumption for a person was recorded in USA – 12.5 kg, followed by Canada – 6.97kg and Italy – 4.95kg. In 1998, in the component countries of UE were recorded the following pizza quantities, consumption for person: Italy – 5.4kg, France and Germany – 3.84kg, Spain, Portugal, Austria, Switzerland – 3.24kg, and Great Britain 2.8kg. As a total of UE countries, the incomings from pizza selling grew up from 1.8 billions dollars, in 1994, to 2.6 billions dollars in 1997.

For the moment, it is discussed the problem related to introduction of biotechnology into gastronomy, highlighting the absence in the future menus of the materials generating of toxins or allergies. In the future it will more natural materials. Resources in alimentation will be reduces, and the cultivated surfaces will be reduced. In this situation, new sources of animal and vegetal alimentation products must be found, to ensure the food needed, to correspond to new standards, which are taking shape for the future alimentation. The planet ocean is taken in consideration. In the future, many aliments will come from seas and oceans: fishes, crustaceans or sea fruits.

The pithiness orientation for the future alimentation will decrease the meat, meat products and animal greases consumption, and in opposition, an encouraged consumption of vegetables and fruits, fishes and sea fruits. The method of preparation of gastronomic product from raw materials will be implemented by means of modern ways, taking in consideration the resulting qualities of the aliments, vitamins and nutrient compounds. This way, the use of butter was reduced in cooking. From the Asiatic people was kept the method of parboiling the vegetables to avoid the boiling, which implies the waste of vitamins. The meat is used in small quantities, but the supplement varies in many and different ways. For a person, at a meal, it will not be used more than 100 g of meat.

In the kitchen, the entire activity was completely changed. It is considered old-fashioned the serving of food on a platter. This system has been replaced with the arrangement of the food in plates, done in the kitchen. The specialists are preparing there the food; others are arranging it in some styles on the plates, and finally the decoration of the food, which implies much talent. The new system allows the food requested by the customer to be presented impeccable, quickly and civilized.

Taking in account the expansion of the fast foods, Romania seemed, until soon, a good market for investments. In these places where the quick service and the facilities of a classic restaurant combine, there are customers belonging to all social, professional and aged groups: beginning with children of 3-4 years and ending to retired people, from students to friends or family groups. They all need something different. Most of the clients who enter such a place – 63.1% - are young people aged from 15 to 30. The products more often requested are pizza, crisps, hamburgers, salads, cakes, ice cream. ("The Capital" No. 15/ April 15, 2005). The appearance and development of typical Chinese, Italian restaurants represents a tendency of the public alimentation sector in Romania. Foreign citizens working in Romania frequent these, but they have success between Romanians.

As it is known, some restaurants from our country are having troubles due to the lack of customers. To avoid this, the managers have to prove imaginativeness in assuring conditions to attract customers. A clear example is the restaurant of bistro type to help you remember the Small Paris from inter-war years (nowadays Bucharest), all the climate remembering of our grandparents times: pictures on the wall with the capital in 30's, high hats, hats, frock coats like the people from old Bucharest used to wear, gas lamps, the

first telephones introduced in our country – still functioning, bells mounted on shops' doors, a dulcimer for concert, i.e. ("Ghidul restaurantelor", Bucharest, 2004).

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# COMPARATIVE STUDY OF THE HOTEL MARKET FROM CLUJ-NAPOCA AND TIMISOARA, ROMANIA

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*Abstract: The article presents a comparative study between two of the most important urban tourist destinations from Romania and underline the fundamentals of supply and demand for Cluj-Napoca and Timisoara hotel market.*

*We use for our study personal interview based on a questioner and empirical research analysing statistical data and other available information about the destination.*

*The research use different criteria for analysing chosen hotel markets like: profile of the city, number of hotels, number of rooms, number of beds, national stars classification system, year of starting, profile of the target, developing perspectives of the hotel markets, penetration rate for new hotels.*

*Our study reveals that the analysed hotel markets have similarities, but also many differences, especially as a result of the different economic profile and development stage of Cluj-Napoca and Timisoara.*

*Keywords: hotel market, regional development, competitiveness*

## **Introduction**

The industry of tourism represents one of the sectors with the highest development at global level. Romania can be one of the preferred Eastern European tourist destinations due to all its features: a very beautiful landscape, different types of tourism (mountain tourism, heritage and cultural tourism, rural tourism, spa tourism, geo-tourism, MICE tourism – meeting, incentives, conferences and exhibitions –, seaside tourism) and a diversified supply of lodging capacities. Even this, the travel and tourism economy contribution to Romanian GDP varied around the 2%. The causes for the small percentage are multiple, various and complex.

The WTTC has forecasted for 2006 that travel and tourism economy is expected to contribute 4,8 per cent of Romania's GDP and account for 485,000 jobs (5,8% of the total employment). Over the next 10 years travel and tourism sector is forecast to achieve annualised real growth of 6,7% and 1,6% in terms of employment. In 2016 the share of GDP will be 5,8 per cent.

Probably these are the reasons why in the last few years, travel and tourism sector has been identified by Romanian government as a focal point of the National Development Plan.

A study of Romanian National Institute for Research and Development in Tourism (INCDT 2005) reveals that the most chosen form of tourism in Romania urban tourism with almost a half of the demand followed at a big distance by mountain, seaside and spa tourism. The research shows an interesting situation regarding the occupancy rate for different types of lodging capacities: the highest value (42,7%) is for 5\* lodging units, followed by 1\* (37,79%) and 3\* units (37,67%). The total revenue for lodging capacities increased with almost 20 per cent in 2005 comparing to the same period in 2004.

Cluj-Napoca is situated in the North-West Region of the country and it is known as “the capital of Transilvania” or “multicultural heart of Europe”. Cluj-Napoca is one of the Romania's most important cities from the number of citizens' point of view and also due to its academic, business environment and cultural attractiveness. It is an important communication point in the country and the second city in the national hierarchy as a polarisation potential after the capital – Bucharest, influencing the entire Transilvania.

Considering the number of inhabitants, Cluj-Napoca is situated on the second place at Romanian level with 312.000 citizens and Timisoara at fifth place with 304.000 citizens (INSSE, January 1, 2005).

Timisoara is an important economic center for our country, representing more than 30% from West Region economy and more than 4% from national economy. Being the major city from the west region of Romania, Timisoara is a multicultural city with influential minorities. Being the farthest among the urban centres in the west of Romania, Timisoara has always been a place for favourable contacts and interferences with European civilization, a city distinctively cut out for a modern architecture, culture and conceptions.

A study<sup>64</sup> made by Group of Applied Economics<sup>65</sup> on how connected the Romanian cities are to European Union space, revealed that Timisoara is on top and the most prepared city for the accession process from economic point of view. On the second place is situated Cluj-Napoca which concentrated the highest level of financial resources through NGOs with cultural profile and which had the highest number of cultural exchanges (Roibu, 2006). Another study<sup>66</sup>, based on the cost of living – using 23 criteria, indicated that Cluj-Napoca is the most expensive city. Timisoara was situated on 6<sup>th</sup> place (Amariei, 2006).

Both studies are supporting the idea about the important position of Cluj-Napoca and Timisoara as economic centres. This importance was enhanced when the Regional Development Agencies for North-West and West chose to locate their headquarters in Cluj-Napoca and Timisoara.

These are the reasons which make Cluj-Napoca and Timisoara an interesting destinations for different types of tourists.

## Material and Methods

We use for our study exploratory, descriptive and causal research. We obtain primary and secondary data through personal interviews based on questioners and empirical research analysing statistical data and other available information about the destination. For the tourist supply we got responses from a representative groups: 26 hotels out of 30 (86,66%) for Cluj-Napoca and 30 hotels out of 33 (90,90%) for Timisoara.

## Results and discussions

The main assumption that we tried to verify in the study was: the profile of the city is influencing the hotel market. We considered the following profiles:

- Cluj-Napoca is an important academic and business centre; is dominated by business tourism, but the strong presence of universities must influence this profile;
- Timisoara is a business centre, dominated by business tourism.
- Taking into account the total number of Romanian lodging capacities, Timișoara and Cluj-Napoca are situated on the second and third place after Bucharest, the capital of Romania. We choose for our study these positions in ranking because the distance between the capital and the others was very high - Timișoara and Cluj-Napoca have around one third of the total number of hotels and less one fifth of the total number of rooms offered by Bucharest (table no. 1).

**Table no. 1**

Rank	County	Municipality	Number of hotels	Bed places
1.	-	Bucharest	83	12737
2.	Timisoara	Timisoara	33	2524
3.	Cluj	Cluj-Napoca	30	2551
4.	Constanta	Constanta	23	1960
5.	Brasov	Brasov	15	1685
6.	Arges	Pitesti	15	1188
7.	Iasi	Iasi	12	1452
8.	Sibiu	Sibiu	12	1320
9.	Arad	Arad	12	1216
10.	Suceava	Suceava	11	945

Source: own, based on data provided by the National Authority of Tourism

<sup>64</sup> Bucharest was excluded from the study.

<sup>65</sup> www.gea.org.ro; the title of the study is “The Index of European Readiness”.

<sup>66</sup> On this study too, Bucharest was excluded.

The number of hotels in Timisoara before 1989 was low, only 5 hotels existed. During 1990s, 8 new hotels entered to the market, but the boom of hotels came after 2000, triggered by the increasing number of foreign companies establishing important branches and developing plant in Timisoara. In 1990 the number of hotels in Cluj-Napoca was 10. Between 1990 and 1999, the number grew slowly to 17. By the end of 2005 on the Cluj hotels' market were 31 hotels. Unfortunately, at the beginning of 2006 one of the hotels – Continental – was closed. From 30 of the hotels, 53% were open between 2000 and 2005. The development of Cluj-Napoca accommodation establishments was triggered by the need for various types of accommodation services and by an easier access to financial resources (bank loans mostly) between 2000 and 2005. Figure no. 1 presents comparative situation.

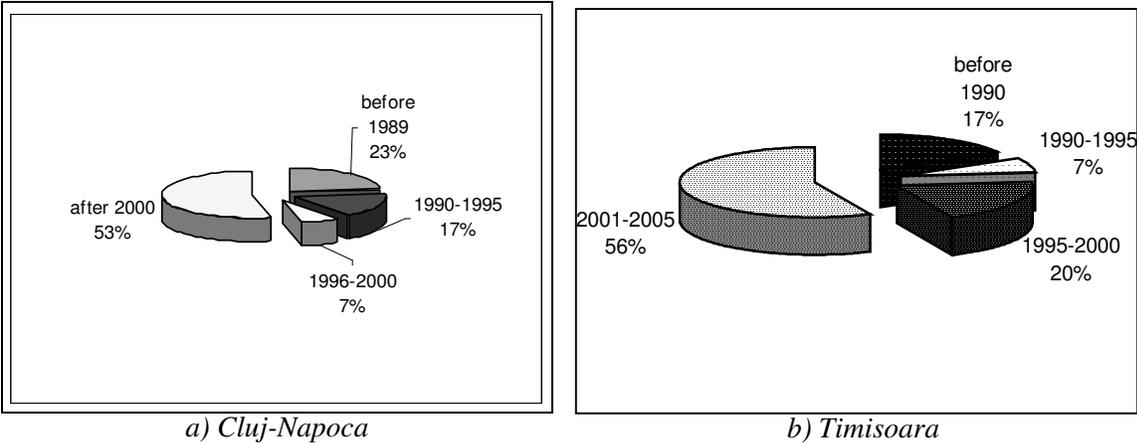


Figure no.1: The year of construction

Studying hotel lodging capacity, Timisoara hotel market is dominated by small hotels. The majority of these hotels were build after 1998 and their small capacity was imposed either by the financial resources the owners could gather for the construction or by the limited space where the hotel property have been developed. In some cases, both causes were present. Our study revealed that 87% of the operational lodging capacities in Cluj-Napoca are also small, offering under 50 rooms, as the figure no. 2 shows.

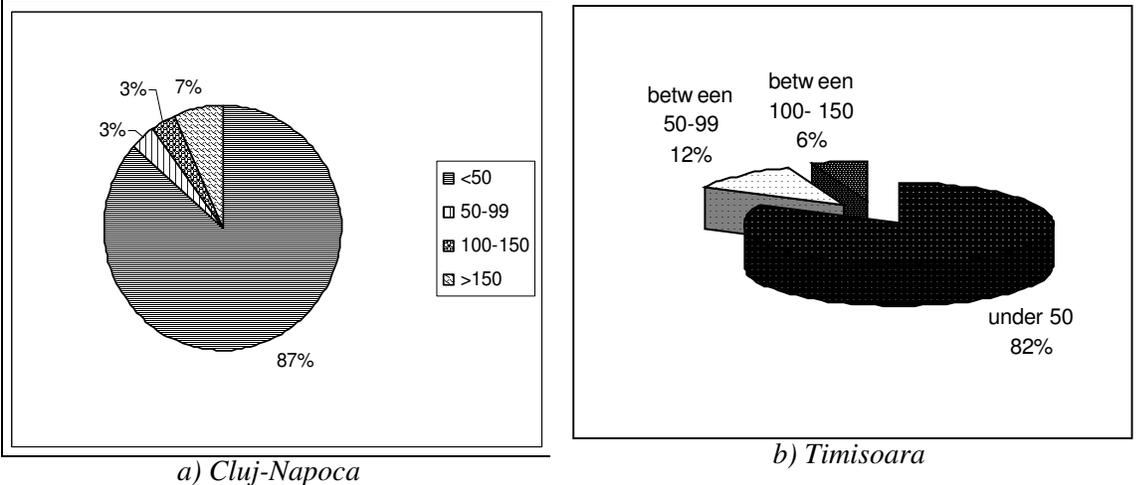
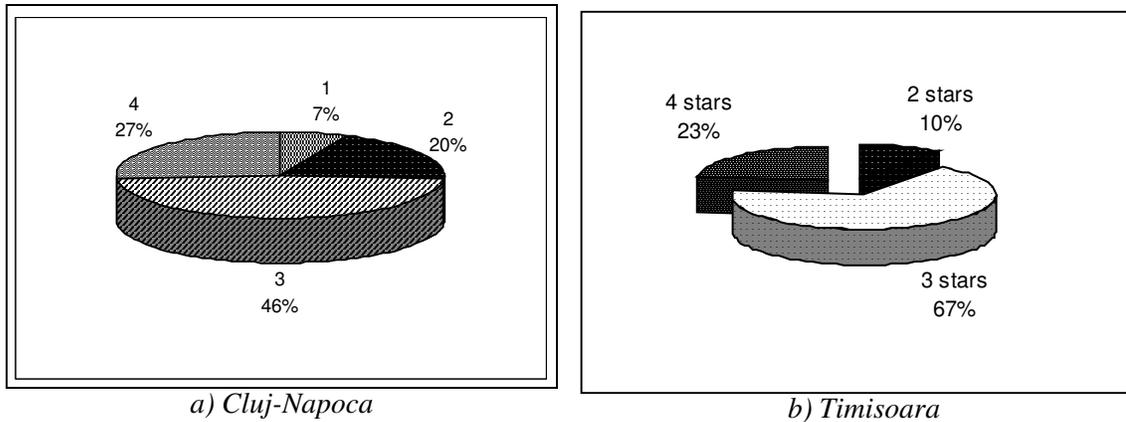


Figure no.2: Number of rooms

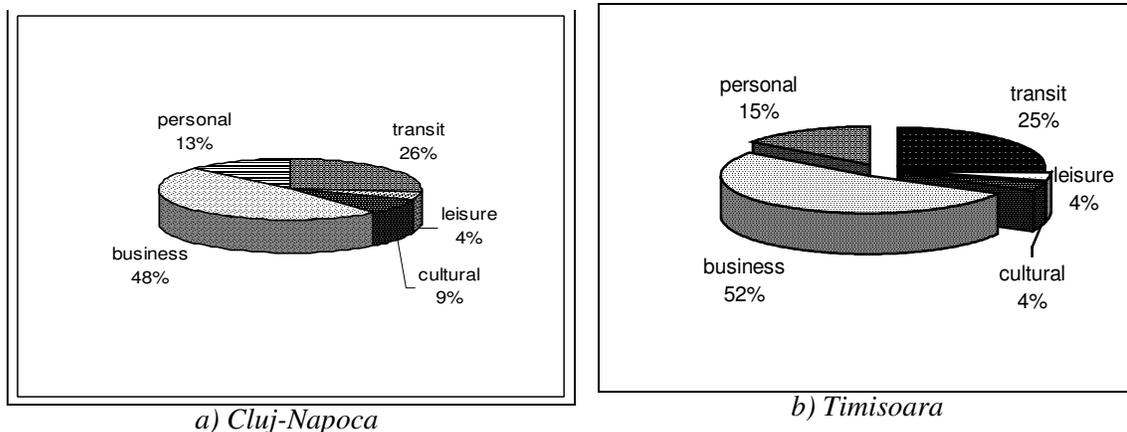
Almost a half of the hotels in Cluj-Napoca are included in 3 stars category – using the National Stars' Classification System and the second place is taken by 4 stars hotels. Analysing Timisoara hotels based on this criteria, resulted the same situation, as the figure no. 3 shows. The situation is similar at country level. The hotels developed mainly since 2000 were 3 stars hotels, considered to be preferred by business tourists.

The reasonable level of investments required by a 3 stars hotels was another reason for which this type of hotel was preferred.



**Figure no. 3: National Stars' Classification System**

The idea that the business tourism is the leading segment in Timisoara was highlighted during 2004 by Meirosu and Onica and in 2005 by Ancutescu. It was confirmed by the findings of the present study which shows that 52% of Timisoara tourists are there for business. Our research reveals that the main purpose of visiting Cluj-Napoca is business, followed by transit and personal interest (figure no.4). In “personal interest” category are included the relatives and friends of the students and of the residents who, most of them, do not use the lodging capacities and also persons how come for medical services.



**Figure no. 4: Clients segments**

## Conclusions

Comparing the hotel market in Timisoara and Cluj-Napoca, common and distinctive features resulted. The hoteliers from both cities are oriented toward business tourist segment, the most obvious one and generated by the trend of Romania development. Among the things ignored is the fact that all the 2 cities are considered to have a high concentration of monuments and building included in the Romanian national patrimony<sup>67</sup>. With such a heritage, the cities could develop cultural and leisure tourism.

In Timisoara the business profile of tourist market is obvious and the hotels under scrutiny are positioned to serve this segment. Cluj-Napoca hotels, following the trend, are also oriented toward business tourism,

<sup>67</sup> Law no.5/ 2000.

ignoring the fact that the city has a tourist market dominated by an academic profile. In this respect, the offer is not correlated with the demand, the budget hotel segment representing only around ¼ of total hotels. In Cluj-Napoca and Timisoara only one hotel in every city are affiliated to an international hotel chain: Best Western. In Timisoara, since 2006, is present NH Hotels too.

During 2006 on Cluj-Napoca hotel market 7 new hotels entered the market (an increase of 23.3%), crowding even more the segment of hotels targeting the business segments; one of the new hotels is classified at 5 stars, opening the door for the luxury segment on Cluj-Napoca hotel market too. In 2006, other new 13 hotels entered Timisoara hotel market (an increase of 39.4%), the majority of them being classified at 3 stars and with less than 50 rooms, targeting the same business segment.

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# EMPLOYMENT FLOWS IN ROMANIAN FIRMS DURING TRANSITION TO MARKET ECONOMY

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*Abstract: This paper focuses on gross job creation, destruction and net employment growth in Romanian manufacturing firms. Our objective is to identify differences in the patterns of job creation, destruction and allocation between different types of ownership and different sizes of firms.*

*Key words: employment flows, small firms, larger firms.*

## 1. Introduction

Previous studies have shown that employment turnover process arises primarily from the entry of new plants, the expansion or failure of newer plants and the contraction of the older plants [7]. Labor economics literature also points out that gross employment flows, generated by the four phenomena identified before exceeds net employment movements. For policy analysis is particularly instructive the finding that employment reallocation across industries can explain only a fraction of the employment turnover during recession or restructuring periods in comparison with gross flows within same industries. [7]

The present paper studies the relation between gross and net flows of employment in Romanian firms during transition. I am interested to what extent employment flows differ across firm of different sizes and ownership.

The difference in employment flows from different ownership structures is of particular interest in Romania's context of transition to the market economy. The beginning of the transition period was dominated by state-owned enterprises, which continued to perpetrate the non-entrepreneurial system of the past communist era. In particular poor management quality translated into an irresponsible investment policy. In opposition to SOE(s), small firms were successfully confronting from the beginning market and financial constraints. Largely private-owned and born after 1990, small firms' number grew from 80,000 in 1991 to 408,000 in 2001 [3]. Small firms became shortly in the last decade of the 20<sup>th</sup> century the main source for private investments, economic growth and employment opportunities in Romania [3]. Thus, in 2001 small firms contributed 55% to Romania's GNP and approximately 40% of the workforce was employed in small firm's sector [3]. In short, the present paper focuses on a comparative analysis of employment flows between different ownership structure and between different sizes of firms.

## 2. Data and methodology

Following Dunne and Roberts, 1989, given information of firms in operation in each of two time periods,  $t$  and  $t+1$ , it is possible to classify each firm according to whether it first appeared in  $t+1$  (birth), appears in period  $t$  but not in  $t+1$  (a closing) or continues in operation from  $t$  to  $t+1$ . Then:

$B(t+1)$  = the number of employees in period  $t+1$  in all plants that first appeared;

$E(t)$ ,  $E(t+1)$  = employees in  $t$ ,  $t+1$  in all plants that expand employment or do not change employment between the two periods.  $E(t+1) > E(t)$ ;

$C(t)$ ,  $C(t+1)$  = employees in  $t$ ,  $t+1$  in all firms that contract employment ( $C(t+1) < C(t)$ );

$D(t)$  = employees in firms in operation in  $t$  but not in  $t+1$ ;

The employment in the two periods  $L(t)$ ,  $L(t+1)$  can be expressed:

$$L(t) = E(t) + C(t) + D(t);$$

$$L(t+1) = E(t+1) + C(t+1) + D(t+1);$$

The net change in employment between the two periods is:

$$\Delta L(t) = L(t+1) - L(t) = B(t+1) + \Delta E(t) + \Delta C(t) - D(t);$$

we see that  $\Delta L(t)$  is given by four components: gross employment flow resulting from plant birth  $B(t+1)$ , expansion  $\Delta E(t)$ , contraction  $\Delta C(t)$  and closing  $D(t)$ .

The data set used in this paper to measure gross employment flows consists of Romanian manufacturing firms in operation in 1992, 1993, 2001, 2002, 2003. Our analysis will therefore cover the beginning of the transition and the late-transition period, when Romanian economy has been largely restructured and privatized. Data consists of Romanian firms from manufacturing industry, comprising 3263 observations of which 1988 are found in all of the 5 years under consideration. Data for 1992 consists of 2444 observations, for 1993 of 2527 observations, for 2001 of 2666, for 2002 of 2634 and for 2003 of 2624 observations. A high proportion of the initial sample had survived till the end of the period.

Each firm is individually identified and classified using CAEN two digits classification. A small number of observations (~60) changed their CAEN code as a result of moving in commerce and services. Our analysis will focus on the majority remaining into manufacturing sector.

### 3. Analysis of the employment flows in Romanian firms

Analysis covers years 1992, 1993, 2001, 2002 and 2003.

#### 3.1. Employment flows for private firms versus SOE(s)

As shown previously, private firms are expected to outperform SOE(s) in terms of efficiency. Table 1 shows a comparative analysis of private firms and SOE(s) in Romania based on our data set.

**Table 1. Employment flows in private firms and SOE(s)**

1	2	3	4	5	6	7	8
	L	$\Delta L(t)$	$\Delta L(t)/L(t)$	$B(t+1)/L(t)$	$\Delta E(t)/L(t)$	$\Delta C(t)/L(t)$	$D(t)/L(t)$
1992	306522	-	-	-	-	-	-
1993	271671	-34851	-0,1137	0,000551	0,006365	-0,12006	0,000287
2001	65841	-205830	-0,75764	0,02856	0,014823	-0,71117	0,089859
2002	52556	-13285	-0,20177	0,000167	0,017725	-0,12375	0,095913
2003	47124	-5432	-0,10336	0,04519	0,007991	-0,15471	0,001827
SOE(s)							
	L	$\Delta L(t)$	$\Delta L(t)/L(t)$	$B(t+1)/L(t)$	$\Delta E(t)/L(t)$	$\Delta C(t)/L(t)$	$D(t)/L(t)$
1992	2491606	-	-	-	-	-	-
1993	2266342	-225264	-0,090	0,015	0,009	-0,110	0,005
2001	903288	-1363054	-0,601	0,006	0,013	-0,570	0,051
2002	803823	-99465	-0,110	0,001	0,018	-0,114	0,020
2003	709806	-94017	-0,117	0,003	0,016	-0,134	0,004
PO=1							

Most importantly we see that both categories contracts over the investigated period. Net employment drops by 84% for SOE(s) and by 71% for private firms. This can be explained by the major restructuring process experienced by Romania's economy after 1990. As argued before, it is likely that the surplus employment in industry had been absorbed in other sectors. In itself the downsizing experienced by private firms is not a proof of similar performance between the two classes. In fact several papers documented that the superior efficiency of private firms compared to SOE(s) in transition economies, including in Romania [2]. Data on employment flows shows that both categories have known substantial gross employment flows

We further examine whether employment flows' pattern differ for domestic private firms and foreign private firms. We see that only a very small number of firms are domestic private or foreign private over the entire period. However the sample increases when we consider sub-period 2001-2003. The situation is summarized in Table 3.

**Table 2. Employment flows in domestic private firms versus foreign private firms 2001-2003**

1	2	3	4	5	6	7	8
	L	$\Delta L(t)$	$\Delta L(t)/L(t)$	$B(t+1)/L(t)$	$\Delta E(t)/L(t)$	$\Delta C(t)/L(t)$	$D(t)/L(t)$
2001	522889	-	-	-	-	-	-
2002	465302	-57587	-0,110	0,000	0,015	-0,12	0,006
2003	416088	-49214	-0,105	0,000	0,019	-0,123	0,002
po=1, do=1, n=1576							
	L	$\Delta L(t)$	$\Delta L(t)/L(t)$	$B(t+1)/L(t)$	$\Delta E(t)/L(t)$	$\Delta C(t)/L(t)$	$D(t)/L(t)$
2001	143823						
2002	126186	-17637	-0,123	0	0,018	-0,125	0,016
2003	106693	-19493	-0,154	0	0,015	-0,166	0,003
po=1, fo=1, n= 147							

Note that firms that were state owned in 1992 remained the same in 2003 (taken into consideration expansion and death of course), with only a few exceptions. Thereby our results for SOE(s) for 2001-2003 are basically the same as previous.

Surprisingly we see that over the period 2001-2003  $B(t+1)/L(t)$  and  $D(t)/L(t)$  are either zero or very close to zero. Thereby for both domestic private and foreign private firms the net change in employment is given almost entirely by contraction (on average 1.14% annually). Once again, this result in itself is not evidence that foreign owned firms and private owned were equally efficient. Empirical evidence shows that foreign private firms were more efficient than both domestic private and SOE's (Brown, Earle, Telegdy, 2006). The figures in Tables 1 and 2 simply show that restructuring and downsizing were present to a similar extent regardless of the ownership structure.

### 3.2. Employment flows in small firms versus larger firms

One important purpose of the paper is to analyze employment flows in firms of different sizes. We first need a criterion for our classification. Thus, the class size of a firm is determined by several aspects: the number of employees, the volume of activity and the value of its assets. In Romania small firms include actually two categories of firms. The smallest ones are called micro-firms. They are defined as firms that employ up to nine workers and with revenues less than the equivalent of two millions euro. A second category of small firms include those who employ between 10 and 49 workers and with revenues or assets less than the equivalent of 10 millions euro. We use as a criterion of classification the employment. Firms with employment less than 50 are thereby small firms and those with employment bigger than 50 are "others".

**Table 3. Employment flows by firms' size**

1	2	3	4	5	6	7	8
	L	$\Delta L(t)$	$\Delta L(t)/L(t)$	$B(t+1)/L(t)$	$\Delta E(t)/L(t)$	$\Delta C(t)/L(t)$	$D(t)/L(t)$
92	4599						
93-92	4754	155	0,034	0	0,307	-0,206	0,067
01-93	5005	251	0,053	0,086	0,509	-0,309	0,234
02-01	4878	-127	-0,025	0,002	0,074	-0,090	0,012
03-01	4737	-141	-0,029	0,000	0,078	-0,106	0,002
Small firms E<50 in 1992, n=220							

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	L	$\Delta L(t)$	$\Delta L(t)/L(t)$	$B(t+1)/L(t)$	$\Delta E(t)/L(t)$	$\Delta C(t)/L(t)$	$D(t)/L(t)$
92	2503995						
93-92	2238325	-265670	-0,106	0	0,009	-0,110	0,005
01-93	877186	-1361139	-0,608	0,001	0,012	-0,572	0,049
02-01	781949	-95237	-0,109	0,000	0,016	-0,113	0,011
03-01	691361	-90588	-0,116	0,003	0,016	-0,133	0,002
Other firms, E>50 in 1992, n= 2222							

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In 1992 most Romanian firms were state owned and with high employment. Mean employment decreased in our sample from 1150 to 348 employees which is a 70% drop. Out of 220 firms, 13 were already privatized in 1992, 56 in 1993, 140 in 2001, 142 in 2002 and 90 in 2003. The survival rate over the entire period under consideration was 50%. We see that for the first time in our analysis we detect positive employment flows: 0.034 % (1993-1992) and 0.053 % (2001-1993) for small firms. These positive net flows are due largely to expansion (0.3 and 0.5%) that offset the negative flows due to contraction and firms' death. Even for the other two periods, net employment flows in small firms was close to zero. In contrast for larger firms contraction and firms' death offset positive employment flows due to firms' birth and expansion. The figures show that on average net employment increased in small firms by 0.8% whereas in larger firms decreased by 0.23%. Such a large difference shows different employment behavior of small firms as compared to larger ones. Thereby even in a declining sector, small firms successfully confronted the market constraints and managed to grow on average, as opposed to larger firms. This could also be the result of the fact that larger firms were overly employed during communism, and therefore the restructuring and downsizing were more important in their case than in the case of smaller firms.

#### 4. Concluding remarks

The present paper has found evidence of a significant decline in manufacturing sector during the period under investigation. We see that employment has dropped in all the manufacturing classes. Given the downsizing of employment in the manufacturing industries, the inter-industry shifts in employment are improbable. However, it is likely that those who lost their jobs due to restructuring and general contraction of the manufacturing sector shifted to services or agriculture. Our findings show that restructuring and downsizing were present to a similar extent regardless of the ownership structure. Most importantly, our results supports the theoretical literature which considers small firms as better equipped to market conditions compared to the others. We have found that over the considered period small firms have managed to grow on average in terms of employment, in opposition to larger firms, which have known a drop in employment, regardless of ownership structure and industry.

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# THE IMPACT OF OBJECTIVE 1 INTERVENTION ON ECONOMIC GROWTH

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*Abstract: The purpose of this paper is to investigate the impact of objective 1 interventions of the Structural Funds on economic growth. Both the growth generating mechanism and their effectiveness for the period 2000-2006 will be investigated<sup>68</sup>. Several challenges for the new entrants will be addressed.*

*Key words: investment, employment, development, the structural and cohesion policies.*

## 1. Introduction

The territorial dimension in originated in The Single European Act. It involves harmonious development of the territory of the Union, while aiming in particular to reduce the differences in development levels between regions, in particular with respect to those least favored. To this aim, the Union devotes one third of his budgetary resources, through its structural instruments, without counting a substantial share of the loans granted by the EIB. The multiannual programming of expenditure enables the regions to plan and concentrate their investments on the structural development factors, in accordance with the Community priorities, subject to eligibility criteria. Structural interventions of the Commission comprise expenditures for objective 1, objective 2 and objective 3. This paper focuses on objective 1 interventions, identifying the mechanism and the effects of Objective 1 expenditure on economic growth. The analysis will follow Jörg Beutel's 2002 Final Report to the Directorate-General for Regional Policies on the Economic impact of the Objective 1's interventions.

## 2. Objective 1 interventions

In Europe areas qualify as Objective 1 regions if per capita GDP is less than 75 percent of the Community's average. In 1998 the objective 1 regions reach only 70 percent of the European average, an improvement from 1988 when the average was only 63% [4]. On a national level until the 2004, Greece, Portugal and Spain were lagging behind most. However, with the 2004 and 2007 enlargements, the new entrants have increased the regional disparities within EU, which threatens the successful realization of the single market's objectives [1]. Thus, before 2004 Enlargement, the less developed regions have a per capita GDP between 60 and 75% of the Community average whereas the majority of the regions of the new Member States lie between 30 and 40% of the average. Thus, the increase of 25% of the population will see the per capita GDP of the enlarged Union falling by 12.5% [4].

The programming period 2000-2006 involved satisfying the greatest possible integration of all structural assistance into the general strategy for combating unemployment and stimulating growth in the most disadvantaged areas. For the period 2000-2006 the European Commission approved objective 1 interventions of 137 billion Euro [1]. This financial effort is similar both in absolute terms and as a proportion relative to the recipient countries' GDP with the Marshal Plan [1]. The finance made available through the Funds almost doubled between 1989 and 1999, rising from 0.27 % to 0.45 % of EU GDP. The transfers were most pronounced in the cohesion countries Spain, Portugal and Greece. For 2000-2006 the highest expenditure levels of Community interventions in relation to gross domestic product (GDP) is attained by Portugal and Greece. For the seven year period the total volume of objective 1 Community expenditures constituted 0.22 % of GDP with 0.9 % for Spain, 2.3 % for Portugal and 2.2 % for Greece. With a GDP per head of 23.684 Euro per head in 2002, Ireland has attained a level which is well above the average European level. Therefore, Ireland is no longer eligible for objective 1 finance since 2004 [1].

## 3. Macroeconomic outlook

Objective 1 interventions are mainly directed towards the creation of an productive environment, the development of human resources and the improvement of the basic infrastructure. The greater part of expenditures is investment in new physical infrastructure [1].

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<sup>68</sup> The effectiveness of the Objective 1 interventions can be assessed until 2006. I will focus on 2000-2006 period due to availability of data on this issue.

The growth impact of Objective 1 interventions is attributable to both demand and supply side effects. The demand induced impulses are of short term nature as they result directly or indirectly from the increase in final demand induced by the programs financed through Objective 1 interventions. The supply effects emanate from the creation of new productive capacities, from improving the qualifications of the labour force, from the opening up of the assisted regions by creating a network of suitable infrastructure, by the dissemination of technical progress and finally by increasing the technology level of production.

### ***3.1. Investment***

As growth theory points out, Investment is key to medium term economic growth. Investment, measured by Gross capital formation is higher in relation to GDP in targeted areas than the EU average [1]. Beutel's study indicates that investment induced by Community interventions in 2000-2006 as a proportion of total investment are substantial in Portugal (8.9 %), Greece (8.1 %) and the Mezzogiorno (6.6 %). The participation rates reach 20.4 percent in Portugal, 16.5 percent in the Mezzogiorno and 16.2 percent in Greece if national expenditure in objective 1 interventions intervention is included. The same study estimates that without the European cohesion funds, only Spain and Ireland would have experienced over 2000-2006 period positive growth rates of capital formation. However, the investment induced by European Objective 1 interventions might not necessarily result in growth, as they could only compensate for the replacement of existing capital. This was the case of Mezzogiorno region for 2000-2006 [1]. Estimates for the new entrants are not yet available.

### ***3.2. Capital***

Beutel 2002 estimates that in 2000-2006 approximately 1.7 % of the capital stock in the covered countries depended on Community interventions. The highest dependency is given in Portugal (5.1 %) and Greece (2.6 %). Therefore, there is a clear support to the creation of a modern capital stock in the Cohesion countries.

### ***3.3. Employment***

The impact of objective 1 interventions in general and of Community grants in particular are inducing more industrial production. This must be expected as most of the expenditure is investment oriented. Investment in productive assets increase the labor demand. Beutel 2002 estimates that during 2000-2006, approximately 1.4 million positions or 3.5 percent of the work force in the covered regions depend per annum upon the implementation of the total of actions foreseen. 1.8 percent of the work force or 0.7 million positions depend solely on Community grants. During 2000-2006 in Portugal approximately 8.1 percent of the occupied population is attached to objective 1 interventions, in Greece 4.0 percent. For Community grants the dependence is significant for Portugal (3.7 %) and 2.5% for Greece [1].

### ***3.4. Productivity***

In the medium to longer term the supply side efforts of the Structural Funds should lead the lagging behind regions to attain higher levels of productivity and competitiveness and by these means to converge with the average European living standards. The Directorate-General for Economic and Financial Affairs provided separate projections for capital, labour and value added for the period 2000 – 2006. These projections allowed to assess the productivity of capital of labour during the anticipated period. The productivity of capital is expected to be stagnant in the objective 1 regions throughout the period 2000 – 2006. Beutel 2001 estimates significant increases of the labour productivity for Ireland (4.3 %), Greece (3.6 %), East Germany (2.0 %), Mezzogiorno (1.0 %) and Spain (0.9%).

### ***3.5. Structural Change***

The catching up process of poorer European regions is expected to be correlated with a structural change from agriculture to manufacturing and services. Growth theory explains that the structural change is attributable to the emergence of growth poles around the selected industries. Thus the structural change will result in polarization and concentration of industries. DeGrauwe (2004) points out that since the polarization is on a regional basis, this will not result in fragility of macroeconomic situation due to exposure to asymmetric shocks.

### ***3.6. Foreign trade***

For small open economies like Greece, Portugal and Ireland with their close links to EU member countries and other trade partners it must be expected that a substantial part of Community grants is leaking to other EU and third countries. Thereby we can expect growth spillovers from the cohesion regions to more developed regions or countries. Beutel 2002 estimates that for 2000-2006 24% of Community interventions leaked from the six areas considered to other EC countries [1].

#### **4. Challenges for new entrants. Romania's example**

Regional transfers taking place under the structural and cohesion policies are unlikely to become the growth engines for the new entrants. To achieve long-run growth at rates higher than average an appropriate mix of European and national policies is needed [3]. This includes further fostering of trade integration within the EU, restructuring public spending, creation of supply side incentives by proper reforms of fiscal and social insurance policies, free movement of capital and labour, together with a competitive level of labour income taxation.

Besides political consideration which fuels European regional policy, I will point out to studies (Obstfeld, 2002) showing that less developed countries, like new entrants, are likely not to be able to fully benefit from the integration and the subsequent capital liberalization due to the lack of adequate institutional framework. This constitutes additional motivation for the community support to new entrants, including Romania.

All Romania's development regions, implicitly all its territory is eligible for Objective 1 of the Structural Funds. There are eight development regions in Romania which closely follow the European system of Nomenclature of Territorial Units for Statistics (NUTS), corresponding to NUTS II level. They represent the framework for drawing up, implementing and assessing the regional development policy, as well as the economic and social cohesion programs.

In order to accomplish the national policy objectives for regional development, the National Council for Regional Development (NCRD) has been established. This is a deliberative body which approves the National Strategy for Regional Development and the National Program for Regional Development, the financing priorities, the eligibility and selection criteria of the investment projects. Within each region, a Regional Development Agency (RDA) has been set up, coordinated by the CRD. They act within the regional development field, representing the executive body of the CRD. The RDAs have the following main attributions: the drawing up of the programming documents of the regions and their implementation, submission of proposals to the CRDs on the projects to be financed from the RDF and submission of proposals [3].

To address the institutional problem mentioned above, a training program (2002 – 2005) emphasized the developing of management and project management capacity and of regional capacities able to endure good quality projects [3].

Besides building institutional framework, a challenge for Romania as well as for other new entrants is the replacement of preaccession assistance (ISPA, SAPARD, and PHARE) by Structural Funds and Cohesion Fund

#### **5. Conclusions**

This paper presents the mechanism by which Objective 1 interventions fuels the economic growth. Using an analysis based on harmonized input-output tables for 2000 built by the EUROSTAT, Beutel was able to identify the growth induced by the Objective 1 interventions. Of course, one can question the validity of fits findings. After all he uses projection, which are far from the requirements of a truly natural experiment, the most accurate instrument of Program Evaluation. Finally, this paper points out several challenges for new member states, especially the necessity of building the institutional framework necessary to take advantage of European financing and, on the other hand to benefit from the increased financial liberalization..

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# MARKETING STRATEGIES IN THE CONTEXT OF A COMPETITIVE BUSINESS ENVIRONMENT

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*Abstract: The organization can not carry out its activity without having a clear perspective, on a short or a long-term, in order to provide its subsistence as well as its reasonableness, efficiency in the context of a more complex, dynamic, competitive environment.*

*Every organization has to create its own individual strategy, which needs to be transmitted to the employees and to the business environment as well. The success of an organization can only occur accidentally if strategy lacks.*

*Key words: strategic planning, marketing strategy*

A marketing strategy is the long-term plan or process aimed to achieve a goal or an objective. It outlines the direction the organization will focus upon in order to take advantage of the greatest market opportunities as well as the methods to allocate its resources [3].

The organization can not carry out its activity without having a clear perspective, on a short or a long-term, in order to provide its subsistence as well as its reasonableness, efficiency in the context of a more complex, dynamic, competitive environment.

Every organization has to create its own individual strategy, which needs to be transmitted to the employees and to the business environment as well. The success of an organization can only occur accidentally if strategy lacks.

According to Kotler's principles, strategic planning is the development and up keeping process of the strategic correspondence between the objectives and capacities of an organization, on the one hand, and its ever changing marketing goals, on the other hand. It also needs a clear mission statement, objectives, a judicial activity portfolio, and some functional strategies [2].

Strategic planning is the process that outlines long-term objectives and strategies, for an organization or a strategic business unit, by combining the resources with the existent market opportunities in order to define and achieve the objectives, to minimize risks and errors and to find the best solutions for maximum benefits [4]. The most important elements of strategic planning - strategies and tactics - represent the central point in guiding and coordinating the marketing efforts of an organization as well the future course of its activities.

The marketing strategy is a decisional act that outlines the outcome of a complex process, which requires the analysis of the strategic features and the selection for the most suitable strategy for each stage, product or market.

The content of the marketing strategy can be equally important to the moment it is being applied. An organization can use its selected strategy either too slow, this way allowing competition to interfere with its plans, either too fast, by trying to market a product before its potential consumers could be willing to purchase it. Even if this organization has accurately evaluated its strengths, based upon competitive advantages, which could by far distinguish its supply from the competition, simultaneously managing to identify the opportunities within the business environment, this correspondence between the strengths and the market opportunities will only work for a short time period. This specific term is called "strategic window".

An efficient marketing policy requires a corresponding combination between strategies and tactics. The strategy represents the way in which the goals of the organization will be achieved, meanwhile the tactic is the set of activities that implements the selected strategy, chooses the moment for them to be applied as well as the individuals to carry them on [4].

The strategy is one of the most important parts in a marketing policy, due to the fact it derives from the objectives of the organization, outlining the direction of the business activities, meanwhile the tactic is bound to synchronize with the strategy; it also requires the permanent search for the best means and methods, so that it can meet the demands of the consumer as well as to go along with the potential of the organization [4].

The selection of the best marketing strategy in an organization is an essential point that concludes the stage, in which the mission and the goals have been settled, by means of careful and relevant analysis of its position.

The marketing strategy outlines the main features of the behavior and position of the organization with the purpose of achieving the settled goals [4]. It is outlined in the set of the objectives that need to be achieved, the means and methods by which they are implemented, expressing the directions and the demands set for the achievement of the settled performances. Their level is measured with several economic indicators such as the volume of business activities within that organization, the market share, the profit etc.

Therefore, when a marketing strategy is being selected the following aspects must be considered: the position of that organization on the market, its pursued goals as well as the methods for their achievement.

A good marketing strategy needs to include:

- Constant correspondence between actions and results;
- Close connection between producers and beneficiaries;
- Continuous sales motivation with the purpose of a fast production adjustment to the demands of the market;
- Best conditions for rapid information on the demands and the directions of the market evolution, etc. [4].

The creation of a marketing strategy is a very complex information, analysis and decision-making process, which needs the very best solutions for clearly defined setbacks. It also requires market segmentation, the selection of the target consumer group as well as the best positioning for the desired product or service, the marketing mix set up to which the chosen strategy will be implemented.

A successful marketing strategy mainly depends on the skills of the manager and the whole managerial team, as well as on the entire vision of the organization to understand the environment it carries its business activities, so that it can fully benefit from the market opportunities. At the same time, a successful marketing strategy should boost the organization into a more competitive position on the market.

The manager will have to select just a few strategic alternatives, which could easily aim at a certain mission or market - the public or the demand -, and the technology or the product - the firms and the supplies. This two dimension model looks at the present and also at the future, dimensions that lead towards four competitive alternatives or basic opportunities, such as [4]:

- Market penetration – can be achieved only if customers are encouraged to purchase more or if potential customers or other target group customers are convinced to purchase or to benefit more from this supply due to the sustainable competitive advantages as opposed to the competition;
- Product development – can be achieved by looking at the consumer's preferences, this way the organization being able to vary its products;
- Market development – can be achieved by maintaining the same technologies, this way attracting new customers, gaining access on new markets and also finding new functions for the already existent products;
- Product differentiation – mainly resembles to the innovation and the detour strategy; it is not very efficient and it gives a high risk degree.

An efficient marketing strategy is essential for the activity of an organization; still it is not enough for success achievement, because its implementation needs a set of practical measures and specific performance tactics that concern the marketing mix.

The basic strategy of an organization must pursue the achievement of the competitive advantage and not necessarily the leader position. The interest of the managers must focus upon a sustainable competitive advantage, which according to some authors (Arthur A. Thompson Jr. and A.J. Strickland) requires the adoption of some marketing strategies based upon the following models:

- the low cost strategy;
- the differentiation strategy;
- the focus strategy;
- the offensive strategy;
- the defensive strategy.

The existence of a more dynamic business environment justifies the need for several competitive marketing strategies.

The typology of marketing strategies is quite diverse and variable. This almost looks like a strategic behavior of economic agents who are trying to adapt and to develop some original strategies, to guarantee their leader position on the market.

The strategy of an organization in a competitive environment is based on its capacity to ensure its success in a real, free, loyal competition [5].

The market strategy will be adopted on the basis of a thorough market analysis that will focus upon identifying the appropriate market segments and the position on the market. These are specific concepts of strategic marketing, whereas the tactics implemented to select the products, the price, the distribution and the communication form the so-called operational marketing.

An accurate method to determine the competitive position of an organization focuses upon the analysis of the present and future capacity of the market, as well as the market share of each competitor. This way we can know if the organization holds the leader position on the market, (it can hold up to a 40% share), the challenger position (a 30% share), and the follower position (a 20% share), or the small firms with a maximum 10% share [1].

By looking at these aspects, the organization can only choose from two strategic options on the basis of its competitive position on the market:

- the offensive strategy, which is selected by dominant organizations, with a stable position on the market (leader or challenger) that pursue to obtain the improvement of the market position by increasing the market share. The offensive strategy can be also selected by other organizations, which hold a certain competitive advantage at some point.
- the defensive strategy, which is chosen by the organizations with a more modest position on the market, pursuing to maintain the position or to limit it. Only a follower or a small firm specialized on a specific segment of the market, rarely a challenger (looking to maintain the present market position), could go for this strategic option [5]. As we afore mentioned the marketing strategy of an organization must pursue to gain the competitive advantage and not necessarily the leader position on the market.

According to Kotler, there are four categories of competitive strategies which an organization can use. They are based upon the present position of the organization on the market, therefore on its market share.

- **Market leader strategies** – for organizations that hold the best position on that particular market – are the ones to derive from the main objective of the company that is to go on holding the first position on the market. These firms are oriented towards the full growth of the market as well as to hold the present position as opposed to the competition.
- **Competitive strategies** - for organizations that hold the second position on the market and directly compete with the leader for the first position on the market. The strategic objective of these organizations is to achieve a higher market share and implicitly an improved profitability.
- **Market follower strategies** – for organizations with low possibilities that require a quite similar strategy with the one of the market leader.
- **Specialized strategies** – for organizations that focus their activities upon market segments. These are small firms that focus upon those particular markets, which are not of too much interest to big firms.

Therefore, a marketing strategy has the responsibility to gain a competitive advantage to allow differentiation from other similar demands of the competitors on the market. The strategic concepts, the marketing strategic planning, as well as the marketing plan, are all essential elements in gaining great performances for every manager or marketing specialist. We must not forget that the skills of the one who creates, adopts, implements and selects the best strategy for the potential of the organization as well as the market opportunities, will be a decisive cause in providing the success of the organization in the context of a competitive business environment [5].

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# COMUNICATION AND SOCIAL RESPONSIBILITY IN ROMANIAN BUSINESS ENVIRONMENT

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*Abstract: The new social and economical transformations that sign the global framework submit the organizations to the adoptions of a new attitude concerning the way of implication in a business and the manner of market, customers and community approach. The organizations are challenged to reply by means of performances that reflect the value, the interests and the expectations of society. Social responsibility becomes a vital part of the durable development strategy, on a long term. In this context, the implication in the community problems became necessary for any organization that wants to assure not only the commercial success, but also the respect of the society in which it operates.*

*Keywords: corporate communication, reputation, social responsibility*

## **1. Social responsibility and organizational image**

In the present, the image of an organization, its corporate identity becomes extremely important. An organization must present transparency and uprightness in rapport with its public; to manufacture a quality product is not enough. Moreover, an organization must prove a real sense of social responsibility.

In view to support the affirmations of Viscount Etienne Davignon: "Social Responsibility doesn't signify neither charity acts nor PR exercises, but an intelligent investment that brings profits to the company and the entire community", the companies must regard social responsibility not as a fashion thing but like a permanent element of business environment.

To the global level, the aspect of social responsibility has already become a part of business; it is permanently present on companies' agenda and the keyword is – investment in image. Thus, great companies invest in this type of programs an important part of their turnover. The budgets allocated by the organizations in order to develop partnerships with community achieve relatively high rates. These amounts represent, in the vision of companies' managers, a long term investment, with significant results for the business they manage.

Social responsibility is a relatively new concept that modern organizations try to implement in the structure and practice of management system a series of specific elements:

- the establishment of an integrity frame based on a set of corporate values in the relationships with different public categories;
- the promotion of fundamental rights of people;
- the induction of social features to products, technologies and activities;
- the realization of ecological performances;
- moral integration;
- the contribution to communitarian development, etc.

## **2. Social responsibility in Romania**

The concept of Social Responsibility is new and more obvious and useful to the Romanian business society. The promoters of this concept were the multinational companies, which practically realized a transfer of their organizational culture to the local level, and the strategies are those developed by multinational companies to global level, sometimes adapted to the local specificities. They reveal an essential thing, the lack of creativity, because only some types of corporate programs standard are developed in Romania: the donations, the social assistance programs of some categories of the population, sponsorships, the aids accorded to humanitarian foundations, the finance of scientific or research projects, educational programs, programs for the environment protection.

We consider that on the Romanian market, a weakness can be considered the fact that the social responsibility programs don't find their echo in the specialized magazines, their popularization in the public opinion is not very significant. In the conditions in which the publication of reports referring to social responsibility will become obligatory in Romania, this aspect would have as an effect the focalization of companies' efforts in this direction. The creation of these reports must not be considered as a manner to promote the image of the organizations which develop social responsibility programs, but a communication tool in the relationship with shareholders, employees, customers, business partners and local communities, a proof that global thinking can be found in local practice.

Thus, it will be a challenge for all parts involved: the organizations would outline their strategies, taking into account the activity domain and community's needs; the public sector and civil society would build notorious projects on long term and mass media will have an information and education role.

Like every important concept, it is submitted to an accelerated assimilation need, at the beginning it is more imposed like something "in fashion" than a result of needs' awareness. In this context, respectively an instable and immature economical and social environment, social responsibility was taken into account in Romania more for its commercial valences than the ethics ones. In a more and more competitive market, the players quickly discovered the potential of this dimension in the process of building of image and reputation strengthening, as well as a premise for the commercial success on short and medium term.

Practically, in Romanian society we need ethics in business, social implication, quality services, a growing concern towards the environment and employees.

In the same time, it must be created the coherence between social programs, the attitude towards the business, customers, partners and employees. If all these are not treated steadily, we can't discuss about a favourable attitude towards social responsibility.

The introduction of the Social Responsibility principle at every operational level of the organization and its daily respect should become a global tendency. But at the level of the Social Responsibility IMM sector, it is not perceived as a fundamental value to be part of the corporate development strategy. The studies undertaken at the level of SME show that most managers are firstly concerned about the company's survival and their own interests, while Social Responsibility would be one of their last concerns. This attitude is explained by a number of macro and micro factors, but especially by the uncertain nature of the external environment.

According to the latest researches in the Romanian business environment, certain excellence areas related to Social Responsibility have been identified. They are represented especially by the companies which perceive the Social responsibility concept as something fundamental, integrated in their action manner. Thus, leaders of the Social Responsibility current are Coca Cola, Henkel, Orange companies which develop complex, consistent programs to solve some social problems. However, it is something occasional, without any connection to their main business for most of the Social Responsibility companies.

The factors that encourage Social Responsibility within the companies are:

- the business culture and the moral purposes;
- the permanent need to reinforce the organization's reputation, image;
- the conceptualization of a strong, open, flexible culture;
- the promotion of the organization's mission and values;
- the attraction and the loyalty of the company's valuable employees;
- the increase of efficiency and profit;
- the differentiation of brands and market products comparative with the competitors;

In other words, the organizations must be aware of the fact that Social Responsibility may become a strategic advantage that will strengthen its reputation in its turn. The companies are also able to convince the consumers that a 'social responsible' product is more valuable than others. At the same time, the series of these actions has great chances to reestablish the public trust in the business environment.

The problematic of the social responsibility doesn't have to represent the exclusive domains of the companies. The local and central administrations must encourage these programs and participate effectively at the actions doubled by a permanent dialogue on the social problems theme. This dialogue must be based on the following values: transparency, truth, communication.

### **3. Directions of Social Responsibility within the organizations**

The implementation of the Social Responsibility concept presupposes the adoption of the following elements that can be constituted in directions of action in the organization's politics:

1. **The environment policy of the organization** – is represented by a major component of the global policy while problems like: the environment pollution, the degradation of the green areas, the waste recycling are more and more serious for every society. Their ignorance proves the lack of social responsibility of the companies with direct consequences on their image and reputation. Thus, even a minimal implication in projects of such proportions can generate advantages for the organization:
  - the increase of notoriety and reputation;
  - the increase of the clients' loyalty;
  - the employees' motivation;
  - the improvement of the relations with the local community;

- the improvement of the relations with mass media;
  - the insurance of the conformity with the environment regulations;
2. **The marketing policy of the organization** – the acquirement of performances in marketing presupposes the promotion of some ethical business relations with the providers, the clients, the business partners, etc. Studies show that decency in business is beneficial on a long term and certainly contributes to the capitalization of the organization's image.
  3. **Communitarian policy** – There is a strong connection between the organizational climate of an organization and the well being of the community around. If there is an active implication in the local activities and aspirations, the companies may benefit of a series of advantages:
    - recognition and respect from the clients;
    - valuable relations, connections with other local companies;
    - a better reputation for the company;
    - the improvement of the recruitment process and the personnel stability;

In general, the companies seek to choose those activities that correspond to the business goals. A positive involvement in the local community may help the company to identify new markets, customers, business opportunities, realization of contacts with the local authorities and opinion leaders.

4. **The company's values.** Statistically, there are few companies that have registered their values in a behaviour code, a declaration of good practices or a set of rules to concentrate the company's vision, its values, responsibilities and ambitions in the Romanian business environment. The clear definition and the communication of these values will help the organization to improve its reputation both in the interior and in the exterior.
5. **The policy of human resources.** All the companies need employees they can rely on every moment. This thing supposes the existence of a symmetrical communication in which the employees' contribution towards the company must be turned into account. The communication of the company's values, the visible implication in the performances' improvement and the personal well being are aspects that determine a good reputation in the interior and which will expanded in the exterior as well the future.

## Conclusions.

Sophocles said that “every benefactor things a little bit at himself as well.” In the case of the Romanian organizations, this concept is the basis of the relationships with the community, as the main purpose of the development regarding some corporate social programs is advertising in mass media. Unfortunately, the involvement in the community of these organizations is most of the times on a short term and has no real basis.

In general, it cannot be given a real dimension of the social responsibility concept as a guarantee of the organizations' business success; it isn't only a maximization tool of the value by an image building, but an essential element of the success on long term which is directly connected to social and environment performance of the community.

The organic integration of the organization in the environment in which it operates, the improvement of the connections with its public target generates value, competitive power and the most important thing; it creates differentiation elements comparative to the competition.

Every organization must be aware of the fact that such approach may bring it benefits, both by creating a competitive advantage, but also by promoting a positive image and a good relation with all the partners, aspects which argue the inclusion of the social responsibility in the development strategy.

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# PROMOTION STRATEGIES OF THE DANUBE DELTA TOURIST POTENTIAL

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*Abstract: The promotion of the tourist potential in the Danube Delta represents one of the prior objectives of the national strategy in tourism, being an important factor in the evolution of internal and international tourist circulation. The image capital of Danube Delta has been strongly affected by the phenomenon of the poultry flu which generated losses on the economical plan and moreover, it determined an image crisis that was hard to control and repair. The effects of this situation will be felt some years from now, if there isn't enough involvement at the level of the competent authorities.*

*Keywords: tourist patrimony, image, promotion strategies*

Nowadays, the Danube Delta is the biggest reservation of UNESCO biosphere, being one of the most spectacular water regions in the world, according to an article recently published in an American magazine, "Food and Wine". The universal value of the Danube Delta reservation was acknowledged by its inclusion in the universal network of the biosphere reservations, within the program "Man and biosphere", launched by UNESCO in 1970. The Danube Delta has become a destination for a specialized tourism, with more variants for the scientific tourism, the adventure tourism, the agro-tourism, the cultural and educational tourism. In the present, there are 19 aquatic tourist destinations and 7 terrestrial ones, approved by the environment authority of the Delta, which is the Danube Delta Administration of the Biosphere Reservation, led by a governor and whose residence is in Tulcea.

The Danube Delta offers an extraordinary sample of savage nature, quietness and mental comfort, far away from the noise of the urban agglomeration. It represents a reference point for the Romanian tourism, even if its potential is not used at its maximum level.

In the last three years, the investments have increased in the Delta. The number of the accommodation places in locations of superior category has augmented in 2005 comparative 2003 -2004, which should contribute to the attraction of a greater number of tourists.

Even if for 2006 there was expected a significant increase of Romanian and foreign tourist number in the Delta, in the conditions in which there have already been made reservations until November, the situation wasn't very good, because the phenomenon of the poultry flu determined massive cancellations of the tickets.

## **1. Content analysis of the Danube Delta image**

The technical and material support for the carrying out of the Danube Delta image analysis for the period June – September 2006, is represented by the supervision of the signals appeared in the written and on-line media and which refer directly to the Danube Delta

The sources that have offered information are: Romania Libera, Jurnalul National, Adevarul, Capital, Curierul National, Curentul, Cotidianul, www.smartfinancial.ro.

The supervision of the articles that have in view the Danube Delta emphasizes positive and negative aspects.

The *positive aspects* have the following thematic structure:

- In the last three years, the investments have increased in the Delta;
- The Danube Delta is on the sixteenth place on the list of UNESCO Cultural and Natural Heritage;
- The Delta is give as an example; foreigners come to learn from us;
- The appearance of new hotel chains and the diversity of accommodation, food and recreation forms;
- The realization of some various promotion forms with modern means and techniques;
- The participation at exhibitions and tourism fairs at a national and international level;
- On the 29<sup>th</sup> June 2006, it is celebrated the Danube Day for the third time consecutively, at the proposal of the Danube countries and under the patronage of the International Commission for the protection of the Danube river, with the residence in Viena;
- An Understanding Memorandum between the Administration of the Danube Delta Biosphere Reservation, the National Institute of the Danube Delta Research and Development (Romania)

and the Administration of Dunaiskiy Plavni Natural Reservation (Ukraine), regarding the cooperation in the personnel training domain, studies on biodiversity, management, ecological reengineering and public awareness in the two humid areas;

- The recreation Center of Sulina has been introduced in the International Youth Hostelling circuit, which is a part of governmental program of the Danube delta promotion;
- The first tourist information center in the Danube Delta carried out in the project “The economy based on knowledge” was inaugurated at Jurilovca in Tulcea by the Minister of Information Technology and Communications, Zsolt Nagy;

The *negative aspects* have the following thematic:

- There aren't enough hotels or night life;
- The accommodation prices at the hotels and pensions in the Delta are not very cheap in comparison with other tourist destinations. As the investors say, it is very hard to build something here, construction materials are very expensive in the area, while the transport is made on water, which presupposes high costs;
- The prime minister Calin Popescu Tariceanu has declared that he is “unpleasantly impressed” by the way in which tourism is made in the Danube Delta and he does not agree with the promotion of the mass tourism. “The Danube Delta is a unique richness in Romania. I have discussed with Romanian and foreign specialists in what concerns Romania's main tourist potential, and they told me that the Danube Delta and the monasteries from Bucovina must be developed”, the government executive declared;
- The organization “Save the Danube Delta” warns about the dangers that pollution and bad management represent for the Danube Delta, it is shown in a written material by the Rompres Agency and quoted by [www.smartfinancial.ro](http://www.smartfinancial.ro). The organizations' representative, Dragos Bucurenci, stated within the debate to which the prime minister attended, that the flora and fauna of the Danube Delta are threatened by the man's intervention;
- The illegal activities freely practiced by some economical agents, but especially by private persons who possess or build undeclared pensions in the Delta, represents another threat in front of which the authority cannot manage;
- The Danube Delta – the savage nature and the comfort of tourist pensions, minimal pollution, the lack of noise, but also some high costs for a perfection vacation. Even if there are many things to clear out – the infrastructure from certain areas in the Delta, fishing regulation, the classification of all the accommodation structures and even the communication between investors, the local and central authorities – the Danube Delta represents a reference point for the Romanian tourism.

The program for tourism promotion for 2007 foresees the realization of a media campaign having the following goals:

- the new launching of the Danube Delta is the principle the development strategy of the tourism of the Danube Delta is based on;
- the increase of the Romanian tourist number that spend their holiday in the Danube Delta;
- the increase of the knowledge degree regarding the tourist potential offered by the Danube Delta;
- the augmentation of revenues at the national budget from the tourism practiced in the Danube Delta;
- the evaluation of the Danube Delta situation from an ecological, social and landscape point of view;
- the tourism promotion in the Danube Delta, in all the seasons, is one of the objectives of the National Authority for Tourism;
- the importance of the Danube and the Delta as an international resource that supports a whole complex of flora and fauna;
- the transformation of the Danube Delta in a national brand;
- the wish to involve the representatives of mass media, the social institutions and society in projects that have in view the promotion of the Danube Delta and the sensitizing of the opinions leaders and other political and cultural personalities regarding the necessity to establish a promotion and protection strategy of the Delta image and then, its implementation.

## **2. SWOT analysis of the Danube Delta tourist area**

In order to fundament the strategic support and to choose the optimum use of promotion technique, the SWOT analysis is represented by a tool that can offer the necessary guides. Thus, by careful monitoring by the environment, there have been identified the following:

Strengths:

- the Danube Delta is the largest reservation of humid regions in Europe;
- it occupies the third position after Galapagos isles and the Great Coral Reef;
- the number of investments increases every year;
- numerous original centers of interest;
- an important factor in the creation and maintenance of Romania's image in the world;
- the greatest colony of pelicans in Europe;
- the realization of symposiums regarding the Danube Delta image;
- bird-watching - preoccupation of the Englishmen;
- the Danube Delta was declared the destination of 2006;
- Sulina – tourist destination for young people;
- the foundation of new centers of tourist information;

#### Weaknesses

- few quality hotels;
- too high prices;
- more and more accentuated pollution;
- the insufficiency of the scientific tourism development;
- few information centers;
- the excessive granting of some locations in the Delta without precise contract terms – which led to the destruction of the flora and fauna;
- weak promotion;
- the Romanian government is not ready to face a crisis;
- a problematic access infrastructure;
- insufficient river stations;
- the lack of foreign languages abilities of the citizens in the rural tourism chains;
- the lack of the proper marketing;
- tourism agencies without guides.

#### Opportunities

- the creation of two ornithological research stations;
- the natural integrity of the Danube Delta;
- the promotion of the ecotourism concept;
- an increased interest for agro tourism on the national level;
- the existence of available areas for investments;
- the creation of websites for the accommodation unities in the Danube Delta;
- the invitation of European journalists to visit the Danube Delta;

#### Threats

- the return of the poultry flu phenomenon;
- floods;
- fishing banning;
- mass tourism;
- the existence of some areas of peasant residencies as agro tourism pensions.

The only delta in Europe lacks visitors. Affected by the crisis of the poultry flu, the tourism in the Delta hardly recovers. Despite the fact that it confronts with problematic infrastructure, sometimes with an unqualified personnel, the practice of illegal tourism, the lack of legislation framework, every Romanian and especially the authorities should be aware of the fact that the Danube Delta is something unique and we have the moral duty to promote this uniqueness which is more and more searched by the tourists all over the world.

### 3. Promotion strategies of the Danube Delta image

The specialized works offer a diverse typology of promotion strategies. Taking into account the existent frame and the results offered by analysis instruments, we recommend the following strategies:

1. The **strategy of the “added value”** – this strategy informs tourists about the offered products and services, the investments level, the offered equipments and facilities. To these, there are also added the hotel managers' modernization involvement on long term, in order to solve the tourists' problems, the assurance of technical assistance and the carrying out of the information exchange with the distribution partners.

2. The **“new people” strategy** aims at potential tourism. This strategy is based on an advertising program to make potential tourist aware that they can come in the Delta. The advertising role is to transmit the message according to which the Delta is the place where tourists will find a variety of quality tourist products and services. Thus, the Delta is associated with the most wanted attributes by the clients: bird watching, fishing, hunting, and beach.

This strategy is especially applied in the Danube Delta as many tourists don't know this wonderful area that Romania offers. In this context, the Agency for Governmental Strategies realized an opinion survey regarding the Romania's image in Germany, also mentioning about the Danube Delta in May – June 2006. By means of this survey, there were pursued the identification of strengths and weaknesses of the actual image of Romania and the Romanians in Germany, what are the niche opportunities to promote and outline a Romanian brand, how should this new brand be and which would be the proper communication channels and tools.

The survey showed that few Germans are attracted by Romania as a tourist destination: one of three Germans considers Romania for a tourist point of view and only one of ten would visit our country.

The main tourist destinations that interest the German tourists in what concerns Romania are: Bucharest, the Danube Delta, Dracula Castle, the medieval cities of Transylvania, the balneal-climacterical stations, antique archeological sites, the monasteries of Moldavia and the traditional Romanian villages – in this order.

3. The **“events” strategy** supposes the connection of the Delta advertising to important sport and cultural events with a large covering area and broadcasted by television channels. Among this type of events that take place in the Danube Delta, we remind:
  - “The Anonymous International Independent Film Festival”, between 14 – 19 August 2006, at Sf. Gheorghe, in the Danube Delta, takes place the third edition of this festival; this year the National Contest of Documentaries and Film Fiction Scripts has the first edition;
  - “Ivan Patzaichin Contest” is a fishing nautical competition that takes place in the period 12 – 13 August 2006, the contest being at its fourth edition;
  - “Prometheus Young Music Festival” – 16 – 24 July 2006, etc.
4. The **improvement strategy** of the organization image.

The problem of the Danube Delta image improvement has appeared after the poultry crisis had affected many accommodation units in the delta.

The strategy has in view the following goals:

- the constant analysis of the market;
- the creation of necessary informative materials;
- the participation at national and international tourism fairs.

In this context, Romania has participated at the International Tourism Fair from Berlin, where the seaside, the Delta and the balneal stations have been the tourist offers that Romania promoted. The government secretary in the Tourism Ministry, Ovidiu Marin, has declared that the poultry flu will not affect the Romanian tourism and he expects that the incomes grow with 3% this year. An important contribution was represented here by the visit of the Prime Minister, Calin Popescu Tariceanu, who invited the tourists to come in the Delta. The implementation of the promotion strategies regarding the Danube Delta image is defined as the process that transforms the communication plan in tasks and takes measures that these tasks are executed in a way to allow the goals achievement established in those plans.

#### **4. Conclusions.**

The tourism operators see the Danube Delta as Romania's advantage, in the tourism competition with the neighbour countries. The number of tourists that visit the Danube Delta has increased significantly in the last three years, once with the augmentation of the possibilities of free time passing. Thus, the walks by boat or the floating hotel, fishing, the flora and fauna study or the meals in the fishermen' villages increase the attractiveness of these areas. However, it is considered that the tourist potential of the Delta is not enough exploited. The specialists considered that to exploit a proper administration of these resources, on the future, there must be built new accommodation unities in the Danube Delta, respectively the appearance of new tourist areas.

The implementation of the project management, measures and goals requires the assurance of some proper conditions in every administrative component of the Euro-region and the experience accumulated in the last years in every protected natural area underlined the fact that the insurance of an adequate, coherent and precise legislation framework, the necessary financial resources and personnel that is adequately prepared for the specific activities in the domain are the conditions that can provide the best results in the shortest time.

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# **SURVEY TO CHARACTERIZE THE EFFICIENCY OF THE COMMERCIAL FIRMS FROM BUCHAREST**

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*Abstract: This paper presents the results of a survey conducted in order to study the efficiency of commercial firms' activity, to identify the commercial firm's characteristics and also to analyze the abilities of the typical manager in order to realize his portrait. The target population comprised the commercial firms from Bucharest. Conceiving the poll, a number of factors and requirements for a good survey have been taken into account, such as the clarity of expression and not the language simplicity, avoiding ambiguous or presumptive formulations, containing or suggesting the answer.*

*Key words: comercial firms's efficiency, manager, representative sample, questionnaire, quota methods.*

## **1. Introduction**

The commercial firm's efficiency largely depends on the entrepreneur's training, on his managerial abilities, on his ability to see in perspective and to use with efficiency the occurring opportunities. Sometimes, though, the opportunity occurs straight into the manager's sight, yet he might have seen it but not necessarily understand it, and if he understands it doesn't mean he will benefit of it.

The objectives of the research

- The analysis of the efficiency of commercial firms' activity;
- The identification of the commercial firm's characteristics;
- The elaboration of manager's portrait by identifying his main characteristics.

hypotheses

- The manager's lack of experience in the analysed domain;
- The lack of solicitude towards the customers;
- The improper use of informations sources;
- The lower scientific training of the managers, based on the fact that most of the time they are using their instinct and their intuition.

The target population

The target population consists of all the commercial firms from Bucharest. The sample size was 300 firms.

Data selection

In order to register the answers the auto-registered and the interview methods were used.

In order to determine the sample size we used the quota methods. This procedure requires setting up a sample which respects the population composition by layers and by the investigators chooses, among each layer, of certain specific units, considered being representatives. In order to realize this type of survey, the data regarding the population structure are supposed to be the recent and accurately.

We also used informations from the Register of Commerce concerning the analysed firms.

## **2. Main findings of the survey**

The first question of the questionnaire was: „Which is the nationality of the commercial firms' capital?” The purpose of this question was to determine the foreign capital weight in the commercial activity and lead to the following conclusion: 74% of commercial firms have domestic/Romanian capital, 20% of them have joint capital and only 6% of them have foreign capital, due to the foreign investors reserves to start a business in Romania.

On the other hand, by analyzing the size of the commercial firms after their sales figures we observed that 76,7% of them have sales figures under 30.000 lei, 12,5% of them have sales figures between 30.000 and 60.000 lei and 10,8% of them have sales figures over 60.000 lei.

By analyzing the provisioning expenditures we can say that the analysed firms are very well balanced, because the weights of the provisioning expenditures are quasi-equally distributed. This aspect emphasizes the managers' efficient work, their abilities in finding solutions and minimizing the provisioning costs.

Regarding the firms' favourite acquisition method there were obtained the following results : 64,5% of the firms prefer cash payment modality; 23% of them prefer the overdue payment method; 5,4% of them prefer the biddings method; 4,4% of them prefer direct contracts with the producers as acquisition method; 1,6% of them prefer as acquisition method the compensation in goods (barter) due to existence of a significant unsold yet quantity of goods and to the fact that some commercial firms temporally don't possess liquidities and they are preferring these methods, but the weight is far to be significantly; and only 1,1% of them prefer other methods, which weren't specified when they filled in the questionnaire.

Referring to the payment of the distribution activities 84,9% of the firms prefer „cash sales”, 11,2% of them prefer „cash order”, 2,2% of them prefer compensation goods and 1,7% of them prefer the leasing methods.

This tendency may derive from the actual economic situation, because the firms' policy is to have cash money in order to develop and diversify their business.

The high percentage of employees hired by firms' self efforts signify the fact that the commercial firms aren't strongly enough to afford supplementary costs on hirings, which frequently generates low economic results, low productivity and is creating firms' problems and difficulties.

The fact that 33,8% of the firms afford to hire unqualified workers reveals a whole series of aspects, some connected with the costs, and others connected with the low complexity of the operations performed by the firm, which determinate, directly but not necessarily, a reduced level of productivity. On the other hand, the weight of qualified workers is about 57,5%, which is good, and if this fact is maintained there are chances that the productivity level is adequate, with direct repercussions on the profit's level and on the incomes level. It seems that only 8,7% of the firms have higher qualified personnel.

By analyzing the oldness of firms' commercial activity we observed that almost 86,5% of the firms develop commercial activities in the business domain over 7 years, 10% of them are in the business from 4-7 years, and only 3,5% of them are newly entered in the business domain.

The firm's development possibilities seemed to come mainly from investments (66,7%), from the advertising domain (9,3 %), from the drawing of foreign investments (7,2%), from the infrastructure development (11%) and from the distribution network's development (5,8 %).

We also observed that over 87% of the interrogated firms have long term development plans, 5,5% of them have medium term plans, 4,2% of them have short term plans and 3,3% of them don't have development plans.

The marketing methods tend to be used on a large scale by the analysed firms too, and not only, but we might have doubts about their efficiency. Therefore, 25,2% of the firms are applying the direct marketing techniques, 23,2% of them are investing in advertising and publicity, 25,8% of them are using the selling promotion method and the rest of them are using other methods.

We also established that 41,7% of managers have incomes under 1000 lei, 20% of them have incomes between 1000 and 2000 lei, almost 13,3% have incomes between 2000 and 3000 lei and 25% of them have incomes over 3000 lei.

The managers' favourite information's sources are as follows: 41% of the informations come from mass-media, an almost equal ratio of 28% and respectively 25% of the informations came from friends and from official sources and only 6% from other sources.

### 3. Conclusions

By analyzing the obtained results, we realized a characterization of the typical commercial firm and we determined the main characteristics of commercial firm's typical manager as follows.

The main characteristics of a typical commercial firm are:

- it has at least ten years old;
- the majority of the capital is private;
- it has over ten employees;
- it prefers as acquisition methods cash payments or overdue payment and cash sales;
- it recruits the personnel from the Labour Force Office and by its self effort;

- the large majority of its personnel is represented by qualified workers, mainly trained in the sells domain;
- it realizes investments and advertising expenditures, mainly from their own capital or by credit use.

The main characteristics of commercial firm's typical manager are:

- he prefers the methods of sells promoting and direct marketing;
- his main objective is to satisfy the customer's needs in a higher degree;
- he informs himself mainly from mass-media;
- he uses his connexions in his business;
- he manifest his integrity both with the clients and with his employees;
- he considers that the work environment of his employees is acceptable;
- he is a mature person, with experience;
- he is aged 38 to 48 years old;
- he is male.

Considering the fact that we are living in the information's technology era, we should follow the existing trends and, along with the information systems development, the goods movement surveying system, assisted by computer, must be also developed.

In the actual circumstances of the market economy consolidation, the commercial firm's profitability cannot be increased only by favourable market's circumstances. It must be also realized a quick reorganization of the commercial activity at the micro economical level.

In Romania, the legislation's harmonisation represents a necessity which derives from the option for reform and for the consolidation of the market economy, compatible with the western countries economies.

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# APPRENDRE MANAGER LE CHANGEMENT DANS LES ORGANISATIONS ECONOMIQUES ROUMAÎNES - UNE PRIORITÉ DANS LE PROCESSUS DE L'INTÉGRATION EUROPÉENNE

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*The experience underwent by Romania during the last years arises a large number of questions to which one has to find the best answer. Among these questions, there is one which has generated a major theoretical interest: How can one face an unprecedented change that takes place at an incredible speed? Even if the debate continues, there are some very useful ideas when learning how to manage this complex process which proves itself vital.:*

- understand the content of the changing concept;
- enlarge the action area change comprises beyond the technical field;
- know how to elaborate a professional analysis prior to change;
- know how to identify the causes of the resistance involved actors might express;
- know how to elaborate a methodology of those behaviors present when change occurs;
- identify the connection between change and the quest for performance;
- understand the role of managers who play in the process of change;
- know how to consolidate change.

*It is obvious that it will be impossible to imagine one single model universally applicable and able to guarantee the success of change. Notwithstanding, it also remains certain that elucidating this matter might be the key to reducing the risks of failure in a similar situation.*

*Key words : manage the change, performance and change, resistance to change, consolidate change.*

## **1. La conduite du changement dans les organisations roumaines**

L'actualité de la problématique du changement en Roumanie comme dans tout le monde aussi, semble n'avoir été aussi brûlante qu'aujourd'hui. Que ce soit dans la vie sociale, dans celle des organisations, dans la sphère politique, juridique, culturelle, la nécessité du changement est posée partout comme une condition d'accès à la modernité dans un monde qui évolue à un rythme toujours plus rapide.

Il est bien de remarquer que, surtout dans le domaine des politiques macro-économiques et des politiques sociales, plus le besoin de changement est fort, plus les reticences au changement ont tendance à se manifester avec rigueur. Pour cette raison le problème de la conduite du changement est donc aussi un problème de compréhension de la "résistance" au changement.

Le changement dans les organisation n'est pas un thème récent : il est au coeur des préoccupations des entreprises depuis que les managers ont rompu avec deux hypothèses fondamentales des approches classiques de conception des organisations:

- l'hypothèse de l'existence d'un mode supposé "idéal" d'organisation;
- l'hypothèse selon laquelle les formes organisationnelles peuvent rester stables dans le temps.

Les dirigeants admettent qu'à un problème donné, il peut exister différentes solutions organisationnelles possibles. L'intérêt de la démarche de conduite du changement est alors justement de déterminer celle qui représente la meilleure combinaison socio-productive, c'est-à-dire le meilleur compromis pour l'organisation au regard de ses caractéristiques économiques, techniques et sociales. De plus, soumises aux contraintes mouvantes de leur environnement, les entreprises ne considèrent plus l'organisation comme un état stable, une sorte d'équilibre à préserver coûte que coûte, mais comme une variable essentielle de la performance qu'il faut ajuster en permanence au rythme des modifications du contexte global de la firme.

Les managers des organisations roumaines, surtout ceux des organisations économiques, commencent à apprendre comment faire face à ce phénomène et parfois ils arrivent à trouver les mécanismes capables à soutenir les grandes transformations et la réussite de leurs organisations. Souvent, leur démarche a été basée exclusivement sur l'intuition ou sur l'étude des modèles occidentaux adaptés, plus ou moins, aux particularités de l'environnement. Bien qu'ils soient encore tentés par des approches normatives (attirance pour un modèle considéré a priori supérieur, l'image des schémas-types proposés par certains cabinets de consultants), les dirigeants doivent admettre qu'à un problème donné, il peut exister différentes solutions possibles. L'intérêt de la démarche de conduite du changement est alors justement de déterminer celle qui représente la meilleure combinaison socio-productive, c'est-à-dire le meilleur compromis pour

l'organisation au regard de ses caractéristiques économiques, techniques et sociales. De plus, soumises aux contraintes mouvantes de leur environnement, les entreprises roumaines ne doivent pas considérer l'organisation comme un état stable, un sort d'équilibre qui doit être préservé coûte que coûte, mais comme une variable essentielle de la performance qu'il faut ajuster en permanence au rythme des modifications du contexte locale ou globale de la firme.

La problématique du changement, dans l'optique que nous voulons avancer, ne se limite pas aux débats sur la nécessité de faire évoluer les organisations et à la recherche de la bonne organisation. Elle intègre également toute une réflexion sur la méthode de conduite du changement. Il semble en effet aujourd'hui acquis que la méthode est essentielle dans la réalisation des objectifs du changement, peut-être même plus importante encore que le schéma d'organisation à mettre en place. La meilleure idée en matière d'organisation où le schéma le plus pertinent a priori présente en soi peut d'intérêt s'il n'entraîne pas une modification des comportements humains dans le sens d'une amélioration de l'efficacité économique. La modernisation en cours des entreprises et services publics l'illustre bien : dans ces cultures marquées par une réticence élevée au changement, l'incertitude concerne moins la nature des transformations à opérer que la manière dont elles vont être introduites. Les difficultés qui apparaissent lors de la mise en œuvre de la réforme peuvent elles-mêmes en retour influencer les choix organisationnels futurs et modifier les compromis initialement visés, voir le principe même du changement.

Le changement est défini en fait comme l'ensemble des actions mises en œuvre par les managers pour susciter dans l'organisation des comportements favorables aux objectifs qu'il ont fixés en cohérence avec leurs buts et leurs valeurs. En général, c'est l'apparition de symptômes de sous efficacité, de baisse de performance, qui incitent les managers à entrer dans un processus de changement. Les symptômes révèlent des problèmes qu'il conviendra de traiter par des actions appropriées constituant le processus de changement. Ce dernier apparaît alors comme « une réaction » aux problèmes apparus. Mais, même si ce cas est moins fréquent dans la réalité, le changement peut être mis en œuvre dans une logique « proactive », c'est-à-dire cherchant à anticiper l'apparition des problèmes et des manifestations négatives.

On peut bien sûr expliquer la nécessité du changement par les évolutions des différentes composantes de l'environnement, par l'ouverture des marchés et la mondialisation. Il va sans dire que le caractère toujours plus complexe et turbulent de l'environnement accentue la nécessité du changement et incite les firmes à rechercher une plus grande plasticité pour pouvoir s'adapter aux contraintes extérieures. Il suffit pour s'en convaincre d'observer la situation des firmes dans les secteurs où l'évolution technologique est rapide, ou encore de mesurer les implications pour les entreprises de la mondialisation des économies et d'événements politiques difficilement prévisibles.

Mais si on fait l'hypothèse (plutôt réaliste) que les organisations préfèrent la stabilité aux situations toujours traumatisantes de changement, la véritable pression aux transformations n'apparaît que lorsque les mutations de l'environnement entraînent une dégradation des performances de la firme.

## **2. Performance et changement**

On peut considérer qu'il existe un lien fort entre changement et performance (baisse de performance) et même un lien quasi consubstantiel si on prend la notion de performance au sens large, c'est-à-dire incluant les aspects économiques, sociaux, sociétaux.

Affirmer le caractère indissociable du lien entre changement et performance permet de comprendre l'émergence de la problématique du changement dans les années 70-80 et sa permanence, voire son intensification dans le discours managérial actuel. Longtemps réduite dans les entreprises à la qualité de l'organisation des ateliers de production et à l'adaptation des principes d'administration, la notion de performance s'est en effet progressivement élargie à toute dimension de la firme. La notion de changement touche aujourd'hui l'ensemble des dimensions de l'entreprise, depuis l'implantation des équipements et la conception des postes de travail jusqu'aux orientations de stratégie, aux choix de structure, en passant par les dispositifs de coordination, d'information, de gestion et les relations avec les partenaires de l'environnement.

Les multiples dimensions du changement sont une des premières explications de la difficulté à la piloter. Une autre explication est à rechercher dans la perte de confiance de managers dans les modèles d'organisation supposés efficaces. Même s'ils sont par ailleurs attirés par des réponses rapides aux problèmes qu'ils rencontrent, les responsables ont pris leurs distances avec les "recettes" managériales censées garantir la performance.

Lorsqu'ils doivent conduire des changements importants de leur organisation, beaucoup de managers ont tendance à rêver à une situation idéale où, plutôt que de changer ce qui existe, ils mettraient en place le schéma d'organisation auquel ils aspirent sans avoir à subir aucune contrainte, ni par rapport à l'implantation actuelle des installations, ni par rapport au comportement du personnel. Parfois, d'ailleurs, on les incite à raisonner ainsi, justement pour qu'il élaborent le schéma d'organisation qui serait idéal à leurs yeux: créer une nouvelle organisation dans une optique "greenfield", où il n'existe pas encore de

bâtiments, ni de personnel déjà embauché. Mais, dans la réalité, ils savent que les changements prévus vont susciter des réticences, des postures de retrait, de démotivation... Ils cherchent à se rassurer en invoquant la peur de l'inconnu, expliquant l'angoisse existentielle des individus devant une situation nouvelle dont ils ne peuvent anticiper toutes les implications et qui les conduit souvent à opposer une résistance de principe à tout projet nouveau. Ils peuvent également se rassurer en constatant que ces résistances restent le plus souvent passives, les individus demandant essentiellement à être rassurés, en particulier sur l'aide à leur apporter pour qu'ils s'adaptent au schéma envisagé.

Pour éclairer ce point-clé de la conduite du changement, on fera ici trois commentaires illustrant la complexité du problème auquel sont confrontés les managers.

Les résistances dues au manque d'information ou d'explicitations du changement:

- cela ramènerait la question des résistances à un problème de communication. En gros, les individus voient très rapidement ce qu'ils vont perdre dans le changement, il faut donc les aider à comprendre ce qu'ils ont à y gagner. Si l'importance de la communication (certains parlent à ce propos de "marketing du changement") n'est pas contestable, on sait bien que la distance entre communiquer et convaincre est parfois grande. Ce qui a du sens pour le manager n'en a pas nécessairement pour les salariés, même lorsque le discours est fondé sur la rationalité la plus parfaite.

Cela ne dispense pas cependant d'un souci permanent de communication;

- en amont du changement: information sur les objectifs et les enjeux du changement;
- pendant la phase de conduite du changement: nécessité d'écouter les individus, de l'associer au processus de réflexion sur l'élaboration des schémas nouveaux;
- en aval de la démarche: évaluation des changements opérés.

Les résistances s'expliquent par le "coût humain" du changement et la difficulté pour les

salariés à se projeter dans d'autres modes de fonctionnement. Trois arguments viennent étayer cette proposition:

- quels que soient leur qualification et leur niveau de responsabilités dans l'entreprise, les salariés se construisent progressivement un univers stabilisé dans lequel ils ont adapté leur comportement, élaboré les modes opératoires qu'ils estiment les meilleurs pour eux, défini les relations avec leurs collègues et les éventuels acteurs extérieurs à l'organisation. Il ne s'agit évidemment pas d'un état parfaitement stable et immobile. Mais changer signifie pour eux remettre profondément en cause cet équilibre, revenir sur des pratiques et des routines organisationnelles souvent rassurantes, rompre avec les cadres cognitifs antérieurement constitués. Le changement a donc un coût humain correspondant à la reconstruction d'un nouvel état stabilisé dans lequel le salarié pourra à nouveau se reconnaître.
- les salariés éprouvent une réelle difficulté à imaginer une organisation alternative à celle qu'ils connaissent. Il est évident qu'ils sont fortement imprégnés par des schémas mentaux d'organisation qui résistent au temps de manière surprenante.

enfin, il est incontestable que le changement est générateur de stress à cause :

- de la crainte de ne pas "être à la hauteur" ou,
- de la crainte d'une dégradation des conditions de travail et/ ou d'emploi.

Le culte de la performance sans cesse réaffirmé, exigeant des salariés "toujours plus, toujours mieux, toujours plus vite", est souvent générateur de souffrance psychique pour toutes les catégories de salariés.

Les résistances illustrent plus l'intelligence des acteurs au sein de l'organisation que leur manque de compréhension des enjeux du changement. La notion « d'intelligence » des acteurs ne doit pas être entendue comme la capacité à tout comprendre, contrôler et maîtriser. On la définira plutôt comme « la capacité modeste de l'acteur, dans le contexte précis dans lequel il se trouve, ici et maintenant, à identifier une solution qui est pour lui la moins mauvaise ou la première acceptable » à ces yeux.

Dans cette définition on peut retrouver le concept de rationalité limitée fondant le comportement des acteurs : les objectifs des individus et groupes d'individus étant au moins partiellement divergents au sein des organisations, l'objectif de maximisation des performances n'a pas de sens puisqu'il supposerait une absence de conflits sur les objectifs en question. L'étude du processus de décision explique bien que le processus décisionnel s'arrête à la première solution satisfaisante (compromis organisationnel ou politique). Si on reprend en substance le propos du sociologue F. Dupuy, on admettra que dans la conduite du changement, les managers ont à faire face moins à une supposée « bêtise » des acteurs qu'à leur intelligence au sens de la définition du concept que nous avons formulé. Cela signifie que la démarche de changement ne peut pas occulter l'analyse du comportement des acteurs concernés, afin de comprendre ce qui peut avoir sens pour eux.. Cette précaution méthodologique est valable pour toutes les situations et

s'impose d'autant plus que la culture organisationnelle semble plutôt rétive aux transformations. C'est le cas en particulier des entreprises publiques roumaines où les résistances au changement sont assimilées souvent à des réactions corporatistes : ne pas prendre en compte les logiques des acteurs en présence condamne en avance toute réforme importante de l'organisation. D'ailleurs, dans ces situations où le rapport de forces est favorable aux salariés et à leurs représentants, le changement par la contrainte n'a jamais donné aucun résultat.

Ces remarques sur les résistances au changement montrent bien que les réponses classiques, et au demeurant tout à fait pertinentes, en termes de communication, formation, accompagnement des salariés dans la phase de mise en oeuvre ne suffisent pas à garantir l'atteinte des objectifs envisagés par les promoteurs du changement. L'analyse préalable devra aller au-delà des simples contraintes techniques et entrer dans la subtilité des enjeux de pouvoir au sein de l'organisation.

### **3. La consolidation du changement**

La réussite d'un processus de changement est influencé par toutes les étapes comprises pas une approche parfaitement rationnelle :

- identification du problème,
- analyse,
- recherche des solutions,
- mise en place de la meilleure.

Il est vrai cependant que certaines démarches sont plutôt une rationalisation d'un projet qui, à l'origine, était fort peu rationnel. C'est le cas de toutes les initiatives de changement impulsées par les « croyances » des dirigeants. Même si les croyances échappent en partie à la rationalité, elles n'en constituent pas moins, dans de nombreux cas, une incitation forte à changer et peuvent avoir un effet stimulant sur les membres de l'organisation pendant toute la démarche de conduite de changement.

Pour bien diriger le changement, les managers ne doivent pas oublier la consolidation du changement qui n'est pas du tout facile. Une modification de structure de la firme, une réimplantation d'atelier, l'introduction d'un nouveau logiciel..., entraînent à leur tour d'autres changements concernant les procédures de travail, les circuits de décision, les systèmes de rémunération... Tout changement affecte donc les systèmes de gestion, y compris lorsque ceux-ci ne sont pas eux-mêmes l'objet initial de la transformation. Pour des changements de faible importance, la consolidation post-changement peut se limiter aux nécessaires ajustements des instruments de gestion. Mais l'adaptation peut se révéler complexe et imposer une rigueur méthodologique supplémentaire.

Modifier l'instrumentation de gestion est sans doute la phase la plus délicate des changements d'organisation. Tout d'abord parce que les managers y répugnent : toucher aux systèmes de gestion, c'est-à-dire aux instruments permettant de piloter, coordonner et contrôler, c'est toucher au coeur du fonctionnement des organisations. Les changements envisagés sont souvent considérés comme d'ampleur insuffisante pour remettre en cause ces systèmes, et en particulier ceux liés au pilotage stratégique et au contrôle des performances de la firme.

Une autre raison de la difficulté de la consolidation du changement peut provenir de l'absence d'instrument adéquat. Les implications des changements en matière de qualification et de salaire sont parfois estimées insuffisantes par les salariés, pas toujours en raison d'une mauvaise volonté de la direction, mais aussi de l'inadéquation des outils de référence. Les changements donnent alors des résultats décevants parce que les salariés auront le sentiment que leur contribution nouvelle n'est pas correctement évaluée.

Selon l'ampleur des démarches de changement d'organisation, le problème de la consolidation peut être traité à des degrés divers, pouvant aller d'une simple modification d'indicateurs ou de tableaux de bord jusqu'à la révision de la grille de classification ou la refonte partielle ou totale des systèmes d'information et de gestion.

A minima, l'action sur les instruments de gestion se situe en aval du changement, ne serait-ce que pour s'assurer d'un minimum de cohérence entre les modifications engagées et les outils en place. Mais, pour les changements de plus grande ampleur, la prise en compte du problème devrait intervenir en amont de la démarche, dès la phase de diagnostic. Une réflexion préalable sur les systèmes de gestion, et en particulier les systèmes de prise de décision et les systèmes associés d'information, peut se révéler déterminante parce qu'elle peut éviter certains biais aux différentes phases de la démarche.

### **Conclusions**

La gestion du changement dans les organisations est liée à une multitude de facteurs qui déterminent non seulement la nature et l'ampleur des modifications envisagées, mais aussi la manière dont le processus est

conduit. Il faut souligner le rôle prépondérant du modèle organisationnel de référence et des représentations de la performance chez les managers.

En ce qui concerne l'avenir, il est évident que la conduite des transformations au sein des organisations va être dominée par la gestion des stratégies d'acteurs de plus en plus individualistes et que le retour aux approches technocratiques du changement ne sera pas possible.

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## **ETHICS PROBLEMS IN ROMANIAN ENTERPRISES CORRUPTION AND WAYS OF FIGHTING IT**

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*Abstract:: This paper refers to the state of business ethics in nowadays'Romania and to the problems of corruption and bribery that are present in our country's economic life.*

*A lot of research has been carried out in the field of ethics but it appears that Romanian business people have to struggle to impose ethical principles, to prevent and sanction corruption practices.*

*In the paper we have chosen only a few aspects of corruption and have made suggestions of how these practices can be avoided starting from making all those implied in economic life more responsible of all their decisions and their implications.*

*The purpose of this paper is to point out the feelings of people regarding corruption and bribery as well as the steps to be taken in order to get real results.*

*Ethics-set of principles of morals,rules of conduct,what is right or wrong in one's, behaviour;*

*Corruption-dishonesty in business or official dealings, especially by giving or accepting a bribe;*

*Bankruptcy-the state of being unable to pay your debts;*

*Black Market-a situation of illegal trading,currencies or services.*

In the ten past years due to the increasing pluralism, economic life in Romania has faced a large diversity of ethic matters.Thus corruption actions have multiplied and Romanian firms and enterprises have met a deterioration in the moral climate starting from specific causes such as lack of transparency in the legislation and low justice efficiency,the precarious economic situation being the result of heterogeneous structures of social groups.As a result,it appears the necessity of setting very well established strategies to ensure equality of chances,the passage to ethical organizations and real implication of all that is social responsibility in economic life.

The National Programme for Corruption Prevention was enforced on 25 October 2001 by the Romanian Government<sup>1</sup>.This programme defined corruption as representing „the abusive use of public power with the purpose of getting personal advantages”<sup>69</sup>.

Through the negative effects that has created,corruption is also a threat to democracy because it can be found at all levels of institutions and state authorities.Very often corruption eludes the norms and conditions imposed and conjugated efforts of authorities and media are necessary to struggle against this phenomenon .

Anti corruption actions have been concretized in punitive measures to fight corruption, but the effects have not been the expected ones both in Romania as well as in other Central and East European Countries, in the past three years.

The complexity and diverse forms of this phenomenon,together with the globalizing tendencies have led to the elaboration of adequate strategies meant to approach scientifically the corruption sources and its effects in order to build efficient tools to prevent,control and fight the phenomenon.

In Romania,fight against corruption has been pushed forward by the European Union that has drawn attention on corruption .A great number of business people have had positive reactions concerning their expectations from those who coordinate fight against corruption .

It is wellknown the fact that the average person feels much safer when he/she offers bribe or tips ,even when these are not requested.Small attentions lead to a greater care for patients in hospitals,make office workers more sensitive,or solve problems that apparently,cannot be solved.

The general belief is that,before getting angry with those who corrupt other people,authorities should solve the real problems of the system,especially the low salaries of those paid by the state budget in key fields and positions .

Many years will have passed until the habit of offering bribe disappears or is forgotten.

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<sup>69</sup> The Romanian government decision ,Nr 1065/2001 published in Monitorul Oficial al României Nr 728,2001,p. 4

However, this habit cannot be mixed with the big corruption for which steps have to be tough and immediate. The big corruption is responsible for the major losses in society and budgets.

Greed, ambiguous laws and law disrespect are the main causes of corruption.

If greed is the main cause of corruption in our country, it means that there is a large number of individuals who are willing not to obey the rules in order to satisfy their greed. Of course, there are individuals who break the laws in each society. But with us, the population segment predisposed to corruption is generously represented and it is known that whenever acts of corruption are not identified by law, sanctioned by competent authorities, prevented by mechanisms such as material and moral compensations, and where corruption can bring to substantial gains, the corruption level raises.

Corruption can be found greatly in the administrative system, in the government system and in the public institutions. There is more corruption there where there are more resources held as a monopoly (the control is held by a single actor on the market); the more unclear the decisions made by the administration, the harder to follow the process regarding the allocation of resources and this does not allow the participation of all those who are interested in the process.

In our country there are regulations regarding the authority, or the public dignity as far as conflicts of interest, incompatibilities, obligations to declare revenues and fortunes are concerned, in order to prevent those persons' power to be used as an advantage by people or groups of people.

Moreover, there are authorities that have competencies of evaluation and control of performances or of integrity of institutions and public authorities: the National Authority for Control, as well as authorities that protect citizens against administration abuses such as the People's Advocate<sup>70</sup>.

It is very important that the decisions concerning resources allocation be known and discussed with citizens, especially with those from the administrative sector that is in charge with applying measures and decisions, under the circumstances when the state gets a dominant position regarding a large part of services for citizens.

At the International Conference for Fund Donors to fight corruption, „Investing in the fight against corruption” which was held between 15-16 April 2003, the American ambassador at that time in Bucharest, stated that “the corruption phenomenon is a matter connected to greed. It is a matter of the individuals who care more of themselves, their positions, their friends, than of rightfulness, justice, or in fact, of this country”,<sup>71</sup>.

Corruption fight is among the priorities of the government programme. Radical steps should lead to a reduction of this phenomenon area. Thus, it has appeared the necessity of an offensive fight against corruption, that has as a purpose to reduce the opportunities to commit corruption acts and to stop the evolution of this phenomenon.

The steps to be taken have in view an attack against corruption, with strategies oriented towards administrative, justice and economic fields.

Strong actions of the state institutions as well as a partnerships with the civil society and with the nongovernmental organizations in order to diminish the corruption consequences at all levels and in all sectors are necessary for such a programme to be successful.

Extended corruption determines public opinion to think that this phenomenon is something normal, as being part of every day life. It is necessary to take steps to prevent corruption and this should replace all vulnerable points leading to corruption in order to know and control the whole phenomenon. These steps should be oriented towards institutional reforms that imply creating an efficient system to prevent corruption facts and to accomplish true reforms in justice, public administration, public finances and in our country's economy.

Not only Romanian authorities are preoccupied with corruption, but also international organizations that have asked Romania to put an end to this evil. But when it comes to the matter of establishing the causes of corruption, specialists and even normal people think differently. Low salaries of those paid by the state budget, human greed and the tradition of the 50 years of communism are to be blamed.

When it is a matter of the bribery people pay to public and state employees opinions seem to converge. This phenomenon affects the living standard, both directly, because part of the revenue is due to bribery, and indirectly, because it creates a bad business climate by diminishing the interest of foreign investors in doing business in our country. Romanians are accustomed to the small corruption, and when they say that

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<sup>70</sup> Evenimentul Zilei, 13 mai, 2003, p.6

<sup>71</sup> Evenimentul Zilei, 16 aprilie, 2003, p.5

corruption is one of Romania's problems, people refer to the big corruption that they perceive as one of the causes of deteriorating their living standard.

Bribery does not differ from case to case. Yet, people with money have, many times, a high level of instruction, thus being able to access more easily communication and information means and eliminating direct interactions between the citizen and the public employee, thing that is thought to be one of the causes of corruption. The management, as well as the whole economic and social life, become preoccupied with ethical problems, now that Romania is part of the European Union and under the conditions of globalization. Companies build sophisticated econometric models in order to be able to face a more and more agitated economic environment. It is the case of multinational firms, in whose business strategy the ethical component has several meanings and it can appear as:

- a set of moral obligations towards the parts interested or affected by the activity of this type of firms;
- social responsibility in comparison with the mother country and with the country of origin;
- attitude towards the other actors of the world economy: international government organizations, NGOS, third states, etc.

What is to be done

The firms that act internationally have to maintain their firm position connected to social or ethical matters such as: ecological preoccupations and consumer protection, to fight corruption acts taking into account the social impact of their actions.

Lately, firms have become more and more aware of the importance of ethics for their business strategies and, at least in the developed world, they have become more moral.

With the dynamics of globalization, it has become more and more obvious the fact that ethics cannot be neutral from the cultural point of view and taking into account the world cultural diversity.

The moral development stage of the firm is reflected by managers, as well as by the way in which these ones deal with ethical dilemmas. Among the factors that influence this stage there are:

- the level of economic development of the respective country (in this case there is a direct connexion between the level of economic development and the moral development degree);
- structure and economic mechanisms (it has been proven that an integrated and stable economy is a good departure point for moral approach);
- the specificity of the cultural environment.

For example, in an individualistic culture, moral responsibility is mainly personal, as when in a collectivist culture, moral responsibility becomes a group problem.

The impact of culture on moral behaviour depends on the ethical problems perception, on the importance paid to them by both society and firm.

In Romania the problem of the „actors” implied in ethics and in social responsibility of firms becomes more and more important. In any enterprise three types of „actors” collaborate to make decisions and to execute them. For an individual who makes decisions, when faced with some ethics or social responsibility problems, these could be incorrectly formulated due to the fact that the decision making process has a collective character.

Business people may violate frequently ethics rules and this fact can bring to a state of well being, because they follow rules that are business rules. In such a game “business is business”, friendship is ignored, and hidden intentions are above honesty. It is said that as long as the “player” obeys the rules he does nothing immoral. His immoral behaviour is manifested when the individual looks for, and finds ways of gaining undeserved advantages that affect the others. In order to obey business ethics one has to take into account the consequences of the economic activities and establish priorities. Enterprises and firms should not think of immediate profits, but choose stability and continuity, try to improve their relationships with suppliers, beneficiaries and with all those they come into direct or indirect contact. In other words, enterprises should not play only an economic role, but also be socially responsible. Nowadays we cannot put the equality mark between ethics and economics, or between morale and business. There are many successful enterprises and there are persons whose careers are built on respect of principles. And yet, business success is not the reward of an exceptional business behaviour. On the contrary, there are many business people who have succeeded in imposing themselves by force, being less scrupulous than others, but praxis proves that their methods are easier and safer. The existence of a competitive and liberal economic system does not exclude frequent abuse avoidance.

In the past 16 years, as a result of price liberalization and of the monopoly loss of many key sectors that belonged to the state, a lot of commercial activities have known changes by setting up hundreds of thousands of firms, both Romanian and mixed. Only a very small part of these have proved their tendency

and have even succeeded in having an ethical behaviour in their businesses. Large firms and companies have, however, obeyed the Romanian legislation taking into account the ethical standards of the market economy. Yet, many other firms seem specialized in activities that have nothing to do with ethics are implied even in illegal actions, thus causing the Romanian state immense losses.

In the Romanian business world ethical behaviour has known a negative evolution as far as investments are concerned. The Romanian legislation has been repeatedly accused of elaborating ambiguous norms and laws that give way to behaviours that lack ethics.

For example, too many facilities and tax exemptions have been awarded to investors who were to reinvest part of their profits, but later these decisions were not taken into account anymore, or were cancelled. Such decisions have led to the loss of interest of many investors and investments that Romania could have attracted till the year 2007.

Privatisations continue to raise problems, meaning that even now, in 2007, there are still objectives to conclude privatizations that have not been met, unlike Poland, Hungary, the Czech Republic, countries where privatization has been concluded since the year 2000, their economies being able to harmonize their good results with the requirements of the western economy.

The analysis of the economic processes in Romania should take into consideration the quality of the political factors, as well as the mentalities and abilities that are hard to get rid of in a short period of time. The Romanian society needs a real „clean up” in all the spheres of the economic and social life, and this would mean, from all of us, to take responsibilities in the world of business. Ethical standards should be present as „codes” that have to be respected.

The middle class, that is an important factor in promoting business, should play an important part in the improvement of the ethical climate for each type of business. But the actual Romanian system has only encouraged the gains that had been easily obtained to the prejudice of long term investments.

Business people have invested in the passive elements of the economic process, encouraging thus the unproductive part, as compared to the productive one. Consumption has registered a very poor productivity and again, business people have taken advantage of this situation, instead of creating work places and developing the economic infrastructure or increasing export activities.

All this has had as a result a deeper social inequity without offering any equal chances in exchange.

We have to add the fact that Romania has received a large amount of the funds meant to bring to normal its economy, through the PHARE system, but it has not made projects as required and this has only led to the loss of a part of these funds. The lack of interest and political decision can only be blamed when the level of economic development is so low.

The main goal of the business media in Romania should be a real interest in business ethics and in a better knowledge of the western ethical principles and standards and only then our country will be able to develop directions in which all this can be applied to the Romanian businesses. Getting closer to the western ethical standards will make Romania offer more opportunities for western investors who are however, the main tax payers in any country, due to the fact that they cannot afford to disrespect ethical principles. Romania will have to become part of Europe by the steps that have to be taken in business ethics. On the European continent, as a result of the transfers after 1989, a greater attention has been paid to the legal regulations concerning business ethics at the transnational level.

Although the specific ethical movement in businesses started in the U.S.A., there are differences in approaching it on both sides of the Atlantic. Thus the role played by executives in Europe is more important than in the U.S. and the European companies have the tendency to approach differently the matters of business ethics. From here the question whether Europe will continue being a distinct entity<sup>72</sup> different from the other economic regions of the world, or whether globalization will continue reshaping business ethics in Europe in such a way, that it should answer a more homogenous international approach. A lot of ethical matters such as corporate governance, salaries, work conditions, employee surveillance, have to become a real concern for the European corporations and to enjoy the same attention that the American corporations enjoy.

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<sup>72</sup> Crane A., Matten D., -Business Ethics Ethics-a European Perspective, Managing Corporate Citizenship and Sustainability in the Age of Globalization, Oxford University Press, New York, 2004, p 438

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# PROMOTION IMPROVEMENT OF THE ROMANIAN ECONOMIC AFFAIRS WITHIN THE CONTEXT OF THE INTEGRATION TO THE EUROPEAN UNION

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*Abstract: The paper “Promotion improvement of the Romanian economic affairs within the context of the integration to the European Union” will demonstrate that the usage of various complex promotional systems by the Romanian exporters has a major impact upon performance, providing the increase of the Romanian companies’ functionality and competitiveness on the European market under severe competition conditions. The proposals that are to be devised constitute a step in the process of improvement of the promotional activities developed by the Romanian companies in order to activate exports with favourable consequences upon the entire national economy, Romania’s image that currently discloses some flaws.*

*Key words: promotional system, corporate identity, corporate image, public relations programs, corporate public relations.*

The contemporary economic conditions in which we can observe an intensification of the competition struggle on the international market, to the increase of the clients’ exigencies, to the diversity of needs, to the acceleration of the change pace and the growth of the uncertainty climate, to the deepening of the commercial changes, to the market and economy globalization, to the growth of the international investments, to the complex organization of companies in matrix structures of network type, strategic business units, to multiculturalism impose the companies, in general, to those that aim to get or to maintain on the European, international market the usage and the improvement of affairs as a promoting force for durable performance.

The present paper intends to present an analysis of promoting international economic affairs, both at microeconomic and at macroeconomic level, as an imperative of the growth and diversity of exports. I started from the hypothesis that, at present, when we assisted to the deterioration of the foreign commerce both under a qualitative and a quantitative aspect, Romania registering in last few years big commercial deficits and exporting mostly products that do not have a high added value such as raw materials and low produced products, it is necessary for our country to face the real competition on the European market and to practice some modern techniques and methods in management, finance, commerce, well-fundamented programs and adapted to the specific of the countries where the products are sold or the market they intend to enter.

In this sense, we carried out a research of the present stage of techniques and instruments knowledge and the benefits that promotion can bring when it is strictly fundamented and well implemented with direct effects upon the competitiveness of Romanian exports on the European market.

The results of the study showed that there are serious problems regarding the export activity. It is a sure fact that the bad promotion of products or services is only one of the causes that generated this situation. The lower competitiveness of the offered products, some exporters’ lack of seriousness regarding deadlines, the quality of the products that sometimes differ from the quality stipulated in the contract, the bad preparation of the negotiation strategies in elaborating advantageous contracts, the poor knowledge of the European market exigencies, the adaptation to the clients’ needs on this market, the lack of the managerial strategies are only a few aspects that continue an unbalanced commerce, with profound deficiencies. In the present research, we wanted to analyze the influence of promotional activities upon the activation of exports, the degree to which the exporters become conscious of the need to apply some promotional systems adequate to the type of activity they develop but also adapted to the markets whose exigencies they must satisfy.

It is vital for the Romanian companies to know all promotional instruments in order to choose and use the most adequate techniques according to the target public, the commercial objectives they have, the specific of the country on whose market they intend to enter etc. Even within the same industry there are significant differences in the way of combining the promotional techniques, of implementing the advertising and public relations campaigns because companies are permanently looking for new methods of increasing their business and, consequently, their profits.

We consider that a long-term balanced development of companies, sometimes even their survival, are influenced by the way in which they understand the need of applying public relations and they apply well

planned programs that can administer their public image. Consequently, the strategic planning of the promotional activity has a vital importance within an organization in order to administer the threats of the environment, to improve and maintain a favorable corporate image and to protect its prestige both on the national and on the international market, knowing that Romanian products still enjoy an unfavorable image on these markets.

Due to the different structure of the commerce in the developed, developing and transition countries – in the sense that the first ones can be remarked on the international market by the export of products with a high added value and the last ones are in an opposite situation, exporting mostly products with a small added value, we still assist to the deterioration of the exchange balance among this group of countries. The analysis of the commercial fluxes on commodities and countries show the skillfulness of the developed countries on manufactured products and that of the developing countries on basic products and commodities with a low degree of manufacturing.

In Romania, in spite of the fact that the evolution of foreign commerce was generally an increasing one, the volume of foreign commerce raising more than five times, between 1990 – 2006, we can observe at the same time with the growth of the exports volume, their precession by the imports that raised much more, leading to a deficitary commercial balance, an aspect with extremely negative consequences upon the Romanian economy. These two disproportionate fluxes are due to a special conjuncture: the exaggeratedly big import, after its liberalization on 1990 and a chronic internal sub-consumption, and the little export, due to the drastic reduction of production which also led to the dissolution of C.A.E.R. (the Council of Mutual Help) that absorbed approximately 50% of the Romanian exports. This asymmetric evolution in the Romanian foreign commerce, respectively the more rapid growth of imports over the exports, led to a very high cumulated deficit of the commercial balance, the highest deficit being registered in 2005 of 12.8 billion USD, and the lowest in 1994 of 1.1 billion USD. An alarming situation is represented by the degree of coverage of imports from exports that were reduced, reaching terrible levels, in 2005 under 70%.

Many of the researches made for the elaboration of this paper show that, at the level of the economic agents, the lack of success for the promotion of products, services or the image of the companies dealing with export activities, both on the internal markets and especially on the external ones, were caused by the ignorance of interdependences among the promotional techniques, the effects and the results that reflect upon the companies when they minimize the importance of the changes in a field upon the entire organization, the low importance given to the promotion of economic affairs.

In the contemporary economic conditions, on the strongly competition European market, in the conditions of the acceleration of the change rhythm, of the clients' exigencies amplification, of the incertitude climate growth, of the economy and markets globalization, one cannot perceive a durable performance without business promotion. As a consequence, it results the need for the existence of some complex promotional systems with well-implemented programs and adapted to the specific of the countries where the products are sold or the market they intend to enter.

In this research, the role of advertising in generating profit consists of the capacity to attract more consumers and to persuade them to purchase in a great quantity the promoted product/service which leads to the dynamization of the profit.

An important effect of advertising upon sales is based on creating a need at mass level, which implies the decrease of cost per unit. Another direct consequence is the consumer's faithfulness to a certain brand - "brand loyalty", the consumer preferring the product in cause in the detriment of others, being less sensitive to the increase of price, offering the companies the possibility to increase prices without losing consumers, and, consequently, growing profits and activating exports.

In this "market era" in which the weight centre moved from the production zone to the sale zone, the companies struggling to find new outlets, new sale markets where they use more modern and sophisticated techniques and methods of management, marketing, finance, etc, where concepts such as the corporate social liability, the durable development become the object of debates, symposia and congresses in order to be applied efficiently, companies are continuously looking for new ways of setting a favorable short, medium and long-term policy. Within this context public relations represent the link between the company and the environment in which they develop their activity, which provides stability, mutual agreement and favors the achievement of the corporate strategic objectives.

As an integrating part of the promotional system, the companies' participation to fairs and exhibitions present the indubitable advantage of putting the tradesman face to face with the future client. The strongly competition European market proved that it is not enough to have a quality product to get export efficiency, but the consumers of other countries must find about its existence, see it, possibly analyze it, and compare it with other competition products. The most adequate framework is represented by fairs and exhibitions and offers the potential importers the possibility of getting in touch with corporate offers

favorable to the exchange of ideas, contacts, consultancy, treaties, to the complex promotion of products and not in the last place, to the commercialization.

The image also plays a fundamental role in positioning a brand, representing a clear feature of the study. At the same time, if it provides a differentiated advantage to a brand, this can be associated to a higher price activating thus the profit and supplying supplementary resources to reinvest in the brand development. The modality which makes the difference between a product and a similar one is represented by the Unique Selling Proposition, formulated for the first time by Rosser Reeves, one of the promotion pioneers. The USP is a statement regarding the key quality of the product. When other changeable products have the same quality, the USP is lost. Conferring the identification power to products or services in the consumers' mind, the brand represents a decisive factor in differentiating offers, in sustaining the competition struggle, in certifying quality and providing promotion. In order to underline the importance of the brand image of products or services, we must also accentuate that one of the fundamental brand functions is the guarantee function of quality that finds profile identifying the brand image of products; the consumers prefer them in the detriment of others.

Thus the brand image becomes the guarantee of a constant quality of the product, accelerating sales and, implicitly, the growth of corporate profits. The brand image being part of the organization's patrimony and having juridical value, it is protected by the registration with the national brand office of the respective country, by the norms of the right of intellectual property. Almost all countries of the world register and protect brands. Every national and regional brand office has a brand register that contains complete information about all registrations and renewals that facilitate the examination, the research and the possibility of third parties to make contrast. Yet the registration effects are limited to the country involved or, in the case of a regional registration, to the countries involved. In order to avoid the necessity of a separate registration with every national or regional office, OMPI administers an international system of brand registration. This system is governed by two treaties, the Agreement of Madrid referring to the international brand registration and the Protocol of Madrid.

The more a corporate, brand or country image differentiate from the same type images, the more it will be personalized. A corporate or brand image and that of its services and products is complementary, the product image being reflected upon the corporate image which in its turn is reflected upon the country image.

The corporate image is a long process that implies a permanent activity, being in a continuous evolution and it forms as a result of the information spread by mass-media, advertising, maintaining public relations with the local community through the organization members' opinions expressed in public and through the satisfaction obtained by consumers as a result of the usage of products and services provided by the company. The corporate image and the public's trust represent two psycho-social interdependent processes. Actually, what the company holds is the identity which turns into image when it is transmitted to the public by means of communication. Thus, in order to create and maintain a favourable image, an organization must initially build a strategy of its own identity. Corporate identity is a concept used in public relations by means of which they try to provide the company a unitary identity in the business environment. The instruments that lead to the creation of corporate identity are: corporate communication, corporate behavior, corporate culture and corporate design. Corporate Public Relations tries to create the corporate image and identity.

The image is a mind product based both on concrete corporate facts and on people's subjective impressions. Consequently, in order to create the corporate identity, the public relations specialists must disclose both the real aspects that the public knows and the its impressions regarding the organization. The rapid changes that appear on the European market lead to the necessity of constantly administrating the corporate identity. Presently, the public's support is a basic aspect in economic affairs, the companies' success or the failure depending on the public's perception. Creating a corporate identity has a major impact upon performance, providing the increase of functionality and competitiveness of the Romanian companies on the European market, under severe competition conditions.

We consider that the continuous development of companies, even their survival, are influenced by the way in which they understand the need of applying various complex promotional systems and they apply well planned programs that administer their public image. Consequently, the strategic planning of the promotional activity has a real importance within an organization in order to administer the threats of the environment, to improve and maintain a favorable corporate image and to protect its prestige both on the national and on the international market, knowing that Romanian products still enjoy an unfavorable image on the European markets.

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# THE SCIENTIST: INTERNAL CUSTOMER OF A SOCIETY. CAN RELATIONSHIP MARKETING HELP MANAGE THE MIGRATION OF THE HIGHLY SKILLED?

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*Abstract: Is highly skilled migration a brain drain? How can a society manage this developing phenomenon in order to diminish losses and register gains from it? The purpose of this paper is to put the researcher/scientist in the position of an “internal customer” of a society, by making a parallelism between the employee of an organization and the scientist as part of a nation. We think, therefore, that the system could use not only transactional, but also relationship marketing approaches in order to optimize and manage the phenomenon of brain migration, by creating a loyalty connection, trust and commitment. The academic research on this issue is limited by a lack of data. It is only recently that attention was paid to the quantification of these fluxes, which was generally limited to information about PhD international movements or exchange students programmes. Economic effects have never been quantified, but the existence of implications, both positive and negative is obvious. It is therefore important to give the appropriate attention to the matter.*

*Key words: relationship marketing, brain migration, internal customer*

## Introduction

Brain migration is becoming a problem in both the developed and the developing countries. The technological revolution of the last decades generated a growing need for “brains” in the developed countries all across the world. The awareness regarding this issue pushed several of them to elaborate programs and strategies with the purpose of attracting highly skilled professionals from other territories (Veugelers, 2006). There are two types of fluxes: from developed countries to other developed countries and from developing countries to developed ones. In the first category, the main mobility direction is from developed European countries to the United States and Canada. In the second category, one can identify the Romanian reality, the highly skilled migration having both economical and social effects at national level.

As far as the situation in Romania is concerned, one has to take into consideration more aspects, such as: the fact that the investment in these people might never return, the effects on the labour market that lacks highly skilled professionals, the consequences upon the age of the national population since the people leaving are generally young. Several studies (too few) have been done at national level regarding the position of the Romanian researchers in the society, the motivations for leaving and the main destinations, the possible incentives to make them stay, repatriation programmes for researchers or the know-how they have achieved. Moreover, Romanian accession to the EU will have a direct effect on these outflows of creative potential.

A solution to the problem might be the marketing approach of this issue. Researchers can be seen, after all, just like every one of us, as internal clients of a society. Therefore, certain levers can be used in order to manage the “brain drain” phenomenon, since internal marketing embodies both marketing and management strategies.

## The motivation to migrate

*Migration and mobility* are two different terms one will generally meet in scientific literature, both representing a very complex phenomenon. While mobility refers to any space movement of workers, migration only talks about those who will also have to change residence. It is this last term that concerns us in this paper.

The most important aspects that one has to take into consideration when dealing with migration issues is the identification of the motivation to migrate. Several researchers have identified as main motivators: the low income, the lack of development perspectives, a social position which is not in concordance with the “investments” they have done in order to have an outstanding professional growth, the lack of interest shown by the local institutions, an ambiguous image of the Romanian research world and participants in certain areas of interest.

Internal marketing and research in Romania: is the researcher an internal customer of our society?

The parallelism between a nation and an organization might seem quite exaggerated. However, if particular aspects are taken into account, then this approach might help us find simpler and better solutions. The intellectual is, in this vision, both an internal and an external customer of the Romanian society, since he permanently produces and uses its outputs. Internal marketing refers to the systematic optimization of the internal processes by using marketing and management instruments, oriented both towards customers and employees, aiming to fulfil the market objectives of the organisation (Bruhn M., 1999). Internal marketing puts us in front of a strategic approach and is strictly connected to human resources management.

Internal marketing leads to an increasing loyalty and longevity in an organisation. Researchers' loyalty toward the Romanian community has been decreasing dramatically in the last years. Behavioural studies showed, however, that people need to belong to a community, and the easiest way to regain the scientists' loyalty is to satisfy their need to belong. This will contribute to the longevity of the relationship with the Romanian society.

Employees have a better attitude towards work when they understand the brand's promise and trust their company's brand. One of the main problems of the Romanian researcher is the fact that he doesn't trust the high performance and the excellencies that this activity might reach in his country. The brand promise is influenced here by the trust in the future. When perspectives are not reliable, or even null, the effectiveness of the research work, the desire to create, will seriously diminish, because other problems will gain the attention of the scientist. This will lead, in time, to economic effects, since the creation activity lays the foundations of progress and development.

When employees become brand lawyers, they differentiate it in front of the customers. The progress is the key of competition, and the research is the key of progress. It is crucial that a country should invest in research in order to maintain a leading position. Even if the statements above can be interpreted as truisms, the Romanian approach on this matter has been completely improper. The current situation is very far from the orientation presented above. A nation cannot afford to lose control of the research activity. In today's world, a fight for intellectual supremacy in which all countries take part doubles the fight for the technological and economical supremacy between powerful nations. The munitions in this case is the human capital involved in intellectual activities, a capital our nation cannot afford to lose.

Trust and commitment: aspects of relationship marketing applied in the internal marketing of the research field

Some marketing experts (Dwyer, Schurr and Oh, 1987; Jackson, 1995) state that the customer relationship can range from transactional to relational orientation. However, Jackson (1995) suggests that the application of relationship marketing should depend on the customer (the internal customer, in our case) orientation towards relationship. The research activity is not a high earnings oriented activity, recognition generally being more important in this field, so researchers are internal customers that could be influenced, to a big extent, by relationship aspects. Garbarino and Johnson (1999) focus, in their analysis of relationship/transactional choice of marketing forms, on the role of three constructs: overall satisfaction, trust and commitment.

*Overall satisfaction* refers to a cumulative satisfaction of the Romanian researcher, in our case. The government and the institutions should concentrate on all the aspects that influence, in a direct and an indirect manner, the migration decision. The most important aspect is the financial one, since better earning opportunities are the main motivation for migration. Also, more attention should be given to the research activity and programmes, and better opportunities should be presented to the young researchers who will otherwise be in the situation of reorienting themselves towards other professional or geographical destinations. Although not all the research outputs will have an immediate economic value, some of them could lead, in time, to net economic advantages. Recognition and social status should also be taken into consideration. The position that a researcher has at this moment in the Romanian society does not encourage the development of this activity, and will not attract new people to this field, but will also push the existing ones to other countries. If action is not taken shortly, a serious crisis will soon be registered in the Romanian research field regarding the level of preparation and the number of the experts.

*Trust*, as an "essential ingredient for successful relationship" (Berry, 1995; Dwyer, Schurr and Oh, 1987), is defined as "the willingness to rely on an exchange partner in whom one has confidence", and is, therefore, a "must" of the Romanian society to create an image of integrity and reliability towards its "internal customers". Trust has become a "painful" aspect, and will be one of the most difficult to deal with. The EU enlargement and the Romanian integration might help in this direction, since the orientation towards research seems to increase in importance with the Framework Programmes (currently running the FP7). Since the research work means long-term involvement, the scientist needs to feel secure and protected. Only when official and effective strategic programmes and actions will be put into action at national level, will the researcher start to gain his lost trust.

*The commitment* is another ingredient for long term relationships, and has been defined as “an enduring desire to maintain a valued relationship” (Moorman, Zaltman and Deshpande’, 1993). The general tendency is to give a nationalistic interpretation of the commitment one researcher might have towards the country he grew up and was formed in. However this is, subjective motivations have an important, even if not quantifiable, weight in the migration decision. Such motivations are generally connected to the presence of friends, family, and a pleasant general climate. The other subjective and objective “negative” aspects have become so strong, that their importance has overcome all the “positive” ones. The commitment becomes therefore an instrument and a goal at the same time, since a valued relationship with the nation of origin is an incentive to stay or to give back at least part of the output of one’s work.

## **Conclusions**

The current policy of the developed states has started to focus on the international competition for talent and on the impact of the researchers’ international mobility. Although no quantifications of the effects on either national or international research productivity have been done, general social and economic effects can be felt at national level. Progress proved to be generated by years of research and work of scientists, and the economic consequences are more than obvious. It is therefore important for a nation to protect and enrich the human capital representing the main engine of evolution. In order to develop a long-term relationship between a nation and its “brains”, the approach toward the problem should be the one an organisation has regarding the employees. Trust in the “brand” should be built, and this is possible by using an internal marketing approach.

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# BRAND SEGMENTATION IN HOSPITALITY INDUSTRY

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*Abstract: Hospitality industry is a major part of travel and tourism sector. Modern hospitality has developed especially in the last decade when important changes have occurred and transformed the face of this industry. The strategies and politics of development in this sector are based on increasing and inovating methods, among them: the brand segmentation and brand consolidation strategies.*

*Branding remains a hot topic in the hotel sector. It would appear hotel groups agree that the best way to develop their businesses is to focus on growing on brands, by using their experience and product and multiplied it. Branding is becoming the prime marketing concern for the international hotel industry. This has brought much attention to the travel and tourism industry over the past two decades as many different brands have been added to hospitality organizations' portfolios A variety of brands have now been developed in the lodging industry, tailored to serve diverse consumers who have certain demands based on budget, expectations, and travel needs. However, there are clearly doubts about the branding issues in the hotel sector.*

*Keywords: brand, hotel group, segmentation, hospitality Industry*

## Overview - Hotel Brands Grow Internationally

The US market is dominated by the brands with an estimated 80% of rooms owned by major chains. And the US hotel chains dominate the classifications of hotel groups and chains. In Europe the balance in the hotel market between the homogenized chain and the unique individual property has been healthy with only 20% or less of hotels being chain owned. The small independents have proved to be places of style and innovation, spawning the boutique movement, new approaches to design and operation in many hotels across the continent. Now the story is changing. For exemple, in France for the first time the chains approach 30% of rooms as independent hotels. The result is a growth in the number of French hotel rooms owned by international brands as a propotion of the overall ownership of the hotel industry. The hotels groups are spreading all over in the world. Now, China represents a new market for hotel chains, and the struggling to enter this new market is intence. (Goff, .2006).

The top ten of the world's hotel groups, presented in tabel 1, shows that the most important groups are from United States, Europe being represented only by the InterContinental (Great Britain) and Accor (France).

**Tabel 1. Top ten hotel groups in the world**

RANK	GROUP		HOTELS		EVOLUTION	CHAMBERS		EVOLUTION	
			2006	2005		HOTELS	2006	2005	CHAMBERS
1	INTER CONTINENTAL HG	GB	3606	3532	74	537533	532701	4832	0,9%
2	CENDANT	USA	6344	6396	-52	532284	520860	11424	2,2%
3	MARRIOTT INTL.	USA	2672	2564	108	485979	469218	16761	3,6%
4	ACCOR	FRA	4065	3973	92	475433	463427	12006	2,6%

5	HILTON CORP.	USA	2747	2228	519	472720	354668	118052	33,3%
6	CHOICE	USA	5132	4987	145	417631	403806	13825	3,4%
7	BEST WESTERN	USA	4195	4097	98	315875	308131	7744	2,5%
8	STARWOOD HOTELS	USA	845	733	112	257889	230667	27222	11,8%
9	CARLSON HOSPITALITY	USA	922	890	32	147129	147093	36	0,0%
10	GLOBAL HYATT	USA	738	355	383	144671	111651	33020	29,6%
<b>TOTAL:</b>			<b>31.266</b>	<b>29.755</b>	<b>1.511</b>	<b>3.787.144</b>	<b>3.542.222</b>	<b>244.922</b>	<b>6,9%</b>

Source : MKG Consulting Database – 2006

### The power of branding

The hospitality industry has done much research in building many brands and giving travelers several options in choosing the lodging accommodation that is perfect for them. Brands are targeted to tailor to consumers ranging from economy brands up to the luxury market. Moreover, brand segmentation has allowed hospitality organizations to further expand because they are able to reach a wide range of customers through extensive brand segmentation.

The power of branding is that the brand represents a quality mark. Because there is no agreed international standard for judging hotels, and the star system doesn't work, as a five star in one country will be equivalent to a lower rating elsewhere, the brand can guarantee for the quality of services and products (Goff, .2006).

The quality of services and products in hospitality industry is the standardization. Brand standards contribute to the success of the brand name. Hotel companies have invested heavily to ensure global consistency across their portfolios, from high-end luxury brands to the budget segment (Town, 2002). Hotels of the chains that do not meet brand standards threatens to undermine the strength of the brand. The product must be consistent with the brand standards and image, whether it is the size of the rooms, number of restaurants or IT facilities. Brands, such as Ibis and Econo Lodge, have used a standardized product to develop a world-renowned brand. Traditional hotels take a more textbook approach to branding. It doesn't matter whether you visit a Holiday Inn in Boston, Bangkok or Birmingham, you know what you're going to get. The logo, the lobby and the rooms all look more or less the same. But it is product differentiation that will add value to a brand and build an image, like Fairmont Hotels & Resorts, the largest luxury hotel operator in North America, which provides unique proprieties and luxury services in a unique design and style. Two or more hotels cannot be identicaly, they are unique structures because of the differences in location, building or local flavor. A bottle of Coca Cola is the same wherever it's bought, and should taste the same, but hotel rooms aren't like that. In addition, hotel companies must ensure that their brand promise is consistent on a global basis; a guest, whether checking into a hotel in Europe or US, must be offered a consistent brand standard. This focus on the quality of service delivery and the standard of products might entail shedding poorer-quality assets from a portfolio if they don't meet the brand promise.

The key components of a hotel brand will depend upon the size and global distribution of the company, some of the main ones being brand name, brand image, product, brand standards, sales and marketing infrastructure and loyalty programmes. A recognized brand name can provide comfort to potential investors and financiers and so add value to pipeline developments, as well as assist in securing future development in the form of operating agreements.

Now-a-days, a brand is more than a name or logo, it's about a narrative. When a consumer buys into a powerful brand, they are buying into a set of values, so any successful brand must be one that makes an emotional appeal to the consumer. Today we have seen a trend, it's the step from selling "A place to sleep, to selling an Experience". And every hotel owner desire to offer this experience, so the challenge for him is how to manage innovation. But, within a brand the management of innovation can be problematic. The imposition of standards can lead to the stifling of any variation from those standards in the interests of maintaining an equality of experience for the guest – no variety or innovation means homogenization. Everything will tend to drift to the lowest common denominator.

## Brand segmentation in hospitality industry

Hoteliers tend to segment their market by hotel type; one generally accepted segmentation is economy, mid-scale, extended stay, upscale, and luxury hotels. In recent years, the number of brands in each category has skyrocketed. Brand segmentation refers to developing separate brands based upon certain standards and regulations while still maintaining to represent an entity of their parent organization. The brand segmentation was born when it was understood that a single brand cannot meet the demands of all travelers. In fact, brand segmentation consists in building brand loyalty by offering guests the amenities they want without making guests pay for things they don't want. Brands try to offer exactly the services and products their customers want. A number of hospitality organizations own and manage up to ten different brands and are still growing. The idea of offering various brands under one organization was expressed by Chris Arnett, field service director for Choice Hotels International: "hotels of various sizes and service levels have existed for many years. Companies like Choice and Marriott see the advantage of tying those different sizes and service levels back to one umbrella brand. The tagline 'by Choice Hotels' is used for all of its brands, and Marriott uses its name for its brands as well. No matter what the brand, Choice or Marriott stands behind that brand" (Patel, 2006).

What means brand segmentation for a hotel company and its portfolio? For example, while one can still stay at a branded "Marriott Hotel," one can also stay at JW Marriott Hotels and Resorts, Courtyard by Marriott, Residence Inn by Marriott, Fairfield Inn by Marriott, TownePlace Suites by Marriott, and SpringHill Suites by Marriott. Marriott Hotels and Resorts can be elegant and luxurious, but JW Marriott Hotels and Resorts are "the most elegant and luxurious Marriott brand," according to the company. Residence Inns are designed for extended stays, but so are TownePlace Suites. Fairfield Inn will be expanded to become Fairfield Inn and Suites in select markets (Silverstein, 2007).

Each market level has its own set of characteristics that distinguishes itself from other market levels. Whether it is economy, mid-scale, upscale, or luxury, each level is differentiated through its services, amenities, price, and quality.

The economy brands have been developed for the budget traveler, focusing on producing quality rooms at a low price. In this level, without a clear brand narrative, hotel rooms are indeed commodities, where the only differentiation can be on price. The list is long, every important hotel group have in its portfolio at least one brand in this category.

Days Inn Worldwide - This brand is a subsidiary of Cendant Corporation. The brand is a provider of low-cost, high quality lodging. The brand is positioned at the "upper-end" of the economy market, specifically aiming at families.

Econo Lodge - This franchised motel brand is part of the Choice Hotels International system. Econo Lodge focuses on cleanliness and comfort at low rates.

Red Roof Inns - This brand is a member of the Accor chain of economy lodging properties. Red Roof Inns are primarily located through the Midwest, East and South United States. This brand complements Accor's other economy inn - Motel 6.

The mid-market brands provide travelers with quality accommodations and amenities while paying a reasonable price. These brands offer many complimentary amenities and services such as breakfast, Internet access, food and beverage accommodations, and access to business and fitness centers. This particular market segment is the most prevalent as these brands best serve the common needs of consumers, but is still not too pricy (Patel, 2006).

Best Western - Best Western is a hotel brand with more than 4,000 independently owned and operated hotels throughout Australia, Asia & Southern Africa, Canada, the Caribbean, Europe, the Middle East, Mexico, Central and South America and United States. Doubletree Club - Doubletree Club is the brand name representing a mid-scale Doubletree hotel property with an F&B outlet. Doubletree is part of the Hilton family of hotels.

Holiday-Inn- subsidiary of InterContinental Hotels Group, is a global, full service hotel and resort brand that operates or franchises approximately 1,200 hotels in the Americas; 243 hotels in Europe, the Middle East and Africa; and 74 hotels in the Asia Pacific region.

The upscale brands provide full service and rooms which contain more ergonomic furniture and modern design. The room rates are much higher than that of the economy and mid-scale brands as this market segment offers more in terms of services. Travelers that are looking to stay in more attractive accommodations with higher levels of service and plenty of amenities are sure to choose an upscale hotel such as Wyndham, Crowne Plaza, Marriott International, or Hilton.

Hilton Garden Inn and Hilton Hampton Inn - Designed especially to accommodate business travelers, Hilton's Garden Inn brand offers free high-speed internet access, a 24-hour convenience mart, and other business-friendly features. Hilton's Hampton Inn brand offers a similar value to Garden Inn but is aimed more at the leisure traveler.

Clarion Hotels - Clarion Hotels is a brand of Choice Hotels International. Clarion Hotels and Resorts are full-service properties, with locations in over 16 countries.

The luxury market includes five star hotels, located in urban centres and resorts, offering a full service to include: concierge, 24-hour room service, one or more restaurants, a health club, lounge/bar, full business services etc. These hotels feature the best accommodations in the lodging industry. The guest rooms are designed to be very spacious and comfortable with a modern upscale design. All hotels are full service and have amenities and accommodations that are quite lavish. This segment is intended for travelers willing to pay premium prices for first-class accommodations and service. Well-known brands in this segment include The Luxury Collection, Fairmont Hotels, Mandarin Oriental, Ritz Carlton or Conrad.

But with so many hotel brands to choose from, travelers may well become confused, frustrated, or even immune to brand differentiation. For example, the extended-stay segment. In this category alone, there are over 30 different brands, among them Homestead Suites, Homewood Suites, and Home-Towne Suites. How can a consumer possibly differentiate one similarly named brand from another? This may be a big problem of branding. The larger hotel companies have discovered that it is hard to consolidate the image of the brand in such a competitive environment. The global trend is to develop new brands, and the critical issue is how to create a distinct identity in order to obtain the recognition of the customers.

But the problems of brand consolidation and finding new markets are not the only issues that bother the hoteliers in the chains, but the independent brands. Individual hotels are capitalizing on the lack of brand differentiation by creating unique personalities and targeting niche segments that larger chains may be unable to efficiently service. Today, the boutique hotel sector is growing, being attractive to a large mass of customers. So, the hotel groups were forced to develop new brand in this sector of boutique hotels. Starwood hotels have created sub-brands called Waloft hotels to answer the boutique challenge. Hilton have dabbled in the sector by creating a one-off sparsely branded "lifestyle hotel" in London's Trafalgar Square, InterContinental has created a new brand, in boutique style, Hotel Indigo.

It's a real challenge from the independent sector, showing that the brands and the giants are not impossible to beat. So, the hotel groups will be forced to take in consideration the trends of the sector and the expectations of the customers and offer them the best product and the best price.

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## POSSIBILITIES OF INTERNATIONALISING ROMANIAN FIRMS

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It is obvious that everybody has consumed and heard about Coca Cola and McDonald's, worn Levis jeans or wants to drive cars made by famous companies as Mercedes, Daimler, General Motors or Toyota. Nowadays, more than ever, communication is made easier for us thanks to Nokia, Sony, Ericsson, Samsung, the Internet. Computers made by IBM, Dell, Compaq, as well as Microsoft programs, open new perspectives and make our jobs easier.

These names stand for multinational companies, having a turnover and profits of billions of dollars. Their policy of investment or disinvestment can shake the financial world in a specific area or even worldwide.

*Keywords: Investment, Foreign Direct Investments, transnational companies, competitive advantage*

According to World Investment Report, nowadays there are over 500 multinational companies in the world with a turnover of billions of dollars being in different stages of internationalisation. Most of them have their roots in *the heart of capitalism*, such as the USA, as well as Japan, England, Switzerland, Italy, Germany, France, the Netherlands etc.

What do all these countries have in common? They are developed countries that allowed the appearance and expansion of these giants. The competitive advantage, Adam Smith was talking about, is having an impact on these multinational ones, too. In their native countries these companies increased, gathered capital, created a performant managerial system, high – quality products and they can afford the ultimate technology.

All these characteristics made possible the expansion of these companies and they won the fight with the national companies in the host countries.

The internationalizing in of these firms shows both similarities and differences. Most of the companies resorted to export first, then they delocated production, exported from the host countries and in the end they imported from the host country to the native one.

Today the biggest FDI (Foreign Direct Investments) take place on the north - north route, followed by the north – south route. We can notice that the less developed countries cannot afford FDI. The national firms of these countries start the internationalizing in by resorting to export (mostly raw materials), sometimes to strategical alliances and joint ventures, but in almost all the cases they ended by being taken over by the foreign multinational companies.

The USA dominates almost all the world, the European Union – Africa, Central and East Europe, Japan – Asia.

We will definitely be very proud if among the most powerful firms in the world there is also a Romanian company to promote both its interests and the national ones by exporting culture, symbols, rituals and national values.

Unfortunately, there is not such a firm, most of the Romanian companies are being taken over by foreign multinational companies. This aspect shows, on one hand, the incapacity of Romanian economy to be competitive and on the other hand the lack of capital.

The year 1990 surprises the Romanian economy on the wane. Most of the enterprises were uncompetitive, badly supplied and had a bad management. Having a background like this, it is unlikely for a Romanian firm to become a transnational company in the nearest future. Generally, transnational companies have based either on external or internal growth.

The internal growth means self – financing. Loans and the increase of capitals are also an aspect of internal growth.

After the second world war the American firms preferred the self – financing while the European firms appealed to loans. This aspect is as normal as possible because the American firms supported the war economy while the European firms had no capital and they had to appeal to loans.

The external growth means, in most of the cases, either merger or absorption. By *merger*, we understand that two distinct firms A and B group in a single one AB. Juridically, these firms vanish to create the new one. The biggest income is represented by the synergetic effect. A historical merger was made between Daimler – Benz and Chrysler.

*Absorption* is an acquisition technique by which a firm buys another firm completely (  $A+B = A$  ). By merger, the firms are equal, while by absorption the strongest firm takes over the weakest one to increase the market.

We can conclude the following :

- Expansion and internationalizing in can be achieved by own forces meaning that the firm has a strong capital and financial power. Romanian enterprises cannot compete with transnational firms because they are not strong enough and their past is not in their favour. After 1990 many companies have become private or taken over by native investors, but their financial power is still weak. There is no comparison between transnational companies with billions of dollars affairs and Romanian companies with hundreds of million dollars affairs.
- The banking system is not very modern to assure a proper finance;
- Consortial loan works at a small rate and the enterprises cannot sign big contracts because they do not have the necessary financial power;
- Romanian companies do not have too much to offer , so merging with big companies is not possible. Absorption is their choice, which happened in most of the cases, or they can develop themselves, step by step.

Motivations of transnational companies to extend their activities in Romania:

- A new commodity market even the population's purchasing power is low;
- An outlet for competitive products on the market of developed countries;
- A cheap and well – prepared workforce that leads to reduction of unit costs;
- Repatriating the profit without restrictions;
- Access to soil and subsoil resources;
- Changeable laws still allow investments in Romania.

Among multinational companies that have penetrated the Romanian market, one can remember : Renault, Coca Cola, McDonald's, Mariot, Unilever, Shell, Alcatel, etc.

Motivations of Romanian companies to extend their activities abroad:

- Romanian companies must face competitiveness of foreign companies on Romanian market, but they can sell their products to less developed countries (the ex Soviet Union, the Middle East, Africa ) in order to maintain their income;
- Romanian companies must take into account their advantage in production. They have experience in ready – made clothes and they can adopt a strategy to allow them the display of external activities. We can also notice that Petrom and Rompetrol deliver oil products in Bulgaria, Hungary, Moldavia etc. These companies can be motivated to try their access on markets where they can meet the production factors ( Kazahstan, Arab countries, Nigeria, Venezuela etc ).

It is obvious that Romanian firms are interested by the international activity only if they succeed in increasing their profit or if they can maintain themselves on the market.

The question we may ask ourselves is which could be the fields in which the Romanian companies can extend their business abroad? We must take into account the phases of internationalizing in and the possible advantages of Romanian companies. We can analyse the number of exports made by Romania, because export is the first step for internationalizing the business.

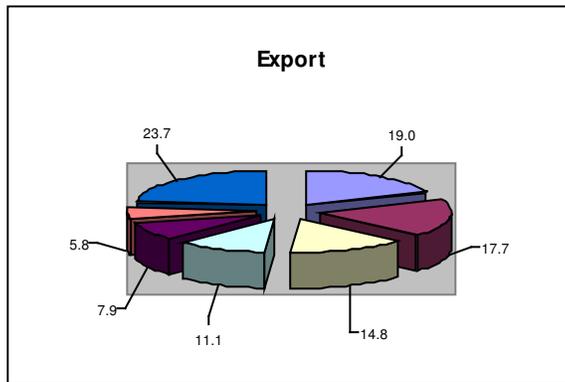
In 2005 , the FOB exports were evaluated at 22,255.1 million euro, up to 17.5% in comparison with the previous year and the CIF imports totalized 32,568.5 million euro, up to 23.9% in comparison with the year 2004.

We can notice that the first place, regarding exports, belongs to textile industry, followed by processing industry, metallurgical and oil industries.

These can be the fields of activity the Romanian firms can involve in deeply.

**Table number 1. Exports in 2005**

- % -



Textile, clothing	19,0
Machines and mechanical devices; machines, devices and electrical equipments; recording and sound systems	17,7
Metallurgical products	14,8
Mineral products	11,1
Materials and means of transport	7,9
Footwear and leather goods	5,8
Other products	23,7

Sursa: [www.insse.ro](http://www.insse.ro)

Concerning the typology of international businesses made by the Romanian firms we may take into account :

- a. export;
- b. strategical alliances and co-operations;
- c. foreign investment.

Generally, export is no longer a problem for Romanian firms. They export either directly thanks to their own specialists and departments (the case of strong companies) or indirectly with the help of mercantile agents (small companies).

Concerning strategical alliances and co-operations, they can be spread out by licence, franchise or subproduction. McDonald's restaurants are a typical example of franchise while hardware and software components are examples of subproduction.

Foreign investment are a more complex operation which imply a high financial power.

Strategies to follow for Romanian firms to develop their businesses on the international market :

- a. selection of external markets
- b. breakthrough on external markets
- c. the place on external markets

The strategy to select external markets aims to identify the possible markets where Romanian firms can display their activity. These possible markets can be the ones with a developing economy because Romanian firms have a low power but based on good politics they can display the activity on developed markets, too.

Breakthrough strategies:

- a. the concentration strategy – the firm improves the performance of manufactured products. It can be used in hardware , software;
- b. the differentiation strategy – the manufactured products are suited to the local request;
- c. the dumping strategy – can be used when new products are released on the market and when the price is the best card.

Supporting Romanian enterprises to penetrate international markets can be achieved with the help of the government by adopting some measures of economical politics in order to bring some advantages to the firms that consolidate their position on external markets.

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## DEVELOPMENT OF ENTERPRISES BASED ON TECHNOLOGY

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*Summary*

*This paper is meant to reveal certain important ideas related to the development of the enterprises; the stimulation and the orientation of the innovations being important factors from this point of view. The main measures that are taken are the increase of the number of researchers and the integration of the Romanian units in the international programme nets.*

*The working frame meant for the protection of the intellectual property has accomplished a significant progress.*

*The paper also makes reference to the fact that Romania faces a lot of difficulties as the changing of the research results in effective products and services, two being the main reasons of this situation: a limited interest in the private sector and the lack of technology as intermediary infrastructure between research and business.*

### **Stimulation of innovations**

The development of the human resources in Romania represents presently the central objective of the Government. The purpose is the one to "improve the communication and encourage the connections between the international researching communities and the ones from Romania" .

The main steps from this point of view are the increasing of the number of the researchers, the integration of the Romanian C&D units in the international programme net, the development of an informational infrastructure and the post-university study improving. The stress is laid on the high education, and few measures have been taken from this point of view concerning the primary and secondary cycle.

A useful initiative in stimulating the innovative climate has been the intensifying of the dissemination activity of the research results.

### **The creation of a work frame favourable for innovations**

During the latest period a significant progress has been achieved relating the work frame meant for the protection of the intellectual property. The National Strategy concerning the Intellectual Property has been elaborated, being approved by Government Decision (1424/2003).

The complete harmonizing with the European legislation concerning the protection of the intellectual property and of the industrial property was made in 2004. In Romania there are two institutions implied in the legislation concerning the rights of the author: The Romanian State Office concerning Inventions and Trade Mark (OSIM) and the Romanian Office for the Rights of Author (ORDA).

By the simplification of the administering, Romania has made some significant and efficient efforts. In 2001, the administrative simplification has had an impact on innovation with obvious results as to the procedures for setting up new companies. The new procedures reduce the cost and the necessary time for commencing of a new company. At the same time one has had in view the simplification of the administrative procedures for the foreign investors.

The improving tendencies of the legal frame have had as a result the approving of a significant number of laws, such as the Law concerning scientific research and the technological development which create a unitary working frame for C&D reglementing.

### **New organisms have appeared in the domain, such as:**

- the National Council for the Policy of Science and Technology;
- the National Center for the Management of the Programmes;
- the National Council for Research Certifying;
- the Investment Company for the Technology Transfer.

From a fiscal point of view a series of stimulating measures of the C&D activities have been taken.

- fiscal facilities for the students who commence their own business, GD no. 166/2003 and facilities for the person on being between 16-24 years old, high school pupils and students who wish to work in the research domain GD no. 442/2003;
- a measure with a positive impact in the commencing of new projects has been the changing of the microenterprises taxing with only 1,5 of the turnovers, as compared with quota of 25% applied to the other companies. The recent introduced law concerning the industrial parks will be a reference point in formulating the future development of his type of organizations.

Among the measures concerning the competition, the main results of Romania can be seen in the liberalizing of the market telecommunication at the beginning of the 2003 and the official closing of the Romtelecom. The results of this policy can be seen in the great number of projects commenced in this domain.

Besides the already mentioned programmes meant to stimulate the research-development sector, other programmes have been commenced in the National Plan of Research-Development Innovation:

- AGRAL and MENER which view the increasing of the competition among the agricultural producers, respectively in the energetic domain and the one of the mineral resources;
- AMTRANS which promotes the cooperation in the view of innovation in the logistic domain and infrastructure.

### **Research orientation to innovation**

The research orientation to innovation represents one of the weakest points of the Romanian economy which is confronted with a series of difficulties as to transforming of the research results into effective services and products.

Two are the main reasons of this situation. On one hand, there is a limited interest in the private sector concerning the innovations and on the other hand, there is not any system of technology transfer as intermediary infrastructure between research and business.

The lack of spontaneous association among entrepreneurs and the lack of the public interest as to the creating of such stimulation forms seems to represent the main stumbling block with which Romania is confronted in assuring the economic development for the next period. There are some tendencies which have to be taken into consideration when identifying the main problems of this nature and of the possible corrective actions.

The modest receptivity of the economic operators can be summarized according to UE sources as follows:

- The majority of the IMMs are orientated to the import of products from abroad, in spite of the fact that these can be produced in the country, at the same qualitative level (sometimes even at a superior qualitative level) and at lower prices;
- The majority of the economic agents grant very little time to C&D units because of the insufficient financial and human resources for financing an elaborate research. On the other hand, the majority of the existing C&D units do not have at their disposal the necessary financial resources for turning into account the research into products and finite services.

The economic agents are almost exclusively interested in the producing and selling the existing products and services. This is a consequence of some previous selling decrease and of the financial constraint increase which contribute to the insufficiency of the products that could be guided to production by research and innovation.

The companies are not very receptive to the assuming of the financial risks associated with C&D activities. This is especially valid in the case of the IMMs which have not yet any clear work instrument to reduce this risk. In other words the basic problem consists in the existence of an insufficiently developed infrastructure, capable to transfer technology and innovation. In addition, the financial institutions do not offer yet specific services.

The improving of the cooperation among research, universities and companies is developed in Romania on the basis of the national Plan for Research-Development and Innovation with satisfactory results. From this point of view "Relansin", "Calist" and "Corint" are the most relevant programmes. During the latest years these have had concrete results as to the cooperation among firms and universities.

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## PARTICIPATION IN THE PAN - EUROPEAN IMM NETS

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*Summary: This paper is meant to present the essential characteristics of the Pan- European IMM nets.*

According to the regulations of the Pan-European IMM nets the presentation of the products should be attractive and actual, having in view the profile of the company, so that it may contribute to supporting and propagating of the nets and to the cheap business services.

This activity is developed in strong relationship with different public organisms (Commerce Chambers, associations, groups of interests, etc.. ) appeal and the IMMNs appeal to these intitutions to test the effective communication, the drawing near the business circles, the proper services or the feed-back. These organisms represent a force for professional communities assisting them to work properly, to develop specific training progress, etc..

O f a special importance is the launching of a request which should include information concerning the export capacity, the quality and the quantity of the goods, the company's banking relationships, references from other companies, etc.

This paper also revelas a number of peculiarities of the services for the first class business, such as coherence and coordination of the services by means of a specific methodology and by the development of the service suppliers' capacity in order to adapt themselves to the clients' individual necessities.

A special attention has been given to the activity of the European Centers which supply information to the local and regional companies related to EU policy; the access to European initiatives and programmes.

The different types of nets ( personal, informal, official nets) and their characteristics are also being presented and at the same time the way in which they are being used.

As a conclusion the net functions more efficiently identifying itself with a weel defined purpose which is available to all its members.

When one tries to establish commercial relationships, industrial colaborations or identification of potential foreign investors, *it is important that:*

- the Romanian partner should present himself as well as possible, with an attractive and actual presentation of the products and a profile of the company, etc.;
- to clearly formulate the required information or the viewed type of business, the required goods or the requested services, etc..

Ideally, the promoting and propagating of the nets contributes to the supporting of the cheap services for business. In all western countries there is a national level of public organisms (government organizations and especially intitutions in the subordination of the National Ministry of Economy), as well as different non-profit organizarians (Commerce Chambers, associations, groups of interests, etc) which promote the commerce and the investments.

The approaching of these organizations of services is a matter of experience and it would be good if the IMMNs would regularly appeal to these intitutions *to test:*

- the effecitive communication;
- drawing near the busines circles;
- the client's service promptitude or feed-back.

For launching of a request in a net one has to prepare a complete documentation, preferably in English, *which should include:*

- a short but complete description of the export capacity, of the required goods, a pattern of cooperation, etc.;
- a description of the goods, qualitaty and quantity, wrapping up, production capacity, payment terms;
- the type of importer which is looked for, producer, exporter, representative or whole- saler, etc.;
- all the suplimentary basic information related to the society. telephones, fax numbers, etc.;
- the banking relationships and, if it is possible, activity references from a bigger firm with which it has made busines, (in most of the cases the business supporting organization has to be mentioned).

The chosen channel for launching the requests of information is very important and it is preferable that one should begin with the most specialized ones, e. g., if one intends a collaboration in the rubber sector, it is desirable that one should begin with the industrial association belonging to the respective sector.

The associations can be a force in representing the professional communities for promoting the profession, obtaining a convenient statute, of some proper working conditions, obtaining the facilities as well as in programme developing of specific training

Besides the fundamental objective of the professional associations to serve and protect the interests of the members, during the latest period these have become important factor of the economic and social life by defining some specific values and programme developing in order to promote them.

The business backing services can be very important for the IMMs when approaching the international nets. The European Charta for the Small Enterprises from 2000 require "Support for first class business" and based on the identified good practices, the European Commission together with the experts of the member states presented the characteristics of first class backing services.

"The creating of the services for first class business" is a document by means of which its conclusions mark a considerable number of peculiarities which characterize a good practice in this field.

These include:

- the fundamental importance of the orientation by the client in assuring the backing services;
- the assuring of the service coherence and coordination, avoiding the misleading of the clients, e.g., by supplying disparate services;
- the substantiating of this coherence by a methodology that has in view the assisting of the enterprises in strengthening their own management capacity;
- the capacity development of the service suppliers in the sense of their adapting to the clients' individual necessities;
- the assurance of the regional competence by planning the access to all the specialized information which the clients require;
- the selecting of the human and material resources in agreement with the missions to be fulfilled, especially related to the information of technology;
- the encouraging of the professionalism among the personnel by recruiting, training and of the human resources developing programmes;
- the creating of a impact estimate culture to the business service projecting and functioning;
- efficient promoting.

The service suppliers are requested to complete and up-date this information once in a trimester with most recent information.

### **European information center net**

The European information center net (CEI) represents the most important initiative of the European Commission dedicated to the supporting of the business environment. Presently the net comprises over 300 centers in the member countries, the candidate countries and Mediterranean ones.

The main activities of the information European centers are:

- information supplying for the local / regional companies and information offering of the experts related to the zones of EU polity;
- the assurance of IMM counseling;
- the assisting of the companies in obtaining the access to different European initiatives and programmes and the turning to account of the opportunities offered by the European integration.

The CEIs develop these activities at local / regional level and they are in the center of the partnership system which include commercial associations, financial institutions, universities, technical institutes, regional development organizations, Commerce Chambers, etc.. the information European centers also promote strong relationships with the local, regional, national authorities which are responsible for the European initiative implementing, inclusively in the innovation and research domain.

### **Net activities and organizational aspects**

The work in the net is first of all an informal method to make lobby or to obtain profit with the purpose of a common objective, but formally it reflects a part of an organization activity which does not belong to a certain service, but contributes to the regional development. In the situation in which the members of a net are interested in the long term cooperation and interaction, they will pass to the setting up of an official organizational structure, namely they will establish a committee and join a national association that can qualify itself for European funds.

## Types of nets

- personal nets – used especially for the work behind the scene, the checking of the hypotheses, obtaining of information, the rallying of the support, the approaching of the delicate aspects, and the strengthening of the trust;
- informal nets – used especially for starting an action in a more efficient manner than by using conventional methods; it may imply certain persons capable to accomplish a specific objective.
- official nets – used for assuring a communication nodus for the developing actions, in which the members have sufficient common interests so that they may be interested in changes; an organization can facilitate contracts continuously, (e.g. by training), the identifying of the transferable techniques and the knowledge changing among more countries, etc..

The local public administration officers have to work many times in some beaurocratic and hyerachic organizations complying with their rules, their activity depending many times on groups or informal realations in or among the organizations. The nets and the communication among the nets means the rallying of these groups and relations for result obtaining.

From this perspective the nets and their interconnection complete the conventional organizations and act as a counterweight of the bureaucracy overwhelming effects. As everybody should have access to the nets, the people who work by pertinent and creative methods should obtain positive results.

Work characteristics in the net:

- are based more on people than on organizations; the selected members have their own contacts and nets.
- are based on reciprocal interests as the members of the net have as a common purpose its success;
- are based on trusts as they need more responsibility just as any other professional action; orientated to action, namely the net has the purpose to obtain clear and practical results.

The net gives its members the possibility to be in direct touch with other members belonging to it and to use each member's rejoined resources to accomplish the net purposes.

The key components of the net work are:

- the acces of the net members to the other member;
- the conscious use of each member's resources and abilities; the speed and the direct character of the action.

The net will function more efficient if identifies itself and consents to a well defined purpose. The purpose should be accessible, namely available to the persons belonging to the net. A simple action plan should be approved, which imply the persons who use their abilities and resources.

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# THE DEVELOPMENT OF THE RELATIONSHIP MARKETING THEORY

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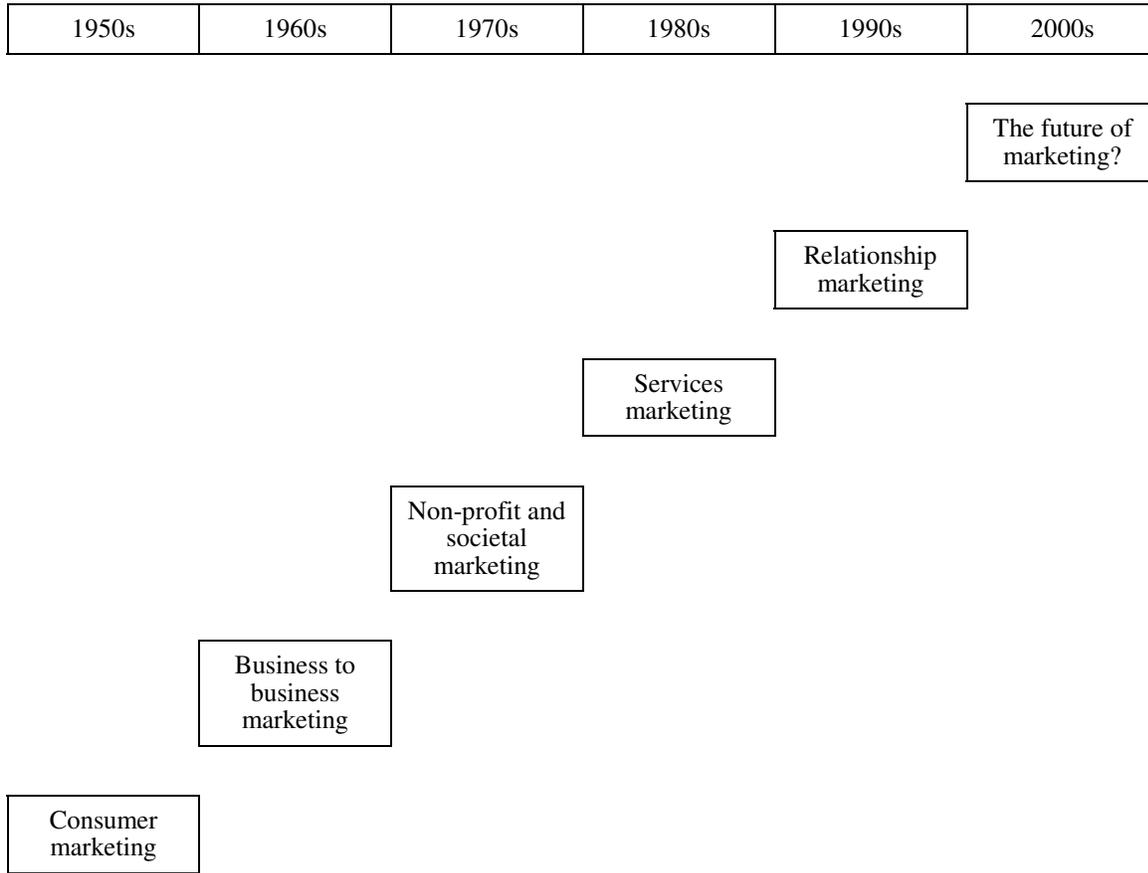
*Abstract: Relationship marketing represents the recent stage in the development of marketing science. The term was first mentioned by Berry in 1983 and the origins of relationship marketing approach are considered to be in the business to business and services industries due to the special characteristics of these areas and the need for closer buyer-seller relationships. At the centre of the relationship marketing perspective is the idea that customers have continuing value over the period they stay in business with a specific company. The focus is, therefore, on the relationships rather than transactions. The development of the relationship marketing theory and practice can be examined from a number of different perspectives, which is highlighted by the existence of three schools of thought: The Nordic School, The Industrial Marketing and Purchasing Group (IMP Group) and The Anglo-Australian approach (The Cranfield School). Additionally, in the relationship marketing literature can be also found several mid-range perspectives which suggest that a company should manage a portfolio of transactional and relational strategies depending on the customer-supplier relationship and the level of customer commitment and profitability for the company.*

*Key words: relationship marketing, transactional marketing, buyer-seller interaction, cross-functional process, schools of thought.*

In the last twenty years the concept of relationship marketing has been a major theme of discussion in the marketing theory and practice. This is the reason why prestigious economic journals (e.g. Journal of Marketing, Journal of Business and Industrial Marketing, Journal of the Academy of Marketing Science, International Journal of Bank Marketing, Journal of Strategic Marketing) and international conferences have regularly presented the benefits of this new business perspective. The appearance and rapid growth of interest for relationship marketing were due to the many changes which have occurred in the international business environment from the beginning of the 1970's until the present period of time. These changes known also as key drivers in the development of the relationship marketing concept can be resumed as: the maturing of many markets, especially in the United States, European Union countries and other advanced economies, the decrease in population growth rate, a greater consumer power and sophistication in the decision buying process, the technological developments and the increased competition in many business areas. Therefore, a great number of markets were saturated which means that consumers, faced with a surplus of products were becoming more demanding and less easily persuaded by seller's promotional messages. This has affected brands positioning leading to a decline in market share and implicitly in the manufacturers' economic profitability, because consumers perceived little difference between competitors' goods and services. In this new business context, marketers realised that the methods, techniques and instruments of traditional marketing (named also classic or transactional marketing) were no longer adequate for helping companies to plan their activities and predict their future market position.

*The starting point of relationship marketing is considered to be a new stage in the development of marketing theory, as it is shown in figure 1. According to Christopher et. al. (1991, pp. 8-9) during the 20<sup>th</sup> century there had been a number of major developments that can be associated with differences in research emphasis. From the beginning the marketing science was dominated by the consumer's goods area. During the development of business to business and services marketing, there have been identified many and significant differences between these economic sectors and consumers marketing, which generate the need to find new strategically and tactically methods for adapting to this specific environment. The main particularities were referring to the nature of the product offered, the consumers' buying behaviour and the type of business relationships established between the manufacturer or the services supplier and its customers.*

**Figure1. Development in marketing theory**



Source: Adapted from Christopher, M., Payne, A., Ballantyne, D., 1991;

In the initial development of business to business marketing (named in the first phase industrial marketing) the emphasis was on defining and classifying industrial goods, the mechanism of price setting and rational buying models where marketing played only a marginal role. However, this approach wasn't appropriate for revealing the complexity of how industrial markets operated; fact which resulted from the work of Industrial Marketing and Purchasing Group (IMP). The empirical research realised by these specialists had get to the conclusion that many inter-firm transactions are conducted within enduring business relationships where mutual trust and adaptation are essential for both partners. In the same time it appears that business to business marketing involved not just managing exchanges between organizations but much more complex human interactions. On the basis of IMP's research activity it was developed the theory of network interaction marketing defined by Christopher as all activities undertaken by the firm to build, maintain and develop customer relations (in Egan, J., 2004, pp. 14).

The services marketing literature, was similar to the business to business sector, one of the first area for the development of relationship marketing research. The spectacular growth of the services economy in many countries of the world (which accounts, in present, 56,6 percent of worldwide gross national product and, in the same time, it absorbs a large part of the labour force shed by traditional industries) has favourable influenced the review of some marketing instruments in domains like: banks, assurance, tourism. These main differences that can be identified between goods and services are: the intangible elements that dominate value creation, the fact that service product cannot be inventoried, the variability in the operational inputs or outputs and the inseparability of services consumption from the contact personnel, which means that customers may be involved in the production process. Services characteristics and typology determines a specific way in which the marketing-mix tools will be defined and there become a favourite domain for the applicability of relationship marketing theory. This is the reason why many researchers (Berry, 1983; Grönroos, 1991; Gummenson, 1987) sustain the point of view that in services marketing, buyer-seller interaction must be considered as part of marketing's task.

Consequently, the origins of relationship marketing approach are in the business to business and services industries. Although RM had been a subject of great interest in recent years and there is a wide agreement that relationship marketing is different from traditional approaches to managing exchanges, there is no “general theory” in this sense (in the relationship marketing literature there have been mentioned more than fifty definition of the term). Besides, other terms have been frequently used either as substitutes for relationship marketing, or to describe similar concepts; these include: customer relationship management, database marketing, loyalty-based marketing, integrated marketing, direct marketing, frequency marketing and dialogue marketing.

*The concept of relationship marketing* was first mentioned by Berry (1983), in a conference paper on service marketing, as “attracting, maintaining and, in multi-service organizations, enhancing customer relationships”. While recognizing that customer acquisition was and would remain part of marketer’s responsibilities, this viewpoint emphasized that a relationship view of marketing implied that retention and development were of equal or even greater importance to the organization in the long term, than customer acquisition. After a period of time, the same author (Berry, 1995, p. 236) described relationship marketing as a “new-old concept” continuing that “the idea of a business earning the customers’ favour and loyalty by satisfying their wants and needs was not unknown to the earliest of merchant”. At the centre of the relationship marketing perspective is the idea that customers have continuing value over the period they stay in business with a specific company. The focus is, therefore, on the relationships rather than transactions. The duration of the exchange is a core element in distinguishing the two terms. A transactional exchange involves a single, short time exchange with a distinct beginning and ending. In contrast a relational exchange involves multiple linked exchanges extending over time and usually involves both economic and social bonds. Another definition of relationship marketing was proposed by Grönroos (1990, pp. 5), who affirms that: “The role of relationship marketing is to identify, establish, maintain and enhance relationships with customers and other stakeholders, at a profit, so that the objectives of all other parties involved are met; and that this is done by a mutual exchange and fulfilment of promises”. Gummesson (1996, pp. 6) defines relationship marketing as “marketing seen as interactions, relationships and networks”. As most definitions imply, relationship marketing is first and foremost a process. Thus, the relationship marketing approach is multifunctional and integrative because it “views marketing as an integrative activity involving functions across the organization, with emphasis and facilitating, building and maintaining relationship over time” (Coviello et. al., 1997, p. 23). Relationship marketing has developed even more; at a micro level, the concept is concerned with the nature of the relationship between the firm and customers that emphasizes a long-term relationship that takes into account the customer’s needs and value. At a macro level, the term describes the relationship within which the organization engages with all stakeholders, thus the strategic issue is to establish the mix or portfolio of the relationship that is essential for the firm (Stewart and Durkin, 1999 mentioned in Rao and Perry, 2002, pp. 599).

Several authors have declared relationship marketing a paradigm change for marketing theory. Although the concept has become largely accepted in the marketing science, Backhaus (mentioned in Hennig-Thurau, T., Hansen, U., 2000, pp. 6) has formulated two indispensable conditions which must hold as a new concept to be considered a new paradigm shift in marketing theory: first, a new paradigm must cover all issues and facts in the field and the second, new methods and tools for theoretical analysis must be provided. Relationship marketing is not relevant in certain market exchange (e.g. consumer fast goods markets when transactional strategies are more appropriately) and it draws on pre-existing constructs and solutions (customer satisfaction, trust, commitment, service quality), rather than creating new ones. In conclusion relationship marketing does not represent a paradigm shift for marketing science, but due to the great importance of relationships and customer loyalty for companies’ long term profitability it is treated like the recent stage in the modern marketing evolution.

*The development of the relationship marketing theory and practice* can be examined from a number of different perspectives, which is highlighted by the existence of three schools of thought (Palmer, Lindgreen, Vanhamme, 2005, pp. 313): The Nordic School, The Industrial Marketing and Purchasing Group (IMP Group) and The Anglo-Australian approach (The Cranfield School).

*The Nordic School* was originally conceived for services marketing research in the early 1980s and was characterized by a shift in focus from those ideas associated with traditional marketing concepts. These included (Egan, 2004, pp. 6-7): stressing the importance and relevance of services marketing and industrial marketing more than customers goods marketing; a gradual shift away from an emphasis on goods and services to an emphasis on customer value; the integration of the marketing department function with other organizational functions and with general management and less emphasis on quantitative research than qualitative research. According to the Nordic School approach, managing services was at the core of relationship building and maintenance although also supported by other factors such as the building of networks, the establishment of strategic alliances, the development of customer database and the management of relationship-oriented marketing communications. The Nordic Schools identifies three core processes: the interaction process, the dialogue process and the value process.

*The IMP Group* approach is referring to the business to business markets context, stressing the specificity of this sector and the necessity for new marketing and management tools development. In such markets transactions are not isolated, but occur as part of a continuing stream of interaction between organizations. The interaction between companies and many individuals between companies constitutes the relationships and the multiple relationships between buyers, suppliers and other firms aggregate into network (Palmer, Lindgreen, Vanhamme, 2005, pp. 320). Competitive advantage can be gained from an adequate selection process and management of networks partners.

*The Anglo-Australian approach* is based on the work of Christopher, Payne and Ballantyne and emphasizes the integration of quality management, services marketing concepts and customer relationships economics. From this perspective, relationship marketing embodies the following elements (Christopher *et. al.*, 2002, pp. 4): emphasizes a relationship, rather than a transactional, approach to marketing; understands the economic of customer retention and thus ensures the right amount of money and other resources are appropriately allocated between the two tasks of retaining and attracting customers; highlights the critical role of internal marketing in achieving external marketing success; extends the principles of relationship marketing to a range of diverse markets domains (customer markets, internal markets, supplier/alliance markets, recruitment markets, influence markets and referral markets); illustrates how the traditional marketing mix concept (the 4P's: product, price, place and promotion) does not adequately capture all the key elements which must be addressed in building and sustaining relationships with markets; ensure that marketing is considered a cross-functional process.

Additional to the ideas promoted by the three schools of thought mentioned above, in the relationship marketing literature can be also found several mid-range perspectives. This is the case of the Nord American researchers who are active in both the industrial and service markets. A middle perspective highlights that a company should manage a portfolio of transactional and relational strategies which has to be aggregate in a hybrid model. Different types of customers may have different profitability levels for an organization; thus, there may be a number of alternative marketing styles, any of which, depending on the customer-supplier relationship, may be more applicable. As a conclusion, rather than suggesting that relationship marketing is a new paradigm, it may be more beneficial to accept it as a part of marketing's arsenal (Egan, J., 2004, pp. 92). Therefore, the relationship marketing approach is an appropriate strategy especially for the best customers, who are committed, loyal and profitable for the organization.

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# **DEVELOPMENT OPPORTUNITIES OF THE INFORMATICS SYSTEMS IN THE HUMAN RESOURCES MANAGEMENT OF ROMANIAN TOURISTIC FIRMS**

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Human resource is, without a doubt, the most important resource in every company. The efficient usage of human resources, the evaluation opportunities of the employees, the proper selection methods, special programs for personal training, are just a few examples for obtaining success of company's activities. The human resource management represents the main area to improve in order to have a competitive market position. Regarding this, the implementation and development of informatics systems is considered to be a must in the human resources department.

*Keywords : human resources, informatics system, technology, tourism industry*

Today, computer network allows the access of organizations to a large number of information, and also the access of employees to data about them or their costumers. This happened as a result of rapid development of computer's technologies, on one hand, and the decrease of its price on the other hand, influencing also its introduction in every tourism activity. The majority of tourism firms hold an increasing number of computers, not only in the human resources department, but also in every other department, being connected on an internal network called Intranet. As well, these programs can be used to create rapports, data analysis and simulate various sceneries "as if?"

The technological changes in electronic channels, such as on-line access, will have an important impact on tourism, including marketing, consumer protection, information, education and employment. The demand for travel information is increasingly sophisticated and tourism industry employees need to learn how to use the technology for a proper response to a wide range of needs.

In a competitive industry the organizations must try to develop a highly skilled workforce in order to develops and use technology. Highly educated workers will be an advantage in using improved and innovated technologies. Nevertheless, the new information technologies are likely to replace many workers, leading probable to higher unemployment. The advances made in the new technology could also determine a deskilling of the human resources which may result in a wider gap between the workers who develop new technologies and those who use them.

The skill required will affect all kinds of jobs al all levels, not only in the tourism industry. As skill requirements change because of the technology, the education and training needed by workers must also change. The question asked is: The advances in technology determine the increase or the decrease of skills requirements?

The appropriate answer to this dilemma is that the skill requirements increase initially, as a technology is developed, but the skill requirements needed to use that technology actually decrease.

The computer skill is the best example used. When the computer was originally invented, it was a very complex machine and very difficult to use. As a consequence of the development of technologies, the computer became a smaller, more powerful machine that was immensely more complex than the original computer. However, while the computer became much more advanced, it also became more "user friendly." Computer technology has led to the development of a machine that is relatively easy to use. The idea of simplifying the use of equipment determines a deskilling of the workforce because the technology reduces the need for much of the mental and physical work.

The applications of technology to the travel and tourism industry allow producers to supply new and flexible services that are cost-competitive with conventional mass, standardized and rigidly packaged options. Technology gives suppliers the flexibility to react to market demands and the capacity to combine it with other suppliers to provide new combinations of services and improve the cost effectiveness.

In the travel and tourism industry are being introduced a variety of interrelated computer and Communication technologies. The system of information Technologies (SIT) comprises computerized reservation systems, teleconferencing, video text, videos, video brochures, computers, management information systems, airline electronic information systems; electronic funds transfer systems, digital telephone networks, smart cards, satellite printers, and mobile communications.

Each technology used can influence the interface between clients and workers in a positive matter. For example, computer-to-computer communications allow hotels to integrate their front offices, back offices and food and beverage operations. Computerized reservations systems have emerged as the dominant technology among others being diffused throughout the travel and tourism industry.

Interactive automated ticket machines (ATMs) have also been introduced. These consist of a computer with an attached printer that enables passengers to research schedules and fares, make reservations, purchase tickets and obtain boarding passes without the intervention of a human agent.

The rapid diffusion of information technologies throughout the travel and tourism industry is expected to improve the efficiency of production and the quality of services provided to consumers, and to generate increasing demand for new services.

But in order to obtain higher tourist demand it is necessary to accentuate the importance of computers in the human resources departments, for determine more and more competitive specialists.

For the managers in the tourism industry, which lead the human resources, it is extremely important to understand the effective use of computer and to constantly improve their ability in this sector. The computer simplifies working and contributes to profitableness of organizing and the decision making processing.

The computer should be recognized as a simple instrument of human resources management, as a development program that can maximize the quality of products and services offered.

The most recent purpose of the computer based activities represent, in the tourism segment, the improvement of services quality. With the help of electronic mail - email and the web pages, the public relation area is in progress to higher efficiency.

The informatics era is presented constantly in each person's life and it consists in all managers actions regarding human resources in the tourism and travel industry.

The applications market of human resources departments was and will be dominated by wage systems activities. However, in the last years it can be noticed an enlargement of this solutions, changing itself from calculating salaries to ample applications specific to human resources department.

The case study realized by Smartree and IRSOP reviled a deeper interest, especially in the middle and large firms in the acquisition of specialized application for evaluating employees' performance, the administration of human resources files and the recruiting process, programs conceived to better and optimize the activities of human resources department and economize the internal resources. Taking into account this aspects it can be seen the increasing demand of larger applications in order to cover all the informational needs of human resources administration.

The solutions specialized on the administration of human resources have beginning to exceed the simple module for wage payment and have a more accent on following the employee's professional evolution from its early days in the selection period.

There are applications on Romanian market, which administrates the personal data of the employee but also the evaluation methods used, the abilities, the participations to professional training, individual evolution on their career; also there are programs specialized on recruiting and selection; the payment system has become verified, in this mater there are no only fliers of payment but also it can be made statistics or draw out different professional information. All this solutions converge to the reduction of administrative costs in the human resources department and most of all transform the activities into a coherent system of management. The important role of informatics system depends, on one part on the stage of development of the organizations and on the other part, on the importance given to human resources management.

For example, a company that enters the market, with a small number of employees will probable requests a simple informatics' solution for a good administrations of personal and wage payment. A few companies or none would request, at this level, a specialized application for human resources. Requirements for such a system are not very elaborated; their aria consists in stoking information and producing a large variety of reports.

When the organization has increased its activities and has a superior position on the market, the human resources activities are enlarged to administrating benefit, organizational development, recruiting, training,

performance evaluating, and so on. Only then the organization needs a complex IT system capable of comprising all these areas.

Another trend has appeared to the level of human resources solutions and consists in a profound integration of this with the ERP systems (Enterprise Resource Planning) of the companies. So, there has been developed specialized modules, with are perfectly integrated to IT systems. The gathering of this application with the ERP system is used especially for the wage payment, determining a great level of promptness in realizing the financial and informational processes.

As a result there can be automatically generated accounting operation in financial modules of ERP, or can be operated the payments towards the employees.

The client-server architecture represents an important area for the majority of actual informatics systems and an important base for human resources informatics systems, Regardless of the area in which the informatics system is used - economic, social, scientific, etc. - the client-server architecture represents an obligatory condition for a larger accessibility of data bases.

The spreading of the Internet and the constant need of mobility and accessibility has determined the generalization of the client - server architecture to the human resources applications.

Taking into account the importance of human resources management for the companies, the informatics systems must have different capacities for efficiently exploring and integrating the informational flux. Analyzing it, this kind of solutions has to be adapted to correspond all the specific elements of organizational culture of the company.

Regarding this, the applications used have to contain a number of specific functions, for example: for the evaluation of the employees, for administration of the professional training, etc. Also, specialized applications are used for the recruiting process and it can contribute to a substantial reduction of the costs involved.

A new trend in the human resources department represents the large transformation form a administrative, routine activity to a strategic and competitive instrument used for planning and developing every business. The usage of informational technology, in a competitive environment represents today, a success business strategy.

Many organizations give employees the opportunity to learn the administrative activities, which could only be accessible by computer network, or directly by talking to the managers. These self-service applications allow employees to find out different aspects of information specialized in human resources administration, otherwise unreachable. The main advantage here consist in the amount of time spared, focusing on more important processes like planning, motivation etc.

Having a large capacity of storing, maintaining and saving information, the computer used in the human resources department can become the informational centre for the tourism organizations. In the decision making process, the computer saves the most important information - human resources.

Nevertheless, computers can't replace the experience and specialization of the managers. They have the capacity to offer important data and information for decisions making, realizing efficiently human resources activities.

The necessity of computer in tourism firms, in general and in human resources area, in specific, it is obvious analyzing the numerous advantages obtained.

Concerning the implementation of a computerization system of human resources management in Romania, there a series of positive factors:

1. The size of the organization;
2. The nature of tourism firm (tourism agency, hotel, transport firm) could determine the implementation of the system or not;
3. The manager's point of view and the initiative taken by the responsible with specific activities of human resources department;
4. The technological level of fittings of the tourism organization;
5. The professional training and the level of performances request by the tourism organization;
6. The firm's market position and its long term development plans;
7. The variety of activities and positions in the organization;
8. The period of life cycle of the organization;
9. The organizational culture ;
10. The action area (internal market and /or external market) etc.

Regardless of the factors' nature, the informatics system represents a challenge of the millennium and its applications present multiple advantages for every organization: financial, material, human.

The studies about Romania's tourist market show a decrease interest of foreign tourists, the main reason consisting in a low service quality. As a result, reckoning the large number of human resources in the tourism sector, it is necessary to implement an intelligent and scientific human resources politics in order to stimulate the employees and reflect it on economic benefits.

Although the other elements that contribute to the clients' satisfaction should'nt be minimized, the development of Romanian tourism can be based on special employees programs and in other words the informatics systems of these. So, the investment in this area must be focused on strategic components of the tourism organization, as human recourses.

At the same time creating a human resources strategy can diminish the important influence of season phenomenon, which affects the interest of employees for this area.

The human resources strategy and the performing informatics system, can determine a big improvement in the development of tourism, with multiple advantages for the employees and also fulfilling the goals of efficiency of tourism organizations.

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# THE IMPACT OF THEORY AND PRACTICE ON CURRENT AND FUTURE HRM IN A GLOBALISED CONTEXT

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**Abstract:** *In recent times the human resources management (HRM) research literature reflected an intensified debate on “where to” regarding the theory of the discipline and practice thereof by professionals. The requirements for the profession’s role and capabilities are also changing rapidly in attempting to keep up with change, which again impact on trend identification. Suggestions are made as to probable relationships based on theory, which could be of value to the profession, and practitioners alike regarding future practice.*

*Key words: HRM; changes affecting HR profession; future trends;*

The findings of various researchers increased awareness that the profession should address various theoretical models of HRM more comprehensively in terms of the current demands on and debate about the future of the profession. Furthermore some views embedded in the literature at the theoretical level of HRM do not appear to have been translated effectively into practice except for a limited number of truly top class organisations worldwide.

In fact, there appear to be conflicting signals in terms of what the research literature recommends should happen in practice, and what actually happens. It is therefore clear that various approaches exist regarding the HRM profession’s functions, and what the role and capabilities should be in the future.

There is also the notion that HRM has not been functioning significantly in the areas of strategic management, performance management, in the boardroom or in a “real” leadership role. The current literature and empirical surveys also provide mixed signals as to what the future role of the profession in a global context should be, for example, in Europe and the USA HRM have taken separate paths. It also appears that European HR management focuses more on the “soft” dimension such as employee welfare, whereas the US focuses more on employee performance as highlighted by various researchers. These are clear indications of the continuing debate on, for example, convergence or divergence and also the “hard” or “soft” models as to how the HRM profession may evolve in different parts of the world.

The HR profession obviously also needs to evaluate the implications of a movement into an era of decentralisation, which, if used properly, can also lead to emancipation. This era will require a new kind of organisation, based on a different paradigm that can bring together the contributions of autonomous individuals in a socially sustainable way. It is thus clear that a new way to manage HR as a paradigm is emerging, as well as how HR managers should manage themselves. A heightened focus is thus the urgency to manage change speedily and efficiently in a HRM context with appropriate competencies.

Issues like international human resources management, diversity, employment equity, generation Y, reputation management and corporate ethics also need addressing regarding future trend identification of HR professionals’ roles and capabilities.

Various models are reviewed to identify trends. Reputation management, ethics, generation Y (young employees) culture and leadership also impact on trend identification and warrant more research and interpretation. Barriers to the effective execution of HRM, leadership, performance management and culture context roles of the HR profession are also reviewed. The requirements for the profession’s role and capabilities are also changing rapidly in attempting to keep up with change, which again impact on trend identification. Suggestions are made as to probable relationships based on theory, which could be of value to the profession, and practitioners alike regarding future practice.

In view of the various signals from theory and practice it is clear that the direction of the HRM profession is changing rapidly from its current characteristics, and therefore warrants investigation as to what might be beyond the horizon.

## **Reputation Management, Corporate Ethics And The HR Profession**

The importance of reputation management for organisations and HR professionals was highlighted some years ago and has been steadily increasing in importance in the HR literature for more than a decade.

Top management and the HR profession currently pay high-level attention to reputation management and ethics due to, amongst others, the Enron debacle, which was exposed by Sherron Watkins.

The concept of reputation management has recently also been used to rank the progressiveness of the HRM function with regard to policies and practices in organisations. For example, to identify whether there is a link between the fair treatment of employees by an organisation and its reputation.

Reputation management, ought to be linked to ethics in organisations as well because in recent times the debate around the ethical basis of HR policy and practices have increased significantly. HRM policy and practice largely escaped ethical scrutiny in the past, since more attention was paid to the social responsibility of organisations, instead of consequences for employees. It must be noted that corporate ethics involves individuals in organisations whereas social responsibility, is broader and more general as a concept than corporate ethics.

A vital function for HR professionals would be their inclusion in the monitoring of an organisation's ethics programme, which should also be closely associated with whistle blowing protection systems. It also appears that in organisations where management and employees view the ethics programme as unimportant, the role of HR professionals becomes even more critical.

HR professionals are, however, in a position to contextualise the cost of labour turnover due to a lack of respect for the individual, which also reflects an organisation's reputation in dealing with "soft" issues.

Furthermore HR professionals' handling of ethical issues determines whether an organisation's ethics programme is taken seriously or not.

### **The Leadership, Performance Management And Culture Context Roles Of The HR Profession**

Birchfield (2003) highlights leadership, performance and culture, which are interrelated components of HR professionals' current and future practice. HR professionals should display a high level of sensitivity with regard to performance management and the development of leadership in particular, as these are key drivers for an organisation's future objective achievement.

Performance management also impacts significantly on leadership and culture, which are interdependent, but crucial components to execute the HR professional's role effectively. HR leadership entails organisations being able to manage interactions between individuals and groups to achieve the desired outcomes.

The implication for HR professionals is an increased awareness that managing relationships are at best very difficult and will in future be even more critical to achieve an organisation's objectives and goals.

In the above context three major role challenges face HR professionals in organisations to provide maximum contributions to the leadership and bottom line in future. These are first; HR managers need to become more vocal and influential in the boardroom alongside the financial and marketing directors. Secondly, quantitative skills such as the measurement of human worth and the understanding of organisational structure and dynamics need to be increased for HR professionals to provide effective service in organisations. Thirdly, HR professionals need to develop a new set of skills and competencies around visioning, systems thinking, and organisational development and change management.

From the literature it is clear that HR professionals could also execute their role as change agents more effectively than before by encouraging top management and other leaders of organisations to move from "power and position" to "empowering leadership". This approach will allow employees sufficient autonomy to be creative in their jobs (Kotter, 1999).

Another very important issue facing HR professionals is managing the performance of all employees in a value-adding context since they are major stakeholders in the objective achievement of organisations. This implies that performance feedback to employees should be contextualised and be an integral part of the organisation's culture. Delivering on managing for performance could contribute to the actual improvement of performance in an organisation, which should impact on the organisation's overall competencies and success as well.

Organisations should be prepared to get rid of the average organisation culture, which encourages avoidance of blame, fear of failure and opposition to competition rather than focusing on cooperation. It is common knowledge that leadership, performance management and culture are interrelated, but must be managed in an integrated and innovative manner by HR professionals as core elements of their role and capabilities in organisations in future. Birchfield (2003) also states that management sometimes only focus on how individuals execute their jobs, and do not decide if the task is actually contributing to the organisation's greater goal or otherwise. In this regard HR professionals must, in their role as leaders, continually and innovatively facilitate the effective management of employees to enable the function to visibly add value to an organisation's objectives.

## **The Future Of The HR Profession: Some Conclusions And Trends**

There is an increasing awareness expressed in the literature that the effect of employees' views is probably more pervasive than has previously been thought to be the case. The opinion of employees, which has apparently been under-researched in the past, is becoming much more pronounced than before.

In particular the development and maintenance of effective relationships with employees is considered to be of cardinal importance, due to the anticipated future high-level labour mobility, such as that exhibited by generation Y in particular. The aforementioned is also coupled to the strategic value of knowledge management as well as intellectual property which organisations would have less and less control over in future. The debate between the "soft" and the "hard" approach in particular continues with many new issues that have evolved in recent times. Particular attention also needs to be paid to revisit the application of the "soft" approach's capability to contribute to the bottom line of organisations. However, as pointed out by researchers, the "hard" model approach also needs to be utilised in a visionary context to enhance the HR profession's role and capabilities and to move it forward to take up its rightful place in the management of organisations.

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# NON – PROBABILISTIC SAMPLING USE IN QUALITATIVE MARKETING RESEARCH. HAPHAZARD SAMPLING. VOLUNTEER SAMPLING

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*According to marketing, the firm should focus on the market, to a market for it, it should involve in the economic-social environment structures, it should synchronize its activity with the dynamism and directions enforced by this environment development. To achieve all this, the firm needs permanent information, that is increasingly considered lately as being an implicit part of the modern firm’s resources along with its human, material and financial resources. **Intuitive, subjective factors** appear in the market research (and they have a major significance) and in designing a market research it should take into consideration not only consumers’ **requirements** but their **wishes** and aspirations as well, things that are less “measurable” and are more difficult to implement mathematically or statistically but with a major importance for the firm.. A market research based on non-probabilistic sampling methods may provide relevant and valuable information about the consumers’ wishes, about their expression ways (wishes related to existing products and future wishes as well) and the same are those providing the objective side in taking decisions by the firms’ managers. This paper describes two types of non -/ probabilistic sampling which can be used with success by the Romanian firms in marketing research.*

*Key words: non – probabilistic sampling, convenience sampling, volunteer sampling*

## 1. Non – probabilistic sampling, theoretical and practical issues

The **non-random sampling** is found in specialty literature with various names, *non-probabilistic sampling, oriented sampling, empiric sampling, subjective sampling* respectively but all refer to the same **principle** i.e. the national and voluntary selection of sample units respectively, nevertheless adapted to the established sampling type.

The non-random sampling, is less stringent, is easier to apply, it does not involve taking representativeness into consideration as the desirable purpose for the sample description. These sampling methods usually leave the researcher to decide which of the investigated population components will be selected. As the case stands, schemes in this category are prevalingly used in case of exploratory research, examination and research carried out by the method of observation and qualitative research.

Therefore, in the practice of statistic sampling, a series of non-random methods has developed depending upon statistic population features and research objectives. These are also called **techniques of rational choice** or **“pragmatic sampling”**. **The main feature** of these sampling methods is provided by the **“rational choice”** of units that are subject to statistic observation. These methods are focused on assuring the sample representativeness in relation to the reference population structure using a series of key features. The selection of features is motivated by available information, as well as their implications within the research. The sample representativeness is driven by the sample volume, and by the quality of data series related to the features used to determine the population structure. Typical to these methods is that a sampling base is not necessary and the probability that population units belong to the sample is not taken into account.

To set the sample, variables that are determined by several factors are chosen: research objectives, variables chosen should be in correlation with variables studied, distribution of variables in related population must be known accurately.

The **advantages** and **disadvantages** following the application of non-random techniques are presented in tabel no. 1:

**Table no. 1**

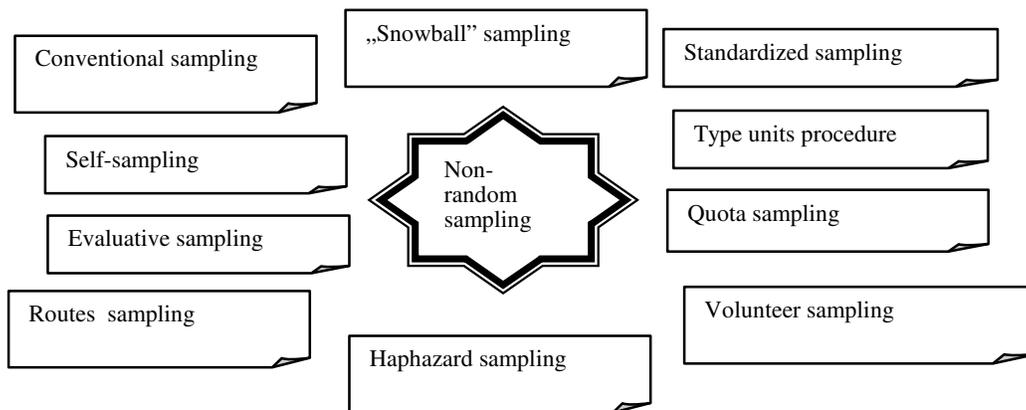
<b>Advantages</b>	<b>Disadvantages</b>
1.They can be used succesfully when we have no access (or there is not) to a list of the studied population (for instance, there is not a list of those who prefer sandwiches)	1. As units are included in the sample arbitrarily, probabilities of units to access the sample cannot be calculated. As the case

2. It is the only method that can be used when the target population is hard to be identified (hackers) or is very specific (for instance, the executive directors hired in major companies, software engineers etc)	stands, the variance and estimator movement cannot be calculated
3. A sampling base is not necessary	2. Because of the manner of unit sampling from the sample, there is no guarantee that all the simple units of population have the chance to access the sample
4. They are less expensive than the random ones	
5. Allow to achieve the results more quickly than the others	
6. It can be adapted in the run when the research topic is difficult	3. A distorted sample can be generated

There is not a calculation formula to set **the size of such a non-random sample**, but, especially in qualitative research, it can be gradually improved, and results are also analysed gradually. When the last selected units do not bring new information, useful to study any longer, we can deduce that our sample *is saturated* and research is completed.

Of the methods in this category, the rational techniques of generating a sample most used, the following can be mentioned (figure 1): quota sampling, routes method, vaolunteer sampling technique, street surveys, random sampling, “ad – hoc”sampling, expert sampling, network sampling (snowball) etc.

As the variance and estimator movement is not calculated, the only way to evaluate **the quality of data obtained** is to compare them with data existing from a former observation or from another sampling. These techniques provide results close to random sampling, if population is homogenous, and the research (operator) intervention in establishing the sample is irrelevant.



**Figure no. 1 – Main non-probabilistic sampling methods**

It is the sampling method **most used** in market surveys according to several specialists, and is considered as being specific to exploratory sampling. Compared to random sampling it was noticed that it requests lower costs but, for a successful method, in the process of unit selection it is recommended to use some experts, insiders of the studied population, and the profound knowledge about population and particularly of population uniformity rate. It is also recommended when, there are such kind of situations in the marketing practice and it is impossible to meet the conditions of performing a random sampling.

**2. Haphazard sampling (convenience or haphazard or accidental sampling)**

**The principle of respondents’ haphazard sampling**, consists of selecting deliberately units from the interesting population, available at a given moment and in a certain place. For instance, in a shop only people who are willing to provide the time necessary to fill in the questionnaire related to sampling are interviewed i.e. students in the first year who attend their classes, people at the cinema, the first ten cars entering a parking, the first ten people attending a tournament, women placed in the first row at a concert, the first one hundred buyers entering a supermarket department etc.

The most common method is street interviewing of people, the representativeness rate depending on the time when selection is done, on location, being able to predict in certain situations the respondent probability of being selected, for instance of those who live or work in the area where selection is done.

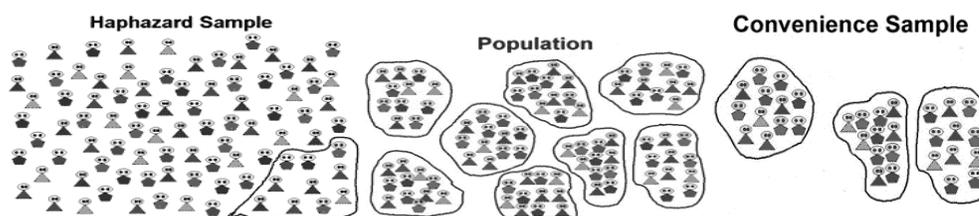


Figure no. 2 – Haphazard or convenience or accidental sampling

In marketing, this sampling type is used for testing a questionnaire prior to its application in general population, in explorative research or as a preliminary research.

One of the reasons for which this sampling is used is that, apart other sampling types, and especially the probabilistic ones, haphazard sampling is easy to implement. For instance, to evaluate a program for parents, we may select a sample made of availability and accessibility concerning employed mothers, housekeepers, single mothers, young mothers (teenagers) and those with more than three children, thus getting different opinions.

This sampling type is recommended in the exploratory stages of marketing surveys and may be the generation base of work hypothesis for actual sampling.

## 2. Volunteer sampling

The principle of this sampling type is self-selection of statistical units in sample whose main advantage is the fastness of building the sample but that satisfies the representativeness requirement very seldom, the researcher having a low control over the sample.

For the first time this sampling has been used for psychological research and for testing pharmaceuticals where practically the random principle of selecting the sample units is difficult and wrongful to use.

Volunteer sampling is subject to error at the highest level of all non-probabilistic sampling types due to the selection principle, respondents decide by themselves if they participate or not in sampling respectively.

The advantages and disadvantages of this sampling are shown in Table no. 2.

Table no. 2

Advantages	Disadvantages
1. It allows collection of a significant amount of very low cost information (various information)	1. Abatement between the values of volunteer sample characteristics and those of population in general, may lead to distorted indicators
	2. Distorsion is higher than in case of previous random sampling due to the volunteer population character
2. It applies easily (practically there is no rule to apply) and is cheap and these are real advantages for small firms.	3. People are quite different: some are more venturesome, others have more liberal opinions, different educational and professional status, some people have a higher need of affirmation than remaining population, some have a lower authority, some are less conventional in aproach, others are more sociable etc.
	4. Error produced in these selections is mainly due to the higher availability of some population members to participate in such sampling
3. Most times, in order to build the sample, the researcher contacts his	5. It is necessary to check if there is any difference between volunteers and non-volunteers

friends, relatives, colleagues	6. Those who offer voluntarily have further information about the topic investigated by the non-volunteers
	7. Sample non-representativeness

When making such sampling one may start from the assumption that, by volunteer sampling, the possibility of entraining a great variety of people types occurs.

An increasingly used way of volunteer approached of students is posting of questionnaires on the internet and this type of volunteer selection may drive a significant representativeness if more sources are used i.e. posting of questions on various web sites implicitly driving the selection of some various people. The greatest advantages, admitted by researchers, concerning respondent selection method i.e. the on – line method is speed, cost – efficiency ratio – on average, an on-line sampling is cheaper by 30 % than phone sampling – and response rate is high.

As a way of volunteer recruitment, the questionnaire is published in daily newspapers, or it is distributed within local organizations or community groups.

There are two **main types of volunteers** in literature:

- Those who offered as volunteers before meeting the sampling operator; this category includes those people who see an ad in a local newspaper where volunteers for a survey are required;
- Those who are part of a “captive” group, as usual family’s members, individuals in a waiting room in a group practice etc. In these cases, the problem is if these people are real volunteers as most times, people selected in this way do not reject their participation in sampling.

The main difference between self-sampling and haphazard sampling is that, in the first case, respondents are asked if they want to participate in and only those who accept are interviewed, in the second case, respondents located in a certain place and at a given moment are interviewed.

## Conclusions

Intensive use of the **non-probabilistic method** of extracting units in sample is recommended for the market survey taking into account that, in marketing, producers and service suppliers are aware of the consumers’ key characteristics, those characteristics practically used for the segmentation related to products or product range.

**Time and budget allotted to a market research** have a major importance in marketing, and in market research respectively, and most sampling types described in this paper meet these requirements.

In market research, significance is shown by *quantitative variables* and what any firm whose strategy is market development and extension is trying to have, and having an as high as possible market share namely the “**measurement**” of *qualitative variables, consumers’ attitude intensity, opinions, intentions, reasons* respectively, this difficulty of measuring the **market intangible characteristics is possible by means of non-probabilistic sampling methods.**

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## **SOCIAL RESPONSIBILITY – A NEW CHALLENGE FOR THE ROMANIAN COMPANIES IN EUROPEAN CONTEXT**

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*Romania's integration in the European Union represents, for the Romanian economic agents, a series of challenges concerning their capacity of continuous adaptation and improvement. Besides the obvious and immediate challenges related to the administration of material, financial and human resources, the companies from our country will have to reconsider their whole activity in terms of a new preventative and correct attitude towards the human society, by taking on ethical and social responsibilities.*

*The assimilation of ethical and social responsibilities in the Romanian companies' business philosophy can only be accomplished by reconsidering their own fundamental values, respectively by re-examining the organizational culture, the only one capable to support the company's development as active contributor to the amelioration of overall social state.*

*Moreover, taking on social responsibilities by the Romanian companies will generate the creation of a new type of manager, namely the social manager who will be able to promote a synergy between the values which lay at the basis of the organization and the values which lay at the basis of the community, by creating a healthy and solid organizational culture.*

*Keywords: Corporate social responsibility Organizational culture Ethics in business Social manager*

The human society has been facing, for a few decades, an avalanche of changes which have affected, and still affect, all its angles and which compels humankind to permanently redefine the fundamental values.

The concern for the health of man and of the environment is, at present, in the top of the national agenda of all the developed countries, and not only.

The attention given to ensuring a decent level of life quality is explained by the aggravation of some social problems that affect any nation, regardless its level of economic development, such as: family violence, drug abuse, lack of dwellings, the growth of organized criminality, pollution, exploitation of children, lack of adequate education for them.

This has led to an over-agglomeration of the government agencies that ensure social services and, by correlation, the attenuation of the borders between the state sector and the private sector, companies taking over the solving of a part of these problems.

Of course, the assimilation of new tasks has generated changes in the companies' managerial systems, which mostly materialized in the growth of the complexity of the organizational social policy.

In my opinion, the company's social policy represents the whole of the organizational efforts carried out in order to solve social problems, known or anticipated, to the mutual benefit of the society and of the organization.

Romania's integration in the European Union represents, for the Romanian economic agents, a series of challenges concerning their capacity of continuous adaptation and improvement. Besides the obvious and immediate challenges related to the administration of material, financial and human resources, the companies from our country will have to reconsider their whole activity in terms of a new preventative and correct attitude towards the human society, by taking on ethical and social responsibilities.

The integration of some ethical and social responsibilities in the culture of a larger and larger number of Romanian organizations will be gradually accomplished, on the background of a maturation process of the organizational structures and of the management processes.

Thus, the local managers will have to face the increased difficulties that arise especially from the fact that the crossing of the national borders also presupposes the necessity of knowing some new cultural universes, sometimes extremely different from that in the origin country.

Any organization transposes its values on the community in which it acts. This way of looking at things from the perspective of one's own values makes it possible for each organization to leave its mark on society, and for the effects of this action to essentially depend on the respective organization's culture.

Culture means, first of all, a system of values understood and adopted by most of the members of the respective society. Companies must take into consideration these systems of values in order to be able to be efficient in the activities carried out.

Thus, the organizational culture represents a structured entirety of the organization's material and spiritual results, integrating a system of values and beliefs that is systematically cultivated and transmitted among its members, but also outside the respective entity.

The successful companies have distinct cultures that are responsible, to a certain extent, for their ability of creating and maintaining the positions of world leaders. These cultures have a powerful influence especially on the managers' behavior from the respective organizations and affect, to an important extent, the ability of these organizations of changing the strategic direction.

The personality and image of an organization is thus essentially determined by the people that form it, and, first of all, by managers. Managers strongly influence the organizational culture and they have the capacity to influence its acceptance, observance and development by the employees.

For this reason, the Romanian managers must become genuine models of behavior for their employees, who will promote, in their turn, the principles and norms of behavior supported by the organization.

On the other hand, if managers are blinded by the common beliefs strongly supported, they can show a strategic shortsightedness that hinders the perception of the significance of the external conditions that are in a permanent change.

The organizational culture can thus contribute to the success of the company by the fact that it helps to meet two major necessities – the survival of the group or the adaptation to the external environment and internal integration. In practice, these two aspects mutually inter-condition each other.

The importance of observing these rules of ethical and social responsible behavior has vertiginously increased over the last years and it has determined the emergence of a new type of manager – the social manager.

**Social managers** are the pioneers of the innovation for the social sector. They keep most of the characteristic features of the traditional managers: observe and take advantage of the opportunities that others overlook, create new solutions, invent new approaches, they are very oriented towards results and very determined to accomplish their objectives.

The main difference between a social manager and a traditional manager is that, while a businessman is guided by purely economic interests, a social manager also has the vision of the problems that must be solved on social level.

This type of managers must promote a synergy between the values that lay at the basis of the organization and the values that lay at the basis of the community, by creating a healthy and solid organizational culture.

In their turn, the employees will be stimulated by this attitude, because in solving some social problems they must begin with the promotion of an attitude of concern towards the contentment and welfare of their own personnel.

The contented employees will understand and promote, in their turn, the organizational values and principles.

It is normal to expect the formation of social managers in our country too, in the case in which the local business environment will become aware of the power it has and which allows it to contribute to the growth of the life quality for all of us.

The concepts of social responsibility and ethics in business interfere in the organization's activity, mutually conditioning each other. They must become an organic component of the organizational culture.

The company that supports both the moral philosophies socially accepted and the individuals that act ethically will certainly adopt decisions with a positive impact on society.

In order to solve the problems referring to the social responsibility and ethics in business, the company must initiate and maintain a permanent dialogue with its own employees, with the consumers and the non-governmental organizations, generating thus confidence and facilitating the consolidation of the organization's relations with the economic-social environment in which it acts.

The organizations that are preoccupied to solve a series of problems that are part of the social responsibility and of the ethics must adopt a system of ethical and social evaluation.

A company's mission must, this way, be reconsidered and defined in the new terms of ethics and social responsibility. This thing could not be accomplished without a strong support from the organization's culture and all that it presupposes.

Thus, companies must define, first of all, the ethical values, mentioned in a series of regulations, codes and norms of behavior, both within and in the relationship with the exterior.

On this basis the attitudes, beliefs, and patterns of behavior will be defined that will have to be planned and implemented as any other type of activity within the organization..

An organization's system of values leaves its mark on the concept concerning an ethical behavior in business.

One often makes the mistake of using excessive theory in defining an organization's ethical mission. If the company elaborates a series of ethical regulations and codes and it sets for itself beautiful ethical objectives, but impossible to accomplish, it will not achieve the goals and they become useless. So, for an organization to be able to have an ethical behavior, it must have an organizational culture that promotes ethics in business.

In my opinion, the organizational culture, as philosophy of a company regarding the way of carrying out business, must reflect the managers' way of thinking, the ethical standards that lead them in making decisions, the traditions, attitudes and real situations that the organization has come across.

In other words, the ethical norms of an organization's culture determine an ethical behavior of its members. An ethical behavior of an organization's managers in new situations will also strongly influence the organizational culture.

From this point of view, a socially responsible behavior from an organization, essentially depends on the ethical standards of the respective organization's managers and employees.

But these ethical standards are born and developed from the norms, values, beliefs and general attitudes of the organization and society.

Each business can develop norms, regulations and ethical and moral principles in accordance with the set objectives in business. But these norms and regulations must be based on certain values, beliefs and aspirations because otherwise the personality of the organization will manifest itself in an unethical way, according to its unsuitable values.

The components of the companies' personality determine the way in which it acts and reacts in the real world. In other words, the organizational culture is the one that determines, supports and controls the organization's social responsibility. .

An organization can thus take on social responsibilities to the extent to which its personality allows it, determined by the organizational culture.

In this situation, managers will act for the promotion of the values shared by the organization pursuing the improvement of the company's image, by associating the idea of honorability to that of performance.

The Romanian companies that will act this way will recover the costs of the charitable actions by gains in terms of publicity and public image.

Moreover, one cannot contradict the real efficiency of such actions for the Romanian society, which will be able to enjoy a cleaner environment and better life conditions for the under-privileged categories.

This new perspective occurred as a consequence of the fact that both the decisions and the actions of the organizations must be judged in a complex and dynamic social context.

Irrespective of the fact whether the new orientation towards a responsible behavior from an ethical and social point of view comes from within or from outside the organization, it represents a completely new challenge for the Romanian companies, especially given that the responsibility towards society is not an option, but a must of the European Union.

There are many local companies that act at the limit of the imposed laws and regulations, in order to survive or to obtain some increased profits in a period of time as short as possible.

But there are also organizations that, in the activities carried out by them, especially emphasize the concern for the people, for the natural environment, the observance of order and discipline and the concern towards society, as a whole.

As the solicitations increase, managers from a larger and larger number of companies will discover that the ethics and social responsibility represent a difficult challenge, but also an extraordinary opportunity and will respond more and more to the need of drafting guiding principles and policies that can help the organization's members to solve the ethical and social responsibility problems to the benefit of the organization and human society.

They will understand that, although companies have to face more and more complex expectations and requests, they, nevertheless, dispose of activities and means that they can use to respond to these requests of social responsibility.

Furthermore, they will have a larger and larger number of ethical investors who will reconsider the exclusive significance of the financial requests.

The organization from the European Romania will also have an organizational culture that will promote the observance of the ethical principles and taking action in the spirit of the social empathy and sensibility in everything that its members will undertake.

It will no longer be defined by the financial limits of its activity, by the form of property, by size, by flow chart, but by the role it will fulfill in society through its people.

The managers responsible on the social level will have to design the organization's future on the basis of a new system of thinking, that will allow it to cross the traditional borders expressed in physical, judicial and, especially, financial terms.

They will greatly emphasize the understanding of the complex problems that society has to face and will know how to adapt the activity of the organizations that they manage in order to improve their capacities and qualifications to contribute to solving such problems.

The new organization will no longer generate only profit, but also social results. It is obvious that this social task is not easy at all, and, at least on medium term, it will not be suitably recompensed, but if it is correctly fulfilled, it will improve people's lives.

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# SWOT ANALYSIS OF LABOUR RESOURCES IN ROMANIA FOR THE SOUTH MUNTENIA REGION

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*Abstract: The actual social-economic environment is very complex and dynamic and the demographic variables are very unpredictable. As a consequence, the labour force approach is relatively and we think that the future must be created and no expected to be „itself created”.*

*A SWOT analysis of the labour resources for the South Muntenia Region is the result of this kind of approach and intends to contribute to a better knowledge of this market labour indicator.*

*Key-words: SWOT analysis of the labour resources, labour force occupation, interregional differences, training-retraining, entrepreneurship development*

## **The macroeconomic context of the labour resources evolution**

In the 90'th, the population' occupying structure is essentially changed in rapport with the previous period. The transition to the capitalism influenced the population occupying degree in volume and structure. This determined the labour market' policies adaptation concomitantly with the institutional reform process.

For Romania, the study of the processes, phenomenon, and labour markets dynamic, global and structural disequilibrium, labour force need and supply adjustment mechanisms has a double significance:

- Related to the evaluation of the society potential, of the occupying and utilization capacity, of the elaboration and application at global an local level of the strategies and policies for the labour market administration, labour force occupying and unemployment fighting, occupied labour force auto prospect and social protection;
- Related to the post-transition perspective from the point of view of the effective integration in the European labour market' structures, of the attempt to the EU standards and practices lining (The European Social Chart).

Swot analysis of labour resources in Romania - South Muntenia region

The labour resources SWOT analysis intends to contribute to a better knowledge of this market labour indicator.

The South Muntenia Region has an 34,453 km<sup>2</sup> area (representing 14.54% from the total Romania area) and includes 7 counties - Arges, Călărași, Dâmbovița, Giurgiu, Ialomița, Prahova, Teleorman – with 15 cities, 28 towns, 481 communes and 1,552 villages. It has 3,342mil. inhabitants (15.4% from the Romanian population), with a density of 97 inhabitants per km<sup>2</sup>. The inhabitants' distribution: 41.4% in urban medium and 58.6% in rural medium. The gender structure: 51% women and 49% men. The age structure: 19.1% (0-14 years), 62.6% (15-59 years) and 18.3% (over 60 years).

The age structure evolution reveals a lent, but constant demographic to age process, generated by the birth rate decreasing.

From the point of view of the labour force, the active population, decreasing, was at the end of the 2006, of 14.5% from the Romanian active population. As a characteristic of the occupied labour force, is the fact that a very important percent of these (39.4%) works in agriculture. In the same time this region owns the supremacy in our country related to the labour force working in the commercial services sector (29.4%) and in the social services sector (31.2%).

The economic disequilibrium from the transition period affected substantially the unemployment phenomenon. At the end of the 2006 in this region were 94,700 unemployed registered, representing 16.9% from the total for Romania; 41.8% of them were women.

The unemployment rate was 7.4%, being higher then the national level (6.3%). The highest level was in Ialomița County (10.4%). For women, the unemployment rate (6.5%) was smaller then for men (8.2). The unemployment phenomenon is generated essentially by the reorganization of any important firms – this region is considered an industrial area. This phenomenon could not be equilibrated by the new labour places.

It is important to remember the traditional economic sectors for this region:

- The oil equipment industry

- The petrochemical industry
- The chemical industry
- The auto industry
- The agriculture
- The mountain tourism.

The labour resources SWOT analysis for the South Muntenia Region gets started from the strengths, weaknesses, opportunities and threats identification.

#### *Strengths*

- The labour market dynamic, determined by the regional economy dynamic (but with important intraregional differences)
- The prevalence of the young labour forces
- Important part of the occupied population (in the north part of the region)
- The existence of the professional reconversion and forming programmes
- High degree of involving in elementary and secondary-school education
- The existence of the academic centres in almost all counties (Prahova - Ploiești, Dâmbovița - Târgoviște, Argeș – Pitești, București
- The existence of the continuous forming and distance learning in these centres.

#### *Weaknesses*

- The diminution of the active and employed population in areas like Prahova, Dâmbovița
- The weak number of higher schooling employed people in areas like Teleorman, Ialomița, Călărași
- The lack of employing opportunities especially in the countryside
- The lack of material motivation of unemployed people
- The educational offer is not proper to the future needs of qualification. There are not possibilities of getting to know the future needs
- the need of a change (especially in initiate forming) defined like *qualification=for several trades*, instead of the traditional rule *a qualification means a trade*
- The qualification offer is not varied enough and there is no competition among the ones who offer forming. This situation represent an obstacle for a flexible offer and proper to the needs of personal and professional developments of labour resources
- The ones who offer forming act separately. There is no global offer adapted to regional needs
- insufficient conditions to integrate disabled groups of people
- unequal and insufficient capacity and structure of services and social facilities
- Few regional centres of professional forming.

#### *Opportunities*

- The number of companies that find stability conditions in this area and human resources which can be used for investigations is increasing (like Ploiești with Timken, Coca-cola, Dero-Lever, BAT)
- The educational system improving
- The orientation of the programs to specializations demanded by the labour market
- The entrepreneurship development
- The development of countryside tourism which offer the possibility of reforming the dismissed labour force (in Prahova Valley in areas like Sinaia, Predeal, Azuga, Rucăr and Câmpulung)
- The “lohn” investments represented a solution on short term for the available labour force absorption (for example the textile industry - Dorobanțul in Ploiești)
- The social programmes for both women and men in the labour market including
- The cooperation with other countries (like France, Great Britain) in education and professional forming.

#### *Threats*

- The fluctuations on the labour market depend dramatically on the movements of European market regarding both great enterprises and the small ones, especially now, after the UE integration
- The migration of qualified labour force towards countries members of the European Union represents a threatening process having effects in the present as well as later on
- The presence and the deepening of new social events (illegal work, social rejections, unemployment)
- The rise of the unemployment among people who graduated high-school and university
- The high qualified people migration.

## Conclusions

As a result of this analysis there can be identified as a *regional priority*, the next requests:

- The labour force qualification and flexibilization
- The educational system quality and its adaptation to the present and future needs of the European labour market
- Growth of the cooperation among the education system, entrepreneurial environment and the labour force employee agencies – an important role has The ANOFM Labour Force Occupying Programme for the 2007
- The labour force mobility
- The social problems diminution
- The optimal conditions setting up for the human resources development.

In order to these, we recommend:

1. The continuous adaptation and structuring of the educational and professional preparing system in accordance with the labour market needs. For these there are the next objectives:
  - The technical and professional preparation of the Younger adapted to the actual needs
  - The modernization of the vocational and technical education system
  - The efficacious professional forming.

This measure's impact could be:

- A qualified and specialized labour force, capable to satisfy the actual requests
  - Growth of the economical efficiency
  - Improved access to the labour market.
2. The active policies for the employment development. For these we propose the next objectives establishment:
    - The professional qualification improving
    - The long term unemployment eliminating.

The expected results are:

- Training programmes for the employees professional qualification improving
- Vocational training programmes
- Professional orientation and consiliation programmes
- Training programmes for the IT utilization
- Programmes for the reintegration supporting.

This measure's impact could be:

- The social stability growth
  - The social assurances costs diminution
  - The long term occupying growth
  - The labour force mobility growth.
3. The social development programmes promotion. For these we propose the next objectives establishment:
    - The reintegration in economical life
    - The employee opportunities growth.

The expected results are:

- Programmes capable to sustain the labour force reintegration
- Training programmes for the professional qualify improving
- Professional orientation and consiliation programmes.

This measure's impact could be:

- The labour market disequilibrium diminution.

After this analysis, we can conclude:

The South Region Muntenia, and not only this area, but generally, Romania on the whole, needs a realistic view on its economical and social development, in the next decades. To define a strategy for sustainable development, the population represents the main element. This requires the straightness of the demographical system in Romania.

In reducing birth rate stands the future demographical key of Romania and such evolution can only be the result of several economical and social measures which aim at the children. Admitting that such measures will be taken, it's not impossible that in a poor society, under the shock of change and uncertainty, the

stimulation on birth rate to be followed by undesirable effects. Right here should be shown the competence and the responsibility in the decisional act. Eventual corrections should not be excluded.

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# DEVELOPING A GLOBAL VISION THROUGH MARKETING RESEARCH

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**Abstract:** The basic objective of the market research function is providing management with information for better decision-making. This objective is the same for domestic and international marketing. In foreign marketing research, however, achieving that objective presents some problems not encountered on the domestic front.

This article deals with the operational problems encountered in gathering information in foreign countries for use by international marketers. Emphasis is on those elements of data generation that usually prove especially troublesome when conducting research in an international environment.

*Key words: marketing research; multicultural studies; decision making*

*Marketing research* is traditionally defined as the systematic gathering, recording, and analyzing of data to provide information useful in marketing decision making. Although the research processes and methods are basically the same, *international marketing research* involves two additional complications. First, information must be communicated across cultural boundaries. That is, executives must be able to “translate” their research questions into terms that consumers can understand. Then the answers must be put into terms (i.e., reports and data summaries) that managers can comprehend.

Second, the environments within which the research tools are applied are often different in foreign markets. The international marketing researcher must develop the ability for imaginative and deft application of tried and tested techniques in sometimes totally strange milieus. The mechanical problems of implementing foreign marketing research often vary from country to country. Within a foreign environment, the frequently differing emphases on the kinds of information needed, the often limited variety of appropriate tools and techniques available, and the difficulty of implementing the research process constitute the challenges facing most international marketing researchers.

## 1. MULTICULTURAL RESEARCH: A SPECIAL PROBLEM

As companies become global marketers seek to standardize various parts of the marketing mix across several countries, multicultural studies become more important. A company needs to determine to what extent adaptation of the marketing mix is appropriate. Thus, market characteristics across diverse cultures must be compared for similarities and differences before a company proceeds with standardization on any aspect of marketing strategy.

Multicultural research involves dealing with countries that have different languages, economies, social structures, behaviour, and attitude patterns. When designing multicultural studies, it is essential that these differences be taken into account. An important point to keep in mind when designing research to be applied across cultures is to ensure comparability and equivalency of results. Different methods may have varying reliabilities in different countries. It is essential that these differences be considered in the design of a multicultural survey. Such differences may mean that different research methods should be applied in individual countries.

In some cases, the entire research design may be different between countries to maximize the comparability of the results. For example, Japanese, compared with North American businesspeople, tend not to respond to mail surveys. This problem was handled in two recent studies by using alternative methods of questionnaire distribution and collection in Japan. In one study, attitudes of retail buyers regarding pioneer brands were sought. In North America, a sample was drawn from a national list of supermarket buyers and questionnaires were distributed and collected by mail. Alternatively, in Japan questionnaires were distributed through contact people at 16 major supermarket chains and then returned by mail directly to the Japanese researchers. The second study sought to compare the job satisfaction of North American and Japan sales representatives. The questionnaires were delivered and collected via the company mail system for the North American firm. For the Japanese firm, participants in a sales training program were asked to complete the questionnaires during the program. Although the authors of the both studies suggest that the use of different methods of data collection in comparative studies does threaten the quality of the results, the approaches taken were the best practical methods of conducting the research.

The adaptation necessary to complete these cross-national studies serve as examples of the need for resourcefulness in international marketing research. However, they also raise serious questions about the reliability of data gathered in cross-national research. There is evidence that often insufficient attention is given not only to nonsampling errors and other problems that can exist in improperly conducted

multicultural studies, but also to the appropriateness of research measures that have not been tested in multicultural contexts.

## **2. RESEARCH ON THE INTERNET: A GROWING OPPORTUNITY**

It is impossible to keep up with the worldwide growth in Internet usage. We know that there are more than 900 million users in more than 200 countries. International Internet usage is growing almost twice as fast as North American usage. Growth in countries such as Costa Rica was dramatically spurred by the local government's decision to reclassify computers as "educational tools", thus eliminating all import tariffs on the hardware. The demographics of users worldwide are as follows: 60 percent male and 40 percent female; average age about 32; about 60 percent college educated; median income of about \$60,000; usage time about 2.5 hours per week; and main activities are e-mail and finding information. The percentage of home pages by language is English, 80 percent; German, 3 percent; Japanese, 4 percent; French, 2 percent; Spanish, 1 percent; and all others less than 1 percent each.

For many companies the Internet provides a new and increasingly important medium for conducting a variety of international marketing research. Indeed, a survey of marketing research professionals suggests that the most important influences on the industry are the Internet and globalization. New product concepts and advertising copy can be tested over the Internet for immediate feedback. Worldwide consumer panels have been created to help test marketing programs across international samples. It has been suggested that there are at least seven different uses for the Internet in international research: online surveys and buyer panels; online focus groups; web visitor tracking; advertising measurement; customer identification system; e-mail marketing lists; embedded research.

The Internet continues to automate traditional economic roles of customers, such as searching for information about products and services, comparison shopping among alternatives, interacting with service providers, and maintaining the customer brand relationship. More and more of these Internet processes look and feel like research processes themselves. The methods are often embedded directly into the actual purchase and use situations and are therefore more closely tied to actual economic behaviour than traditional research methods can be. Some firms even provide the option of custom designing products online – the ultimate in applying research for product development purposes.

The ability to conduct primary research is one of the exciting about the Internet. However, there are some severe limitations because of the potential bias of a sample universe composed solely of Internet respondents. Nevertheless, as more of the general population in countries gain access to the Internet, this tool will be that much more powerful and accurate for conducting primary research. Also, the Internet can be used as one of several methods of collecting data offering more flexibility across countries.

Today the real power of the Internet for international marketing research is the ability to easily access volumes of secondary data. These data have been available in print form for years, but now they are much easier to access and, in many cases, are more current. Instead of leafing through reference books to find two- or three-year-old data, as is the case with most printed sources, you can often find up-to-date data on the Internet.

## **3. PROBLEMS IN INTERPRETING RESEARCH INFORMATION**

After data are collected, the final steps in the research process are the analysis and interpretation of findings in light of the stated marketing problem. Both secondary and primary data collected by the market researcher are subject to the many limitations. In any final analysis, the researcher must take into consideration these factors and, despite their limitations, produce meaningful guides for management decisions. The foreign marketing researcher must possess three talents to generate meaningful marketing information.

First, the researcher must possess a high degree of cultural understanding of the market in which research is being conducted. At some level it will be absolutely necessary to have a native of the target country involved in the interpretation of the results of any research conducted in a foreign market.

Second, a creative talent for adapting research methods is necessary. A researcher in foreign markets is often called on to produce results under the most difficult circumstances and short deadlines.

Third, a skeptical attitude in handling both primary and secondary data is helpful. For example, it might be necessary to check a newspaper pressrun over a period of time to get accurate circulation figures, or deflate reported consumer income in some areas by 25 to 50 percent on the basis of observable socioeconomic characteristics. Indeed, where data are suspect, such triangulation through the use of multiple research methods is crucial.

Regardless of the sophistication of a research technique or analysis, there is no substitute for decision makers themselves getting into the field for personal observation.

#### **4. RESPONSIBILITY FOR CONDUCTING MARKETING RESEARCH**

Depending on the size and degree of involvement in foreign marketing, a company in need of foreign market research can rely on an outside foreign-based agency or on a domestic company with a branch within the country in question. It can conduct research using its own facilities or employ a combination of its own research force with the assistance of an outside agency.

Many companies have an executive specifically assigned to the research function in foreign operations; he or she selects the research method and works closely with foreign management, staff specialists, and outside research agencies. Other companies maintain separate research department for foreign operations or assign a full-time research analyst to this activity.

A trend toward decentralization of the research function is apparent. In terms of efficiency, it appears that local analysts are able to provide information more rapidly and accurately than a staff research department. The obvious advantage to decentralization of the research function is that control rests in hands closer to the market. Field personnel, resident managers, and customs generally have a more intimate knowledge of the subtleties of the market and an appreciation of the diversity that characterizes most foreign markets. One disadvantage of decentralized research management is possible ineffective communications with home-office executives. Another is the potential unwarranted dominance of large-market studies in decisions about global standardization. That is say, the larger markets, particularly the United States, justify more sophisticated research procedures and larger sample size, and results derived via simpler approaches that are appropriate in smaller countries are often unnecessarily discounted.

A comprehensive review of the different approaches to multicountry research suggests that the ideal approach is to have local researchers in each country, with close coordination between the client company and the local research companies. This cooperation is important at all stages of the research project, from research design to data collection to final analysis. Such recommendations are supported on the ground that two heads are better than one and that multicultural input is essential to any understanding of multicultural data. With just one interpreter of multicultural data, there is the danger of one's self-reference criterion resulting in data being interpreted in terms of one's own cultural biases. Self-reference bias can affect the research design, questionnaire design, and interpretation of the data.

If a company wants to use a professional marketing research firm, many are available. Most major advertising agencies and many research firms have established branch offices worldwide. There also has been a healthy growth in foreign-based research and consulting firms. Of the ten largest marketing research firms in the world (based on revenues), four are based in the United States, including the largest; three are in the United Kingdom; one is in France; one is in Germany; and one is in the Netherlands. In Japan, where it is essential to understand the unique culture, the quality of professional market research firms is among the best. A recent study reports that research methods applied by Japanese firms and American firms are generally quite similar, but with notable differences in the greater emphasis of the Japanese on forecasting, distribution channels, and sales research.

An increasingly important issue related to international marketing research is the growing potential for governmental controls on the activity. In many countries consumer privacy issues are being given new scrutiny as the Internet expands companies' capabilities to gather data on consumer' behaviours. However, perhaps the most distressing development in this area is China's recent crackdown on marketing research activities there.

#### **5. COMMUNICATING WITH DECISIONS MAKERS**

Most of the discussion in this article is about getting information from or about consumers, and competitors. It should be clearly recognized, however, that getting the information is only half the job. That information must also be given to decision makers in a timely manner. High-quality international information systems design will be an increasingly important competitive tool as commerce continues to globalize, and resources must be invested accordingly.

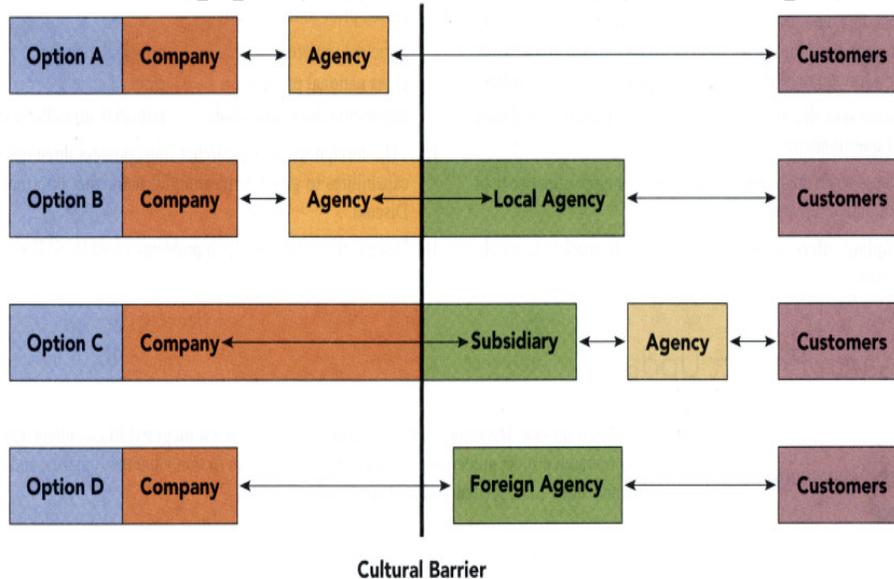
Decision makers, often top executives, should be directly involved not only in problem definition and question formulation, but also in the fieldwork of seeing the market and hearing the voice of the customers in the most direct ways when occasion warrants it (as in new foreign markets). Top managers should have a "feel" for their markets that even the best marketing reports cannot provide.

Finally international marketers face an additional obstacle to obtaining the best information about customers. At the most basic level, marketing research is mostly a matter of talking to customers. Marketing decision makers have questions about how best to serve customers, and those questions are posed and answered often through the media of questionnaires and research agencies. Even when both managers and customers speak the same language and are from the same culture, communication can become garbled in either direction. That is, customers misunderstand the questions and/or managers

misunderstand the answers. Throw in a language/cultural barrier, and the chances of misinformation expand dramatically.

The four kinds of company-agency-customer relationships possible are presented in Exhibit 1. Options B and C are better suited for managing the cultural barrier across the chain of communication. That is, in both cases the cultural barrier is bridged within a company, wherein people have a common corporate culture and work together on an everyday basis. In option B the translation (in the broadest sense of the term – that is, of both questionnaires and reports) is worked out between employees of the international marketing research agency. In option C the translation is managed within the company itself. In options A and D both cultural and organizational barriers are being crossed simultaneously, thus maximizing the chances for miscommunication. These same company-agency-customer considerations are also pertinent to the other kinds of communication between companies and customers, such as advertising and distribution channel control.

**Exhibit 1. Managing the Cultural Barrier in International Marketing Research**



The basic objective of the market research function is providing management with information for better decision-making. This objective is the same for domestic and international marketing. In foreign marketing research, however, achieving that objective presents some problems not encountered on the domestic front.

Customer attitudes about providing information to a researcher are culturally conditioned. Foreign market information surveys must be carefully designed to elicit the desired data and at the same time not offend the respondent's sense of privacy. Besides the cultural and managerial constraints involved in gathering for primary data, many foreign markets have inadequate or unreliable sources of secondary information. Such challenges suggest three keys to successful international marketing research: the inclusion of natives of the foreign culture on research team; the use of multiple methods and triangulation; the inclusion of decision makers, even top executives, who must on occasion talk directly to or directly observe customers in foreign markets.

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# DIAGNOSIS OF THE COMPETITIVE ENVIRONMENT

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*Abstract: the knowledge of the competitive environment requires the priority research of the market share, of the competitive position, of the structure of the competition and of the competitive context. The efficiency of the tactical and strategic decisions depends on the ability of the company to know and to adjust to the demands of the environment in which it operates. In this regard, the diagnosis of the environment represents an identification instrument of the opportunities and dangers that come from the environment and of the key successful factors in a given system.*

*Key words: absolute and relative market share, partial concentration indicator, Herfindhal-Hirschman indicator, Hall-Tideman indicator*

## Structure and features of the competitive environment

The company as a subsystem of the company global system operates within the latter one and due to it. It has inter conditioning relationships with its social partners to which it essentially maintains two types of relations: market relations (with clients, competitors, suppliers etc.) and off the market relations (with the public authorities, social groups etc.).

The global environment is defined as the totality of the factors and forces external to the company which are able to affect its development.

**The first** structuring level of environment contains the direct relations of the company with suppliers, clients, final consumers, competitive companies.

**The second level**, more remote, has an influence on the first level actors, and indirectly the company behaviour. The financial, fiscal, social regulations, as an expression of the political will in the economic, financial, and currency area, practically influence the activity of all economic agents.

The knowledge of the competitive environment requires the priority research of:

- the market share;
- the competitive position;
- the market structure;
- the competitive context;
- the structure of the company products and activities' portfolio;
- the national and international competitive advantage.

Analysis of the market share

The analysis indicators:

- a. **The (global) absolute market share** of an enterprise represents the share from the total demand satisfied by this one on the analyzed market:

$$P_i = \frac{V_j}{V_t} \quad (1.1)$$

where:

$V_j$  = enterprise sales « i » ;

$V_i$  = total sales of the sector.

The sales are expressed in physical or value units. The absolute market share evolution is, on the one hand, the result of the enterprise dynamism and, on the other hand, the result of the client's satisfaction. This can be expressed by two indicators: the fidelity rate and the attraction rate, calculated according to the information supplied by the market surveys, with the relation:

$$P_{it} = \alpha P_{i(t-1)} + \beta(1 - P_{i(t-1)}) \quad (1.2)$$

where:

$\alpha$  = the fidelity rate

$\beta$  = the attraction rate

$P_{it}$ ,  $P_{i(t-1)}$  = the enterprise absolute market share « i » in the actual period (t), respectively the preceding one (t-1).

The fidelity rate represents the percentage of consumers who bought the product x during the preceding period and who continue to buy it during the actual period from the enterprise «i».

The attraction rate corresponds to the percentage of consumers who bought the product x from competitive companies during the preceding period, and who buy it from the enterprise « i » at present.

- b. The relative market share is an expression of the direct ratio of forces between two companies and it is calculated as a ratio between the analyzed enterprise sales ( $CA_i$ ) and the most important competitor's sales ( $CA_m$ )

$$P_{i(rel)} = \frac{CA_i}{CA_m} \cdot 100 \quad (1.3)$$

When:

$P_{i(rel)} > 100\%$  the enterprise has a leading position

$P_{i(rel)} > 50\%$  the enterprise achieves half of the most important competitor's turnover.

$P_{i(rel)} > 5\%$  the enterprise has an insignificant position on the market

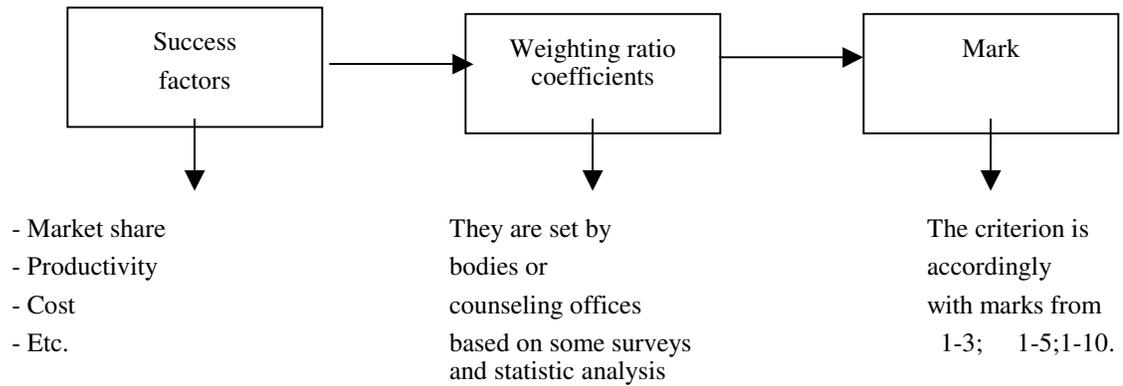
### Analysis of the competitive position

The evaluation of the competitive position of an enterprise is made according to a system of "key success factors" which has the significance of determiners that make the difference between the high-performance enterprises and the others working in a sector.

The five following criteria are recommended to identify the success key factors:

- **the market position**, expressed by the absolute or relative market share and by its dynamics;
- **the enterprise position concerning the costs** (of supply, storage, sale);
- **the enterprise image**;
- **the technical and technological competences**;
- **the profitability and the financial force**.

Practically, the evaluation of the competitive position of a company is made with the help of the evaluation grills. An exemple of evaluation grill is represented by Figure 1:



**Fig. 1. Evaluation grill**

The average weight mark is calculated according to the relation:

$$\bar{N} = \sum g_i \cdot n_i \quad (1.4)$$

where:

$g_i$  = the significance coefficient of each criterion;

$n_i$  = the mark awarded to each criterion.

The singular calculation of this mean for the analyzed enterprise does not have any significance. That's why they impose the determination of such a "mark" for the rival companies, as well as the comparative evaluation of their position.

### Analysis of the structure of the competition

The structure of the competitive environment is analyzed with the help of a system of indicators. Among the most used ones, there are: the partial concentration indicator, the H.H. indicator and the H.T. indicator.

- a. **The partial concentration indicator** expresses the position of the first 4.8 or 12 enterprises on the analyzed market:

$$I_{cp} = \sum_{i=1}^n P_i \quad (1.5)$$

where:

$P_i$  = the absolute market share of the enterprise i

n = 4.8, or 12

This coefficient is used in order to know the force of the leaders on a given market. Its use for comparisons in space is not probative; it can lead to erroneous conclusions.

- b. The H.H. indicator (Herfindhal-Hirschman)

$$I_{HH} = \sum_{i=1}^n P_i^2 \quad (1.6)$$

where:

n = corresponds to the total number of enterprises operating on the market

c. The H.T. indicator (Hall-Tideman)

$$I_{HT} = \frac{1}{2 \sum_{i=1}^n (i \cdot P_i) - 1} \quad (1.7)$$

where:

n = total number of enterprises ;

i = the rank of enterprise;

P = the market share of i ranked enterprise

The last two indicators take values between 1 and 1/n. The closeness to 1 means a high degree of concentration of the market, the fact that it is dominated by one (monopoly) or a few companies. A value equal to 1/n represents an equal market allocation between the competitive companies.

### Analysis of the competitive context

The image of the competitive context is given by:

- a. The rivalry between the competitive companies takes place in the area of the: price, advertising, new products, improvement of services and guarantees granted to clients. A strong rivalry is often the result of the partial or total interaction of some factors regarding:
  - **the existence of numerous competitors, with relatively balanced forces**, whose strong fight has as objective to dominate the others and to obtain a favorable position;
  - **the slow increase of the sector**; the slower the increase rate of the sector is, the more aggressive the fight to maintain or improve the position on the respective market;
  - **the strong increase of the capacity of a competitor** can break the balance between offer and demand for a period and intensifies the rivalry on the respective market.
- b. **The negotiation power of the enterprise** in the relations with its suppliers and clients.
- c. **The barriers at the entry/exit in/out of the sector.** In order to implement within a sector, a competitor must pass through some economic, social and strategic barriers.

The barriers at the entry limit the possibility of a new enterprise to enter a sector, thus reducing the danger of new competitors. Among these, there are:

- **the scale economy**, which means the minimum dimension of the activity of an enterprise that enters a sector in order to be more competitive regarding the costs;
- **the cost of the transfer**, which represents the expenses necessary to pass from a sector to another or to enter a certain market;
- **the need of capital**, which characterizes the financial effort that a company should make to enter a new market. This effort can exceed the possibility of the potential competitors, thus limiting the entry in this sector;
- **the possibilities of access to the distribution circuits**, which usually favour the companies that already operate in a sector;
- **the degree of making the clientele loyal**, which makes the entry on a certain market difficult, too.

The barriers at the exit:

- **the economic barriers**: the specialization of assets, the degree of liquidity of assets, the level of fixed costs at the exit. The higher the degree of specialization of the assets is, the more difficult the exit from a sector. Also, the exit difficulties are proportional to the fixed costs of this action.
- **the strategic barriers**, which aims at the complementarity of the object of activity of the enterprise that is to get out from the sector with that of other companies from or outside the sector.
- **the political and social barriers**, concretized in the government or union interventions, to prevent an enterprise from leaving the respective sector.
- **the psychological barriers**, concerning the behaviour of some leaders which consider that the exit of an enterprise from a sector, its abandon, represent a lamentable personal failure. The economic, strategic and psychological mechanism of these exit barriers explains the existence of some non profitable enterprises and with no hope for improvement, in some sectors.

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## PHYSICAL RESOURCES TO NEED IN SMALL BUSINESS

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*This paper examines the ranges of physical resources which may be required to operate a business, plant and equipment, furniture, office machines and computers, stock, delivery vehicles, etc., and the way these are purchased from suppliers and financed, the timing of their acquisition, and the control systems used to monitor them. It also relates to contracts of supply with public utilities which may be different from those encountered in a domestic situation. This will enable the reader to identify the range of physical resources which are likely to be relevant to his or her business in the early stages, to quantify these, and to estimate their costs, to identify potential suppliers, and the timing for acquisition. The resulting data will provide much of the information required to compile the budgetary forecast and cash flow forecasts for the first year of operation of the new business.*

*Key words: physical resource, identify the range of physical resource which are likely to be relevant to business, estimate cost of this resources, potential suppliers, timing for acquisition*

When people first start to think about the physical resources that they will be required to start their businesses there is usually a tendency to underestimate both the range of items required, and the full cost of these. It is only when the likely full cost is realised that the same people start to ask themselves which items are really necessary as opposed to nice to have. The process also raises further questions about which items are need right from the onset of trading and which could be acquired out of profits as the business grows. In some cases it will be far cheaper to use existing resources which may also be available in the home, e.g. do you really need a brand new computer for word processing, or will the old one at home do the job for the first few months?

Similarly, when looking at office furniture, e.g. the new stuff may look impressive to customers, but if cash is short, then it may be worth looking at second-hand alternatives which can still be of good quality and appearance, but which are often much cheaper. If the furniture is not in public view, it does not really matter anyway, so long as the furniture or equipment is functional and comfortable to use. The same principle applies to vehicles, as often it is cheaper to buy a two-year old van which still has a good potential life span, but for which someone else has already born the cost of the substantial depreciation in value during the first year or so.

The important lesson to remember here is that without adequate working capital the business will struggle to get off the ground. If too much of your capital is tied up in resources which are not all in immediate or full use, then working capital may be tight, cash flow problems will arise, and the business will be fighting to survive before it has even had the chance to become fully established.

### **How do we identify what physical resources are needed?**

First, we need to identify the broad categories of the resources, e.g. transport, fixtures and fittings, plant and machinery, furniture and office equipment, resale stock, raw materials and components, and materials and consumables. Obviously the combination of the various groups will depend on the nature and complexity of the business. A manufacturing business will probably need most of these, except for resale stock, whilst a retailer or wholesaler will need to buy stock, but will have no use for raw materials or components, whereas a mobile hairdresser will probably only need some basic transport and equipment.

The second stage is to brainstorm and list all of the physical resources which could conceivably be required, and to sift through them eliminating those which might be nice to have at some point in the future, but which would not be essential for the first year of trading. Sorry, but the bright red Ferrari really must wait if what you really need is a delivery van! The remainder can be sorted under three headings: Already available, essential to purchase for start-up, and buy during first year.

The third stage is to go through the list and to allocate realistic prices or costs to each item. These will be used to feed into the budgetary plan and cash flow forecasts. The planned acquisitions can be phased over the first year according either to how soon they are needed, or when sufficient profit is generated to pay for them. Minor items will probably be paid for at the time of purchase, but for major items of capital expenditure like machinery or vehicles, decisions must be made about how these will be financed. The need to obtain and repay loans to buy equipment, or the payment of hire-purchase deposits and the subsequent phasing of payments for plant or vehicles, must also be accurately reflected in the budgetary plan and cash flow forecast.

## **Transport**

The selection of vehicles required will depend not just on the type of goods or services which are being produced, but on the distribution channels and the relative locations of the customers. If your goods are being sold on to wholesalers who trade them on to a retail network, then large articulated delivery trucks might be the most appropriate form of transport. The choice of the type of vehicle and its payload or size is basically an operational one, but the decision to buy new or second hand, or to lease or buy, will be determined by available working capital, interest rates on finance, and the availability of the vehicles.

The same really applies to cars, as the type of car (estate or saloon) will be determined by what it has to carry functionally, the engine size by the fuel consumption and type of driving involved (local or long-distance and they are by what the owner-manager can afford).

Remember, when budgeting for vehicles, do not just think in terms of the costs of acquiring them, but allow for running costs such as road tax, insurance, repairs and maintenance, etc., and build into the budgetary plan accordingly.

## **Fixtures and fittings**

These are essentially the items within the premises which are attached to the structure, or which are necessary to the production of the goods or services, but not directly involved in their creation or provision. In terms of fittings we are talking about things like lighting and heating systems, electricity or water supply, telephones, sinks, toilets, etc. which have been fitted to the premises to make them habitable. It may be when moving into new premises that these are inadequate or need to be replaced or repaired. Perhaps extra power points are needed in the office, or the water supply has to be extended, or new toilets built for additional staff. When considering these, you should think also of the installation costs as well as the purchase cost of the materials.

When we talk of fixtures, we are normally referring to items such as safety rails, storage or racking systems, lifting equipment, mezzanine, floors, etc. which have been fitted or installed within the building, to facilitate the operation of the business. What fixtures do you need for immediate use, and what additions will be required as the business grows? Is it cheaper to install the whole lot from the outset or is this beyond the capital currently available? If you take out a loan for the additional requirements, will the savings on installation costs and later disruption to your business, outweigh the arrangement fee and interest payments on the loan? With storage facilities, we should also be checking that not only are they of adequate size or capacity to meet current and forthcoming needs, but they are capable of being used in such a way to ensure proper stock rotation to avoid waste and additional expense. This includes ensuring that the environmental conditions, such as temperature and humidity, are suitable for the goods in storage.

## **Plant and machinery**

There are many issues to be considered here, all of which will have a financial implication for budgets and cash flow. What essential plant or machinery is required to manufacture your products or processes? Do you have any of this, or can it be bought second hand? If it is very specialised, will there be a long lead-time for delivery? Will it take time to install and commission before becoming fully operational? Will the premises need to be modified to take it? Will you also need to maintain a supply of tools and spare parts for the machinery, and employ staff to maintain it? Will you need to make a substantial down payment when ordering it? How will you finance the period between ordering and becoming fully operational?

This heading not only includes things like production machinery, but items used in materials handling such as pallet trucks or fork-lifts, weighing, packaging and labelling equipment, pumps, cranes, lifts and pulleys, conveyor belts and rollers, power tools, and hand-held equipment. There are also implications for insurance and the safe and secure storage of some of these items, particularly if they are valuable and easily moved (or removed).

## **Furniture and office equipment**

This category will include not just the items within any management or administrative offices, but also the carpets, easy chairs, display material that may be located in a reception area for visiting customers; and of course the tea and coffee cups, kettle, toaster, or microwave oven for staff use.

Within an office we are talking about items such as desks, chairs, filing cabinets, storage cupboards, computers or word processors, a safe or petty cash tin, telephones, fax machines and answering machines, franking machines, cleaning equipment, and the multitude of minor items such as staplers, hole punches, rosaries, and stress-busting toys. These are the things that are most often taken for granted or underestimated when planning a new business, and when compounded, their total costs can be quite high. They do however, include items which the aspiring owner-manager may already possess.

## **Resale stock**

Anyone involved in wholesaling or retailing will need to identify what stock has to be held at any one time. There will of course need to be a purchase of opening stock, and an on-going holding of a reasonable level of core stock - those items that will be in constant demand. The costs of buying this opening and core stock have to be built in to the budgetary plan. As stock is sold, more is bought in to replace it and to replenish stock levels, and as the business grows, so the average level of stock held may need to be increased. This can have implications for both storage space and equipment and for the availability of adequate working capital to fund the additional stock holding.

The frequency with which stock can be replenished, and the minimum order or delivery size from suppliers may also impact both on: the need for storage space, and on the required levels of working capital. For example, a supplier based at some distance may only make periodic deliveries so either larger volumes of the stock items have to be held, or the retailer may have to pay additional carriage costs for intermediate deliveries. Some suppliers only offer free delivery where the order is above a certain minimum value, and others relate discount levels to the size of the order. Here the free savings from free delivery and better discount rates have to be weighed against having extra working capital tied up in stock, and the space which that stock is occupying.

## **Raw materials and components**

This is a similar situation to the purchase and holding of stock for resale, only the initial purchase costs may be relatively larger, particularly if credit is given to distributors or customers. There is a need buy an initial opening stock of raw materials and components, and whilst these are being turned into the finished product, further materials and components will need to be ordered to replace them. The wider the range of products offered, the greater the range of stock items will be, as will be the cost of buying them; and once again as the business expands, so usually does the need to increase the average levels of stock holding. Depending on the source of raw materials and components, there could be implications for delivery lead times, especially if components have to be shipped from the Eastern countries that usually constitute one of the cheapest potential sources of supply.

Once again, the initial costs of buying the raw materials and components have to be realistically estimated, and the costs built into the budgetary plan and cash flow forecast for the business. The process would normally include identifying the various alternative suppliers, the range and quality of their respective products, and their costs, discount structures and terms and conditions of trade. For example, given that product quality and basic cost of a component are the same from each of the two suppliers, it may be that the extra 2% discount offered by one is more than offset by the extra 30-days credit offered by the other, if working capital is freed for use elsewhere. If however, the discount were much larger, then it might pay the business to borrow money from the bank to pay for the components, as the costs of borrowing would be outweighed by the extra profit generated by the better profit margins. This is the sort of cost-benefit analysis that a bank manager will appreciate, and will normally be willing to accommodate. If adequate working capital is available, and interest rates are not excessive, then cash discounts beat credit terms any day!

## **Materials and consumables**

These are the items which are purchased, used and replaced on a fairly regular basis as part of the administration or running of the business. In the office they would include stationery, envelopes, postage, computer disks, and printer ribbons, etc., and probably the tea, coffee, milk, and sugar. In the working areas it might include the provision of protective clothing, safety wear, or uniforms. In the business as a whole it would cover things like first aid materials, cleaning materials, disinfectants, paper towels, toilet paper, light bulbs, the costs of a window cleaner, etc. In a large organisation they would probably be accounted for under different headings, but in a small firm's accounts they might well be grouped together as "miscellaneous and admin expenses". The accounting classification is less important than the fact that they should be identified and included in the budgetary plan and cash flow forecast, because although they are all quite minor items of expenditure, when aggregated and take over a year, they can amount to a noticeable sum.

## **Public utilities**

By these we mean the suppliers of electricity, gas, telephones, waters<sup>TM</sup> ply, sewage disposal, and waste disposal services. Most of us are familiar with these organisations through our own domestic contact with them, but it is worth mentioning them in a commercial context as they are able to offer business customers more flexibility and competitive prices in some cases.

What business users do need to be aware of, is the fact that businesses which use high volumes of water as part of their production process, or where wastewater may be polluted, e.g. breweries and the paper

industry, have a loading applied to their sewage disposal charges to cover the cost of re-processing the wastewater.

With the recent addition of taxes on landfill tipping, waste disposal is now becoming an expensive business, so allowance for this should be made in the budgetary plan, particularly if any of the waste products of your business are classed as dangerous or hazardous, e.g. poisons, oils, or toxic chemicals. Above all you should be attempting to minimise waste to reduce these additional costs to your business. The recycling of waste materials will gradually become a statutory requirement at some time in the next few years, and the collection and recycling of specified proportions of packaging materials by companies that manufacture or distribute packaged products is already compulsory in the Romania.

### **Supplier relationships**

As a final note to this paper, it is worth remembering several key points in dealing and negotiating with your suppliers:

- Your suppliers are just as much entitled to make a reasonable profit as you are. Don't be afraid to push them for a bit more when the time is right, but respect their position if they turn you down. They almost certainly still want your trade, but not at any price. Sometimes when a customer pushes too hard, you just have to walk away from the business if it is not worthwhile.
- The objective in dealing with suppliers should be to develop a long-term, honest and reliable relationship that will ensure continued supply of quality goods or services at a mutually acceptable price. Suppliers should be treated as stakeholders in your business just as you would treat your customers, the bank manager, or your accountant. They have an interest in the profitability and survival of your firm, just as you have in theirs, in that both businesses need each other as part of the supply chain to the end user. The cheapest price from a supplier is not always accompanied by best quality and reliable products, and long-term continuity of supply can be just as important to your business. It also pays to keep in regular contact with them, not only to find out about new products or opportunities, but also to talk about any trends or changes in the market place which might affect you both.
- If you have cash flow problems, don't lie to your suppliers or ignore their calls. They are not stupid and they can read the signs as well as you can. Be honest, contact them promptly and tell them about the problem, ask for their cooperation, and give them a firm and realistic date for payment, then honour it. If you can, then make a payment on account in the interim period, to show your goodwill. Sometime later it may be your supplier with a similar problem asking for a prompt or early payment, in which case if you can afford it, then help him out. This is what building long-term business relationships is all about, and it will do you no harm at all when a bank or another supplier asks you for a trade reference!
- Although price is important, it is not the only area for negotiation with suppliers. If the supplier is unwilling or unable to improve discounts or prices as the volume of your purchases increase, then look for alternatives, and be imaginative. Can you get better payment terms, e.g. a longer period of credit, or a higher credit limit? Is there some advantage to you in varying delivery arrangements, such as weekly instead of fortnightly to reduce the levels of stock that you need to hold? Will the supplier contribute to some of your marketing costs, e.g. by paying towards the cost of a trade exhibition, sharing advertising costs, or by giving you some point of sale material or free samples for your customers? These are the sorts of possibilities that will benefit both you and the supplier.
- You should ensure that you have suitable monitoring systems in place to check on the quality of goods received, and that quantities, prices, discounts, etc. are correct. Any discrepancies should be recorded and notified to the suppliers immediately. You can't realistically expect your suppliers to take responsibility for problems with goods which have been out of their hands for any length of time, so by reporting problems promptly you can avoid potential disputes. Again, be honest with them and don't try to rip them off by claiming more than is properly due. If your suppliers regard you as being fair to them, then they will tend to treat you fairly in future, and they will be more likely to respond to a request for help when you have a problem, or need an urgent delivery.

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## RESOURCE REQUIREMENTS IN BUSINESS PLANNING

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*The objective of this paper is to assist the potential owner-manager to review his or her options when considering potential premises, and to understand some of the legal implications of buying, leasing, or renting commercial premises. The paper is concerned with the processes of identifying the space required for various activities, the most suitable types of premises, their locations, their relative costs, and the legal aspects of acquiring premises.*

*Key words: location of business, type of business, space requirements, size of premise, growth or expansion*

Well first, just what type of business are you running? A mobile hairdresser or complimentary therapist, who visits the clients in their homes, may be able to simply work from their own home, with just the need for some small space for storage. A self-employed professional consultant may also be able to do likewise by converting a spare room at home into an office; however, a small office in a commercial location might create a better image in the eyes of their clients and customers should they need to visit. An engineering or manufacturing process would almost certainly be looking for premises with planning consent for light industrial use, particularly if the work involved noisy machinery, dusty or dirty processes, etc. For a retail business, the location of the premises will be a primary factor as the business will need either to be in a place where the customers already go, such as a shopping mall; or in a place where it is easy and convenient for the customers to get to them, such as a retail park. A wholesaler would need to be in a central position from which the customers could be supplied, and ideally close to a good road network.

There is no specific formula for finding the ideal location for business premises although clearly, the nature of the market will have fundamental implications for the location and vice versa. With the exception of e-commerce and mail order firms whose clients are distance-based, the business needs to reflect the community it serves, and therefore its location within that community must be selected to match the needs of that community. A business selling commercial hydraulic hoses and their fittings is ideally situated in an industrial estate where its commercial clients can call and can park easily, but it would be as much out of place in the high street as a fine China shop would be in an industrial estate. Equally, the location of competitors must be considered. Where the market community is large, it is not unusual to see competing businesses located nearby each other, but in a smaller community, two rivals competing for the same small market would probably put each other out of business as neither would make enough profit to survive. It is also important that the location should match the image of the product or service on offer, and more so that the premises themselves should reflect that image. It is not sufficient that the fine China shop is situated in the high street, it must be at the right side or end of the high street where more affluent customers are likely to be found, and it must project an image of up-market quality.

The cost of retail premises is largely determined by their location. Town centre shops are always expensive to rent, lease, or to buy, although because of those same high costs, many town centre shopping malls or arcades frequently have a proportion of empty property due to the high turnover rate when businesses either fail, or move because of the high rents. Shops located in retail parks are also relatively expensive to rent because of the cost of the provision of the infrastructure of access roads and parking. In comparison, retail outlets just outside of town centres and on main access routes tend to be cheaper, and those in residential areas or on the outskirts of towns can be cheaper still. The relative cost of premises on industrial or commercial estates will depend on a number of factors including their proximity to road networks and motorways, the age and condition of the premises themselves, and the extent and quality of customer parking, security and services. The same basic principle applies to storage and warehousing. To rent space in a farmer's barn may be very cheap, but remote locations and muddy access roads may not be so good in winter. On the other hand, a modern warehouse will be much more secure and accessible, but correspondingly more expensive to rent.

So, in answer to the question: "What sort of premises will I need?" we have to be considering a number of factors:

- The type of business which is proposed and the type of premises most appropriate to that business.
- The physical environment may be important to the product or process, e.g. hygienic and easy to clean for food preparation, secure for storage of valuable products, or perhaps needing a specialist environment for sterile services.

- Whether or not customers will need access to the premises on a regular basis, where those customers will be coming from in terms of distance, and how they might be travelling, e.g. for car parking or public transport links.
- The visual appearance of the premises particularly if they will be visited by customers on a regular basis. This is discussed as an aspect of customer expectations. The need for easy access to motorways, road networks, rail links, airports, etc.
- The likelihood of obtaining planning consent for the proposed use.
- The need for services and facilities such as customer parking.
- The need for security to prevent intrusion, or to protect valuable stock. What the business is likely to be able to afford in the early stages.
- The space requirements, both present and future. Convenience of access for the owner-manager and staff.

### **What size of premises will I need?**

A good starting point for estimating this is to look at the inventory of physical resources which you will need for the business. Until you actually identify what fixtures and fittings, machinery, furniture, etc., that you will need to run the business, and how these will need to be laid out, then it is impossible to make a realistic judgement about the working area required. Probably the easiest way to start is with several large sheets of graph paper on which you can sketch out various layouts of the "ideal" premises. First, work out the different work areas that will be required and which need to be separated or partitioned off from each other. Let us take several examples:

*Example 1:* In a reasonably sized high street shop the main area will obviously be the retail sections where the customers come to inspect the goods. There will also need to be a stockroom for the storage of back-up stock, toilets for staff, a small office space for a desk and telephone for the manager, somewhere secure for staff to leave their bags and coats, and somewhere to make tea or coffee and to wash up. If the shop anticipates a large turnover, there may also need to be a safe within the office.

*Example 2:* For small wholesaling business the main premises requirement is for storage space for the products, with a small office for dealing with customer enquiries and producing invoices, etc., a toilet and wash room, and small room for the delivery drivers or warehouse staff to use during breaks and store their clothes. More important however, are the dimensions of the storage area, as vertical storage of stock on pallets is far more economical and efficient than having the stock spread around the floor. The space also needs to be planned to allow access for handling equipment such as fork-lifts when goods are received or despatched, and this too has implications for floor surfaces which must not be too rough, and adequate door widths.

*Example 3:* A self-employed complementary therapist setting up a in practice would only need a main room in which to treat the clients, a small reception area, and a washbasin and toilet. The treatment room would house a desk and filing cabinet, the treatment couch, some cupboards with a work top and sink, and some screened space for clients to change behind. The space requirements here are simple and modest, but the room itself would need good heating for the comfort of clients, a washable floor, and there would need to be parking space outside for the use of the clients. In fact the parking area would probably need to be greater than the treatment area.

Having worked out how the space would need to be sub-divided, the second stage is to ask yourself how big these areas need to be? To do this it is first necessary to work out what is going to go into each of them, and then to look at the way they will be laid out. You should allow plenty of space to move around as well, especially if there is a need for any equipment to move stock or heavy items using barrows, pallet trucks, or fork-lifts. This exercise should generate a rough idea of the area needed, although of course, real premises are invariably always the wrong shape, and with power points and water supplies in the most inconvenient of places, so it pays to allow for a margin of error. There is bound to be something you have forgotten anyway!

Another aspect which must be considered is that of growth or expansion. All too often owner-managers of new businesses fail to plan ahead and take on the smallest premises that they can manage with, just to save on short-term rental costs. As soon as the business starts to grow, those premises are outgrown, and the proprietor has to go through the expensive and time-consuming process of looking for bigger premises. Apart from the cost of moving and the disruption of trade, this can be particularly expensive if the premises are subject to a minimum rental period, where an early move might invoke a penalty clause in the rental agreement. So, you must ask yourself what size of premises might be needed to meet your planned rate of growth over the next 2 or 3 years, as the answer to this may well influence your final choice of location.

## What are the options for acquiring premises?

The most appropriate way of acquiring premises is usually pre-determined by the financial resources which are available within the start-up business. A lot of potential owner-managers like to start very cautiously by utilising existing space at home, so as not to commit themselves to heavy regular expenditure on premises until they are sure that the business will take off. This is fine for some activities such as those involving the provision of services by sole-traders, but for manufacturing, wholesale or retail activities; commitment to expenditure for premises is usually unavoidable. This is particularly true if the new business involves buying out another established business such as a shop or garage, or setting up a franchised business associated with a corporate image where the design, decor and facilities within the premises are specified under the terms of the franchise.

The most common methods of acquiring premises are for freehold or leasehold purchase or some form of rental agreement:

- Freehold ownership of premises can take two forms. In some cases the business (or its owners) will buy land and develop custom built premises. This is typically associated with well-established cash-rich companies for whom the land is often a long-term capital investment. More often in small businesses, freehold premises are purchased along with the business within them (e.g. shops, pubs, off-licences), or a warehouse may be bought to house a specific business. Typically the process of freehold purchase requires the purchaser to provide 20-25% of the purchase price from their own resources, with the balance being funded through a commercial mortgage with a bank or financial institution, repayable over 10 or 15 years. As a longer-term capital investment it is good, the premises are an asset on the balance sheet, and of course there is no rent to pay. Full tax-relief can be claimed on interest payments, and capital allowance can be claimed against the purchase cost. Very few small firms however, have the spare cash or resources to find the 25% deposit for the mortgage without selling or mortgaging their own private homes. Solicitors are essential for the conveyancing of freehold premises, both to ensure the legality of the process, and to check that no undeclared mortgages or charges exist against the premises, or planning consents which might adversely affect the site. In some old cathedral cities it is not unusual for former church property to carry legal covenants from one or two centuries back that restrict the potential use of the site.
- Leasehold purchase provides a method of acquiring a capital asset for balance sheet purposes, without the same level of expenditure as freehold purchase. In the case, the business buys the leasehold rights to premises for a period of years (typically 25, 50 or 99 years on a new lease) and then pays the owner of the freehold rights an annual ground rent. The ground rent was traditionally paid on the four quarter days, i.e. 23rd of March, June, September, and December each year, although that tradition is now fading in favour of monthly direct debits. Once again, the deposit sums are usually around 25% but as the sum borrowed is lower than needed for freehold purchase, the repayments are more affordable. The repayment period is normally about 15 years, as per most commercial mortgages, but could be longer for a long residual period or less if there are only a few years remaining on the lease. Leases can also be resold if the firm outgrows the premises. The big draw back with selling leasehold property is that if a subsequent leaseholder goes bust, the liability for outstanding and future ground rent payments can fall back on the original or previous leaseholder. Again, solicitors are necessary for the conveyancing of leasehold purchases, and are essential for the checking of potential liabilities in the event of a future leaseholder defaulting on the lease, and the liabilities reverting to an earlier lessee. It is also worth checking for any restrictive covenants which may occur in leases for older buildings, as these could restrict the way in which the premises could be used.
- Medium or long-term rental agreements are quite popular on modern industrial estates, and sometimes new businesses are enticed with an initial rent-free period of 3 to 6 months. Typically the agreement period will be for at least 3 years during which the monthly rent payment is fixed at a pre-agreed level. In longer-term rent agreements, the rent may be reviewed at specified intervals.
- Short-term rental agreements are quite popular for very new businesses as they do not incur such long-term commitments as other arrangements. Typically rental agreements might be renewed year by year, with an annual rent review. The actual monthly or quarterly payments may be slightly higher than those of a medium term agreement, but it is normally possible to terminate the agreements with between 1 and 3 months' notice. Another bonus is that the agreements do not require the involvement of solicitors and the associated fees. It is of course still advisable to get a legal or informed opinion (such as an estate agent or surveyor) before signing contracts for any rental agreement, in case of any adverse clauses hidden in the small print. It is worth paying particular attention to any clauses relating to the liability of occupants to pay for, or contribute towards the upkeep and maintenance of premises. If these are included then it is reasonable to expect the rents to be adjusted downwards to reflect the liability.

### **Other aspects of obtaining premises**

The reader is reminded of the requirements for planning consent for change of use of premises under the Planning Acts, and the need for Building Regulations approval for any structural changes to premises, or drainage, etc. Similarly, according to the nature of the use of premises, it may be necessary to obtain licences for specific activities from the local authority, and to register with the local authority for any food-related businesses under the Environmental Health Regulations.

Information about available premises can usually be obtained from commercial estate agents, most of which are usually listed in yellow pages or advertise in the local press, although agents are increasingly using the Internet to advertise property. Alternatively, the local enterprise agency or bank business adviser may be able to suggest suitable options, and may well know of special incentives or assistance available to potential tenants.

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## KEY SUCCESS FACTORS IN NEW PRODUCT DEVELOPMENT PROCESS

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*In the last 10 years the dramatic changes in consumption and consumer patterns together with the recent E.U. accession process, that will influence the growth of aggressive competition, have put heavy pressure on Romanian companies. In order to face this big issues, the companies have to make some changes in their way of doing business, especially in their New Product Development (NPD) process. Therefore the continuous development and market introduction of new products can play an important role in the future performance of companies.*

*In the last years conceptual and empirical research has been undertaken to identify the critical success factors of new products. The objective of this paper work is to review the most important findings, in a compact and structured way, that describe the key factors that can influence the new product development process.*

*Key words: new product development, customer, needs*

New product development is probably the most important process for many companies, but also one of the least understood and, perhaps, executed<sup>73</sup>. This is important because new product development is responsible for the revenues and margins that a company can achieve and its ultimate value.

But let's start with a definition. The new product development starts with the identification of an opportunity in the market ("somebody needs a product to do this") and ends with the successful launch of the product<sup>74</sup>. In between are many activities to define the requirements, develop and test a product concept, fully define and develop the product, source for suppliers involved, plan the manufacturing and supply chain, and prepare marketing programs. On top of that, it's about defining the product strategy, managing the overall product program, and monitoring all the projects and activities needed to drive the new product development process.

Most functional areas of the company get involved at some time or another, including marketing, engineering, supply management, manufacturing, finance, and so on. As the people in these functions use enterprise systems to help them do their jobs, all of these systems are involved in new product development (NPD): for example customer relationship management (CRM), enterprise resource planning (ERP), product life-cycle management (PLM), supply chain management (SCM), supplier relationship management (SRM), and many others<sup>75</sup>.

In order for a new product development process to be successful, many different key factors have to come together in just the right way. If one is wrong, it's likely the whole process will fail.

In the next pages I will point out these key factors that influence the success of the NPD process.

### Differentiation

The top success factor is the delivery of a differentiated product with unique customer benefits and superior value. But most new products miss the mark here. The majority of products are tired "me too" products with little to distinguish them from the products of their competitors<sup>76</sup>. A second, popular scenario, but one which also yields poor results, is the engineer building a monument to him – the technical solution in search of a market.

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<sup>73</sup> Kotler Ph., - "Marketing Management", 3rd Edition, Teora Publishing House, Bucharest 2003, p. 419

<sup>74</sup> Cooper R., - "Winning at New Products: Accelerating the Process from Idea to Launch", Perseus Publishing, 2001, p. 27

<sup>75</sup> Milton. R. D., Griffin A., Castellion G.A., Anschuetz N.F., - "The PDMA Handbook of New Product Development", John Wiley & Sons, 1996, p. 73

<sup>76</sup> Trout J., Ries Al, - "Positioning – the battle for your mind", Brandbuilders Publishing House, Bucharest, 2004, p. 31

Often, “product superiority” is absent as a project selection criterion, while steps that encourage the design of such superior products are rarely built into the process (such as the voice of customer studies, identifying true and often unarticulated needs and weaknesses in competitors’ products).

Indeed, quite the reverse is true: The preoccupation with cycle-time reduction and the tendency to favor simple, inexpensive projects actually penalize the projects that will lead to product superiority. Once the companies arrive at a viable product concept, they should test it constantly with the customer.

#### Information

Too many new-product projects move from the idea stage right into development with little or no up-front homework. The results of this “ready, fire, aim” approach are usually disastrous. Solid pre-development homework drives up success rates significantly. Sadly, firms devote very little of a project’s funding and person-days to these critical activities. More time and resources should be devoted to the activities that precede the design and development of the product. Up-front homework means undertaking thorough market and competitive analysis, research on the customers’ needs and wants, concept testing, and technical and operations feasibility assessments. All of these activities in turn lead to the preparation of a full business case prior to beginning serious development work.

#### Voice of the customer

The people behind winning new-products have a strong dedication to the voice of the customer. Those projects that feature high-quality marketing actions are blessed with more than double the success rates of projects with poor marketing actions.

However, a strong market orientation with customer focus is noticeably absent from many businesses’ new-product projects. The voice of the customer must be an integral part of the process. This begins with idea generation – focus groups, customer panels, and working with lead users.

Market research and customer reaction must be an input into the product’s design, not just as a confirmation of it. The customer must be a part of the development process via constant rapid-prototype-and-test iterations. Also the companies have to ensure that the launch is based on solid market information.

#### Definition of the product

A failure to define the product before development begins is a major cause of both new-product failure and serious delays in time-to-market. In spite of the fact that early and stable product definition is consistently cited as a key to success, firms continue to perform poorly here. Terms such as “unstable product specs” and “project scope creep” describe far too many projects.

In other words no project moves to the development stage without a sharp definition of the product, including target-market definition; the product concept and benefits to be delivered; the positioning strategy; and, finally, the product features, attributes, performance requirements, and high-level specs. This definition must be fact-based and signed off by the project team. Senior management should also commit itself to the definition.

#### Planning the market launch

Not surprisingly, a strong market launch underlies the success of any product. Winners devote more than twice as many person-days and financial resources to the launch as do those that fail. Similarly, the quality of execution of the market launch is significantly higher for winners. The need for a quality launch – well planned, properly resourced, and well executed – should be obvious. But in some businesses, it’s almost as though the launch is an afterthought – something to worry about after the product is fully developed.

#### *Tough decision points*

Many projects move too far into development without serious scrutiny. In fact, once a project begins, there is very little chance that it will ever be killed. The result is that many ill-conceived projects continue to move forward and scarce resources are allocated improperly. Having tough decision points or gates where managers decide whether to continue or not is strongly correlated to the profitability of new-product efforts.

#### Cross-Functional Project Teams

Good organizational design is strongly linked to success. Projects that are organized with a cross-functional team, led by a strong project leader accountable for the entire project from beginning to end, dedicated and focused (as opposed to spread over many projects), stand a better chance of success.

#### *Strengths*

The new product fares better when it leverages the business’s core competencies. This means having a strong fit between the needs of the project and the resources, strengths and experience of the company in terms of marketing, distribution, selling, technology, and operations. These ingredients become checklist items in a scoring or rating model to help prioritize new-product projects. If the company leverage score is

low, then there must be other compelling reasons to proceed with the project. Leverage is not essential, but it certainly improves the odds of winning.

#### *International Orientation*

New products aimed at international markets and with international requirements built in from the outset fare better. By contrast, products that are developed for domestic markets and sold locally are not nearly as profitable. The strategy of “design for local needs and adjust for export later” usually does not work well.

The goal is either a global product (one development effort and one product for the entire global market) or a ‘glocal’ product (one development effort and one product, but with slight variants to satisfy each international market). An international orientation also means using cross-functional teams with members from different countries, and gathering information from multiple international markets.

#### *Top management*

Top management support is required for product innovation. But, many senior people get it wrong. Top management’s main role is to set the stage for product innovation – to be a “behind the-scenes” facilitator who is much less an actor, front and center. This stage-setting role is vital.

Management must make the long-term commitment to product development a source of growth. It must develop a vision, objectives, and strategy for product innovation. It must make available the necessary resources and ensure that they aren’t diverted to more immediate needs in times of shortage. It must commit to a disciplined game plan to drive products to market. And, most important, senior management must empower project teams. Senior management’s role is not to get involved in projects on a day-to-day basis, nor to constantly meddle and interfere in the project, nor to micromanage projects from afar, but to provide the needed leadership.

After analyzing all this key factors I have to point out that the process of developing new products varies between companies, and even between products within the same company.

Regardless of organizational differences, a good new product is the result of a methodical development effort with well defined product specifications and project goals<sup>77</sup>. So, in the end, the challenge of new product development process is to make sure that all of these different key success factors have to come together in just the right way.

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## NEW APPROACHES IN THE MANAGEMENT OF THE PUBLIC SERVICES OF GENERAL INTEREST

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*Abstract*

*The management methods, the level of knowledge and motivation of the employees, the resources available, the organizational culture and the high fluctuation of the external and internal environment of the organisation are some of the characteristics which distinguish the most of the municipal services providers of the other companies. The restructuring of the public administration in Romania is, above all, an internal necessity of the development of Romania and one of the main goals of the age we are crossing. In our opinion, the most important of this change is the reconsideration of the citizen's position to the administration, fact which can be properly translated as major transformations of the public clerks' vision on the administrative act and its finality, the actual ways of action and efficiency of their activity.*

*The level of satisfaction of the tax payer about the administrative system (that he actually supports financially) is the main indicator which shows the quality of this system, even if some measures taken especially at the level of central government produce effects perceived by the beneficiaries of these measures with a significant delay, because of the compulsory passing of some successive implementing steps and the response time of the system. In the economy of this indicator, each of the categories of services provided by the administration to the citizen has a specific role., contributing in a smaller or bigger measure at the perceive he has about the quality of the administrative act.*

*Keywords: Public services of general interest, management of public services, decentralization, durable development measures*

Public services, especially municipal services, represent an important area of the National Economy, both by the impact they have on the life standard of the population, which is in permanent contact with them and by their contribution to NGP. The fact that some of them are natural monopolies makes necessary a constant survey of their quality and cost, as a control on the way the consumer's rights are protected.

The expression “ public services of general interest” regards the services with specific obligations, based on public interest criteria. The public services of general interest are represented by the distribution of drinking water, electric energy, thermal energy and natural gas, the sewerage services, the transport and the communication, the postal services , as well as other economic activities, as the administration of the public housing fund and the public domain, the construction of social houses, the public lightning, the land registry etc.

In Romania, the public services of general interest are going to have a more significant role. Taking into consideration their economic importance for other goods and services, their efficiency and quality represent competitive factors on the public services market, with an essential role in obtaining investments in all sectors, as well as in less promoted regions. Providing public services of general interest in a performant and non-discriminating manner also represents an important condition for the functioning of a single market and for a faster integration in the European Union.

The Romanian adhesion at the European Union requires the compliance with precised criteria regarding the performant and quality public services of general interest and, mostly, the development of the network industries and their connexions, in order to facilitate the European integration, the increase of the citizens wellbeing and the compliance in a short period of time with the European standards.

The European Community promotes a “controlled” liberalization for these services, a progressive opening of the market, with measures able to protect the general interest, through the concept of universal service, in order to guarantee a free access for everyone, regardless its economical, social or geographical situation, at quality and affordable services.

According to the European Union standards, Romania has to keep in mind the fact that, in the public services development and organisation process, the main principle regards the setting-up of those conditions able to offer to the consumers European services with affordable prices.

The performant and quality public services of general interest are also essential for the increase of the citizens wellbeing and for their fundamental rights. The population has to be aware of the fact that the European Union considers very important the individual and non-discriminating access for everyone at the public services of general interest.

The development of the management for public services of general interest has to be based on the following fundamental objectives:

- Decentralization of the public services of general interest and increase of the authorities responsibilities regarding the quality of the services offered to the population;
- Development of centralized systems for the main services (water supply, sewerage, sanitation services) and increase of the population access level at these services.
- Restructure of the mechanisms of social protection for certain segments of the population and reconsideration of the price/quality report.
- Promoting the market economy principles and reduction of the monopoly level.
- Private capital for investments regarding the public services of general interest.
- Setting-up of the local credit and increase of its contribution regarding the financing of the public services of general interest.
- Promoting durable development measures.
- Promoting the social partnership and the continuous training of the human resources.

### **Decentralization of the public services of general interest and increase of the authorities responsibilities regarding the quality of the services offered to the population**

According to the law, the local authorities have the responsibility of assuring the setting-up and the functioning of the public services operators. The importance of the services quality offered to the population determines as a first objective the development of the providers operational and financial performances, in order to increase the safety and the quality of the services offered to the population, through:

Fast amendment and completion of the secondary legislation necessary for the implementation of the Law of municipal services

Licensing of the operators for each category of public services

Setting-up measures of reorganisation and re-grouping the providers, according to the economical efficiency criteria and the technical capacity of solving the financial and operational problems existing in many towns.

### **Restructure of the mechanisms of social protection for certain segments of the population**

The present social protection mechanisms restrict the access to the main public services for some social categories of population. A first objective should be the restructure of the mechanisms of social protection for these segments of population, through:

- Assuring a social protection only for these segments of the population
- Increase of this social protection for these categories of population
- Implementation of an unitary and coherent system of social protection for the energetic services (electric energy, thermal energy, natural gas) and elimination of crossed subventions.

### **Development of centralized systems for the services with great impact for the health condition of the population and increase of the population access level for these services**

The small level of technical equipment restricts the population access at some public services of general interest assured through centralized systems, controlled and monitored by the authorities. As a result, a medium-term objective should be the development of centralized systems for basic services (water supply, sewerage, sanitation services) and increase of the population access level for these services, through:

- Promoting new investment programs for the rehabilitation and development of the water supply systems, the sewerage of waste waters, the collection, transport and storing of domestic waste in towns (SAMTID)
- Implementation of development programs for the rural infrastructure (SAPARD, The Rural Development Program)
- Development of the producing, transport and distribution systems for the electric and thermal energy through cogeneration systems in order to increase the energetic efficiency, the price/quality report and to maintain an acceptable level of affordability for the family budget.

### **Promoting the market economy principles and reduction of the monopoly level**

Most of the municipal services have a character of half-monopoly, determined by the captive clients connected at the centralized systems of water supply, sewerage, electric and thermal energy, natural gas

etc. A medium-term objective should be the involvement in competition of the operators, the financing capitals and the management, through:

- Public auction of the public services, if the operator has financial losses or is not able to assure the necessary quality of the service provided.
- Non-granting/withdrawal of the licenses for the operators not able to fulfil the performance criteria established through specific regulations.

### **Private capital for investments regarding the local infrastructure**

The need for investments in order to rehabilitate and develop the infrastructure of the public services is estimated at 1.5 billion EURO/year up to 2007 and 1 billion/year for the period 2008 – 2025. Due to the budgetary restrictions for the transition periods, the financing of these investments cannot be achieved from public funds. The long-term objective is represented by promoting measures in order to assure private capital for these public services and cooperation with the local authorities in order to conclude public-private partnerships for new investments, through:

- Preparing and implementing BOT investment projects (Build – Operate – Transfer) for significant developments at the water stations, the thermal stations, the stations with cogeneration, the ecological deposits for urban waste, the road infrastructure, the rail transport infrastructure and the energy distribution system.
- Establishing minimum limits for the systems rehabilitation investments based on the future concession contracts
- Territorial grouping of the operators, in order to make them more interesting for the significant investors
- Completion of the legal framework and the secondary legislation regarding the public services of general interest.

### **Setting-up of the local credit and increase of its utilisation for the financing of the infrastructure investments**

Beside the private capital, the credit represents another traditional source for financing the investments in the infrastructure, according to the European Union. The credit allows the fair distribution of the obligations among the beneficiaries. The main objective is the setting-up of the local credit and a bank specialised in financing the investments promoted by local authorities, through:

- Approval of the draft regarding the setting-up of the Bank of Investments for Local Authorities and assuring facilities for the local credit.
- Requiring technical assistance financed by EU – Phare in order to consolidate the institutional capacity of this new bank.

### **Promoting durable development measures**

The public services of general interest have a significant impact on the environment. On one side, they represent an important pollution factor, and, on the other side, they participate at the reduction of the pollution level (the treatment of the waste waters, the collecting and storing of the waste etc.) The compliance with the environment standards of the infrastructure of the public services (construction – using – maintenance – pulling down) has great importance for the durable development concept. As a result, the objective is the compliance of the Romanian practises and standards for public services with the standards of the European Union, through:

- Amendment and completion of the legal framework based on the provisions of the European directives for public services regarding water, waste, energy and transport.
- Financial support for the programs with infrastructure development measures (ISPA, SAPARD, PDR, SAMTID, TECP2 etc.)
- Promoting specialised programs for the small towns, in order to rehabilitate and develop the local infrastructure.

### **Promoting the social partnership**

The European policy considers very important the participation of all the social partners at the decision taking process with great impact for the population. The public services of general interest have a significant role in the social cooperation of the citizens, in order to have a decent life. Starting from this principle, the long-term objective is promoting the social partnership, through:

- Increase of the civil structures involvement, mainly the educational institutions, in the process of elaborating strategies, economical policies and sectorial programs.

- Setting-up partnership projects in order to consolidate the relations with the associations of the beneficiaries of the public services.
- Assuring the on-going professional training for the persons involved in the public services, with the support of the specialised educational institutions.
- Evaluation and attesting of the professional capacity by the professional departments of the non-governmental organisations, politically neutral.

## Conclusions

The public services of general interest have an economical dimension and a social one, which are connected and, as a result, every governance has to be equally concerned of the both aspects.

The public services strategy and policies have to be elaborated based on the participation of all the social partners, the civil society and the mass-media representatives.

The development of the public services of general interest represents a requirement for the Romanian European integration, and the aspects regarding the drinking water quality, the waste water, the urban waste management, the waste storing and processing, the environment protection etc., are regulated by European directives.

There has to be a clear distinction between the quality of owner of the heritage used for public services, which belongs to the public local authorities, and the quality of operator of the public service, which can be achieved by any legal person, if it is authorised and it has a management delegation contract, according to the legal stipulations.

The systems operating for the public services are physically and morally old and this conducts to a low efficiency and great expenses.

The legal framework allows the development of the public services of general interest and, as a consequence, it has to be properly improved.

The sources of the central and local budgets are not able to assure the development of the public services infrastructure.

As a result, it is essential to be concluded public-private partnerships and to obtain supplementary sources from various loans, in order to improve the public services. It is also essential for the state to accept the responsibility of assuring the necessary credits for investments regarding the infrastructure of public services.

The local authorities have to grant more guarantees, based on the legal provisions.

The banks which grant credits have to be stimulated through legislative measures.

The investment effort foreseen does not have to be regarded only as a consumption of financial resources, it has to be considered a complex process based on which long-term material goods will be produced, the entire population will have better conditions of life, according to the European standards and the environment and durable development policies will be achieved.

The investment effort leads to these objectives and will have the following economical and social consequences:

- the number of people involved in this sector of activity, representing 1.230.000,00 persons, will probably increase in the next years;
- there will be new working offers for 600.000,00 persons, based on the investment programs;
- the Romanian equipment tools industry will be stimulated, which will lead to 200.000 – 300.000 new working offers in the next years;
- the budget will increase with taxes and VAT.

The restructuring of the municipal services also requires the reduction of the number of operators at a reasonable figure, 150-200 in the beginning and then 100.

The problem regarding the professional training will have to be included in the contract stipulations for all the public services operators and will have to be monitored as a performance indicator.

The civil society, represented by the patronage, the professional and consumers associations, will have to be an active presence in the public services developing process. The permanent dialogue will become essential among these structures, the national regulation authorities and the representatives of the public local and central authorities

## THE ASSESSMENT METHODOLOGY OF THE SERVICES' QUALITY OFFERED BY HIGHER EDUCATION INSTITUTIONS

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***Abstract.** The present work is part of an attempt to create an extremely useful managerial instrument for higher education managers in order to determine the quality level of educational establishments within the context of the requirements imposed at world-wide level as far as the higher education is concerned. Starting from the set of indicators requested by various control establishments concerned with the quality of education adapted on the classification structure of intellectual capital which is unanimously accepted world-wide, respectively external and internal structure and employees competence, we have applied ROMPEDET method of determining the level of global quality of variant, in this case of the universities analyzed by comparison. The conclusions resulted from the application of the method are necessary for the managers of educational establishments in order to determine the indicators of maximum importance for the assessment of quality level in an objective way on one hand and, on the other hand, for the establishment of future directions in which the efforts should be corroborated for an increase of quality level, including the strategies that should be adopted in the future.*

*Key-words: higher education institutions; quality of educational services; ROMPEDET method.*

The higher education is obviously getting through a period of re-organization and re-establishment of new principles. Both at European and national levels, the issue of educational services quality is brought forward, taking into consideration the fact that universities are approached as socio-economical entities whose objective is "the survival" in a competitive environment. Therefore, the system managers who tend to transform into professionals are considering both the instruments to measure the success of the universities and the educational systems managed and the instruments that may reach and maintain the success.

As far as the success of the higher educational establishments is concerned, we can notice that neither at European level nor at national level things are very clear and this can be partly explained through the specifics of the educational services. Therefore, having in view the situation and the author, successful universities are considered to be those which attract a high number of students, those which offer the graduates the chance of an easy integration into the labour market, those that offer a sustained research activity or those whose professors are recognized within the national and international academic fields. None of these criteria can be disputable, as well as none of them can be unanimously accepted. All these controversies result from the multiple roles that universities have, which is that of offering the students a specialized training, in order to provide the society high-quality human resources, from a professional and moral point of view and to offer valuable scientific results. Going beyond this phase of conceptual discussions and going back to a realist and actual level, managers of higher educational establishments measure their success in a more or less obvious manner by the university capacity of attracting a higher volume of financial resources in various ways, such as study fees, the refinement of research results, budget allowance, financial support from the business area. It is desirable that these resources to be assigned in a rational manner as far as the sources of provenience and the destinations of use are concerned, respecting the social and moral responsibilities of universities.

As far as the instruments by which the system managers may ensure the success are concerned, both at establishment and national level the research is only at its beginning as long as education in general, especially higher education, can be placed in a new context whose coordinates are given by the activity of education taking into consideration the conditions and the obligation of the integration in the European Common Area.

Starting from a vast study of the actual modifications in the higher education, the authors of this work propose a useful model to the managers of higher educational establishments both with the scope of better appreciating the performances of the managed organizations in relation with other similar organizations and, on the same basis, the initiation of corrective measures.

**A first step** of this demarche consists of the issuance of a set of indicators, moreover of the principles by which indicators that will be taken into account can be established. It is very important that they are easily

understood, operated and used. Taking into account the multiple roles of the educational services, they can be grouped in the following categories, according to the structuring model of intangible assets and to the intellectual capital used in specialized literature (IAM issued by Sveiby, IC issued by Skandia etc.):

**Table 1: External structure indicators**

Indicator	Symbol	Comments
Clients' satisfaction	(E <sub>1</sub> )	indicator determined on the basis of questionnaires addressed both to the students and to economic operators who have worked with students and gradulators
Graduators' rate	(E <sub>2</sub> )	calculated by reporting the number of graduates to the number of those admitted
Students' selection	(E <sub>3</sub> )	calculated by report between the number of those admitted in the higher education establishment and the total number of candidates
The number of students per teacher	(E <sub>4</sub> )	calculated by report between the number of students and the number of teachers
The existence of didactic areas related to the specifics of the area	(E <sub>5</sub> )	calculated by report between the space surface for didactic activities expressed in m <sup>2</sup> and the number of student at ordinary education.
Owned market share	(E <sub>6</sub> )	it can be calculated at local and/or national levels
The number of research contracts signed with representatives of the business area	(E <sub>7</sub> )	graded depending on the period of time

**Internal structure indicators** – are necessary for the management of the company in order to notice the registered progress and to initiate corrective actions when needed. Such indicators may be:

**Table 2. Internal structure indicators**

Indicator	Symbol	Comments
Investments in the data processing systems	(I <sub>1</sub> )	The informational system plays an important role in obtaining the necessary information, helping in identifying the origin of any further problem.
The percentage of the number of jobs filled in with right-holder.	(I <sub>2</sub> )	Calculated by report between the number of right-holders and the number of available didactic jobs.
The structure of didactic jobs of professors	(I <sub>3</sub> )	
The proportion of the auxiliary personnel	(I <sub>4</sub> )	The inverse of this indicator is the specialists' proportion.
Employees attitude towards the workplace	(I <sub>5</sub> )	The employees' attitude towards the institution can be measured in the same way as customers' attitude.
Personnel fluctuation	(I <sub>6</sub> )	The smaller the fluctuation is, the more efficient.
“Beginners” rate	(I <sub>7</sub> )	Beginners will be considered the persons having seniority in office of less than 3 years.
A balanced allocation on income	(I <sub>8</sub> )	The way of allocating will be determined on three

sources		sources: study, research and other activities fees.
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**Development perspective** – answers the question “Can the institution create, on long term, value and improve it?”

**Table 3. Development indicators**

Indicator	Symbol	Comments
The percentage of professors-leaders in ScD./PhD. Thesis of the total of professors	(D <sub>1</sub> )	It will be appreciated by grades
Investments made for personnel basic and advanced vocational training	(D <sub>2</sub> )	The money invested for participation at conferences, seminars, libraries' supply, etc
International collaborations intensity	(D <sub>3</sub> )	Takes into account both the visits to/from abroad and research contracts
Necessary instruments for the implementation of the requests provided by the Bologna process	(D <sub>4</sub> )	It is about a basic implementation and not one of form, which has already been realized

The indicators presented above are not restrictive but they can be further completed and improved, the authors mainly trying to emphasize their structure.

**The second stage** of the proposed methodology obviously becomes the choice of the institutions with which the comparison will made. The most performing institutions and the data processing will be chosen.

After obtaining these data mainly on the basis of the situations forwarded to the ministry by the universities, **a third stage** follows based on the ROMPEDET method application – ROMPEDET = Romanian Model of Performance Determination. This is a Romanian model for determining the performance; the model has been invented by Prof. Univ. Dr. Ion Stancioiu in order to appreciate the quality level of a variant in comparison with the others and applied by the authors for higher education, in order to evaluate the quality levels of Romanian universities.

The ROMPEDET method, compared with ELECTRE, Combinex and KT methods that present serious inconveniences regarding the credibility of the conclusions they reach, does nor allow the subjectivity of the appreciation of quality and technical levels. Therefore, performance  $H_i$  of a variant  $V_i$  ( $i = 1, 2, \dots, m$ ) can be obtained by adopting variant  $V_{k_i}$  as a basis and reporting it to its characteristics of variant  $V_i$ , taking into account the importance of each and every characteristic, according to the formula:

$$H_i = a \prod_{j \in S_1} \left( \frac{x_{ij}}{x_{kj}} \right)^{\gamma_j} \cdot \prod_{j \in S_2} \left( \frac{x_{kj}}{x_{ij}} \right)^{\gamma_j} \quad (1)$$

in which:

- a – scale factor (it has been proposed  $a=100$  for a more evident differentiation between variants);
- $x_{ij}$  – characteristic values of j of variant  $V_i$ ;
- $x_{kj}$  – characteristic values of j of variant  $V_k$ ;
- $\gamma_j$  – the percentage of characteristic j in defining the performance level of  $H_i$ ;  $\gamma_j$  is rated as such:  $0 \leq \gamma_j \leq 1$ ;  $\sum \gamma_j = 1$ .
- $S_1$  – the subdivision of characteristics which is desirable to have high values for the performance to be higher;
- $S_2$  – the complementary subdivision of the characteristics which is desirable to have smaller values for the performance to be higher;

If the information about the exploiting costs are missing or the function writing of these costs reported to the characteristics of the products is difficult, the percentage  $\gamma_j$  can be established on the basis of the formula:

$$\gamma_j = \gamma_{j1} = \frac{\sum_{j_2} a_{j_1 j_2}}{\sum_{j_2} \sum_{j_1} a_{j_1 j_2}}; 0 \leq \gamma_j \leq 1; \sum_j \gamma_j = 1; j_1 j_2 = \overline{1, n} \quad (2)$$

in which  $j_1 j_2$  represent the elements of the matrix square  $A_{n \times n} = \|a_{j_1 j_2}\|$ , having the values:

$$a_{j_1 j_2} = \left\{ \begin{array}{l} 1, C_{j_1} I C_{j_2} \text{ (caracteristica } C_{j_1} \text{ este de egală importanță cu } C_{j_2}) \\ 2, C_{j_1} P C_{j_2} \text{ (caracteristica } C_{j_1} \text{ este mai importantă decât } C_{j_2}) \\ 4, C_{j_1} P P C_{j_2} \text{ (caracteristica } C_{j_1} \text{ este mult mai importantă decât } C_{j_2}) \\ 0, \text{ în rest} \end{array} \right\} \quad (3)$$

where: I represents logic operator of indifference, and P logic operator of preference.

For establishing the preference matrix A which represents the basis of applying the (2) formula, it is recommended the hierarchy of indicators presented above and grouped in three categories, as follows:

		External Structure Indicators							Internal Structure Indicators								Development Indicators				Grades	$\gamma_j$
		E <sub>1</sub>	E <sub>2</sub>	E <sub>3</sub>	E <sub>4</sub>	E <sub>5</sub>	E <sub>6</sub>	E <sub>7</sub>	I <sub>1</sub>	I <sub>2</sub>	I <sub>3</sub>	I <sub>4</sub>	I <sub>5</sub>	I <sub>6</sub>	I <sub>7</sub>	I <sub>8</sub>	D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>		
External Structure Indicators	E <sub>1</sub>	1	2	1	4	2	0	2	1	2	4	2	0	1	0	2	2	0	4	0	30	0,063
	E <sub>2</sub>	0	1	1	2	4	0	1	2	4	0	1	2	4	0	1	2	4	0	1	30	0,063
	E <sub>3</sub>	1	0	1	0	1	2	4	0	1	2	4	0	1	2	4	0	1	2	4	30	0,063
	E <sub>4</sub>	0	0	2	1	0	1	2	4	0	1	2	4	0	1	2	4	0	1	2	27	0,057
	E <sub>5</sub>	0	0	0	2	1	2	4	0	1	2	4	0	2	4	0	1	2	1	4	30	0,063
	E <sub>6</sub>	4	2	0	0	0	1	2	4	0	1	2	4	0	1	2	4	0	1	2	30	0,063
	E <sub>7</sub>	0	0	0	0	0		1	2	4	0	1	2	4	0	1	2	4	0	1	22	0,046
Internal Structure Indicators	I <sub>1</sub>	1	0	4	0	2	0		1	0	1	2	4	0	1	2	4	0	1	2	25	0,053
	I <sub>2</sub>	0	2	1	4	1	4	0	2	1	2	4	0	1	2	4	0	1	2	4	35	0,074
	I <sub>3</sub>	0	4	0	1	0	1	2	1	0	1	4	2	0	1	2	4	0	1	2	26	0,055
	I <sub>4</sub>	0	1	0	0	0	0	1	0	0	0	1	1	2	4	0	1	2	4	0	17	0,036
	I <sub>5</sub>	2	0	2	0	4	0	0	0	2	0	1	1	4	0	1	2	4	0	1	24	0,051
	I <sub>6</sub>	1	0	1	2	0	2	0	4	1	2	0	0	1	1	2	4	0	1	2	24	0,051
	I <sub>7</sub>	2	2	0	1	0	1	4	1	1	1	0	2	1	1	4	1	0	2	4	28	0,059
	I <sub>8</sub>	0	1	0	0	2	0	1	0	0	0	4	1	0	0	1	1	2	4	0	17	0,036
Development Indicators	D <sub>1</sub>	0	0	4	0	1	0	0	0	2	0	1	0	0	1		1	0	1	2	13	0,027
	D <sub>2</sub>	2	0	1	4	0	2	0	4	1	2	0	0	2	2	0	4	1	2	4	31	0,065
	D <sub>3</sub>	0	4	0	1	1	1	2	1	0	4	1	0	0	1	0	1	0	1	2	20	0,042
	D <sub>4</sub>	4	1	0	0	0	0	1	0	0	0	4	1	0	0	4	0	0	0	1	16	0,034
																					475	1,000

Global indicator of quality  $H_i$  for each analyzed university, can be determined following the application of this percentage on the previously determined indicators.

Univ.	Ind.	External Structure Indicators						External Structure Indicators								Development Indicators				
		E <sub>1</sub>	E <sub>1</sub>	E <sub>2</sub>	E <sub>3</sub>	E <sub>4</sub>	E <sub>5</sub>	E <sub>6</sub>	I <sub>7</sub>	I <sub>2</sub>	I <sub>3</sub>	I <sub>4</sub>	I <sub>5</sub>	I <sub>6</sub>	I <sub>7</sub>	I <sub>8</sub>	D <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>
	„A” University																			
	„B” University																			
	„C” University																			
	...																			

### Conclusions:

The present methodology is part of an attempt to create an important methodology-managerial instrument for any higher education establishment manager. Using this managerial tool, they can periodically evaluate the institution they are managing and to interfere in those indicators with high percentage in order to raise the general quality level of the institution.

The proposal of the authors has the advantage of being easily applied for any university and periodical and comparative assessment is a criterion for appreciation of managerial capacities. The flexibility of the method allows the replacement and modification of the indicators in order to be permanently up-to-date to the requests of the national regulatory institutions (ARACIS in Romania).

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# CONVERGENCE TOWARDS A EUROPEAN MANAGEMENT MODEL?

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**Abstract:** *in the last two decades, in Europe there were a lot of different national management models, from which the French model and the Rhenish model were leaders. The more intense integration processes, as well as the influence of globalization, have determined important changes. But will the economic integration processes be enough in order to outline a European management model?*

**Keywords:** *model, management, convergence*

## 1. The French Model

It is based upon the important development of the state administration in companies and upon the symbolic power of its actions. The French companies keep close connections with the state; most of their leaders originate in two great financial institutions (Polytechnics and ENA). This aspect assumes that these leaders have started their career in administration. On the other side, their closeness to the state can be seen in the level of the traditional policies of the French companies as well: the presence of the state in the capital organisation, the importance of the public orders, big contracts negotiated with the French Government, frequently appealing to subventions in order to finance development projects<sup>78</sup> for many companies. In addition, the flexibility of work has increased, and the importance of the project management has magnified. Still, the state remains a financial sustainer for many French firms deeply marked by a strong hierarchical organisation based upon rules and procedures<sup>79</sup>. The French administrative and hierarchical organisation finds its bases in the work of Henry Fayol and his disciples, for which the efficiency of the organisation is closely connected with a hierarchical coordination system. This type of organisation is based, mainly, upon a centralization of the decisions, establishing a unique management and maintaining order and discipline. The leadership style is straight, and the statute of the manager is alleged distinctively<sup>80</sup>. Philip d'Iribarne places himself on the same direction when sustaining that the role of the state (title, range and professional trainings) is determined and represents one of the main sources of power in the organisation. In this type of organisation, the functioning method is of pyramidal nature, with many hierarchical levels. In my opinion, this model cumulates a strong hierarchical distance and avoids uncertainty. The hierarchical organisation is based upon a reward-penalty system that encourages dependency connections and renders the individual to conform himself with the rules established by the organisation. Complying with discipline is essential for the well functioning of the organisation (subduing to the authority, obedience, assiduity, respect). According to this management conception, the oneness in management occurs like a mean of stabilizing the organisation and limiting the derive risks.

The speed of economical, technical and social changes, imposes organisational systems lead by other rules, where hierarchy is very strong, often makes room to a project management characterized by the **increased responsibility of the individual and of the work group and by continuous improving policies focused upon innovation and flexibility**. From the internal point of view, the hierarchical organisation that distributes tasks and roles, contributes to creating stratification in the organisation symbolized through differentiated systems of privileges depending on the individual's position in the organisation. According to Bouchiki and Kimberly, this configuration becomes a stake upon power, creating through this internal competition phenomenon or coalitions. As a consequence, the organisation does not appear as a network of tasks or roles, and becomes the stake of a system where the individuals confront in order to obtain the few positions available at the top of the hierarchy. This separation between the ones holding the authority and the ones obeying to it, determines the members of the company to develop two types of reactions, depending on the manner in which they are positioned on the hierarchical scale. The first ones will undertake everything in order to strengthen their power and will use means of dependence or co-optation that will grant them devoted subordinates. The other ones will try to undertake actions that will grant them the access to superior levels, appealing to coalitions or alliances involving other members of the

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<sup>78</sup> **H. Joly**-France-Allemagne: *le résistible déclin des modèles nationaux*, Revue Française de Gestion, nr.111, 1996, p.184-198

<sup>79</sup> **J.Lesourn**- *Le modèle français: Grandeur et décadence*, Odile Jacob,1998

<sup>80</sup> **Olivier Meier**- *Management interculturel. Stratégie, Organisation, Performance*, Dunod, Paris,2004, p.54

organisation. This aspect has as immediate effect creating a relationship system based not so much on the competence or merit, but mainly upon defending the particular benefits of one group to the prejudice of the other. This aspect appears more striking when the organisation is based upon a hierarchical system that is less opened to the exterior and organised around some privileges. The competition between individuals is stronger since the resources that an organisation holds are more limited and at the use of the minority that wishes to maintain its power and advantages. In chart 1 we present a synthesis of the features of the French model.

**Chart 1. The French Model**

<b>Financial-economical system</b>	<ul style="list-style-type: none"> <li>-the public sector is important</li> <li>-the importance of big companies</li> <li>-specialized in transports, aeronautics, guns, pharmaceutical products, food products</li> <li>-moderate development of the financial markets</li> <li>-strong presence of the intermediate bankers</li> </ul>
<b>Social system</b>	<ul style="list-style-type: none"> <li>-conflict relationship between employers and employees stabilized by the state</li> <li>-divided and demanding unions</li> <li>-frequent critics of the employers</li> <li>-collective negotiations arbitrated by the state</li> </ul>
<b>The relationship with the state</b>	<ul style="list-style-type: none"> <li>-the tradition of a strong and interposing central state</li> <li>-elite birocratism</li> <li>-developed redelivering system ( extended social protection and important fiscal pressure)</li> </ul>
<b>Country of reference</b>	<b>France</b>

**Source:** processed after **Olivier Meier-** *Mananagement interculturel. Stratégie, Organisation, Performance*, Dunod, Paris, 2004,p.56.

According to professor Ioan Mihuț<sup>81</sup>, the French management is characterized by the authoritative style. The French managers (*les cadres dirigeants*) act through specific behaviors to the authoritative-well-wishing, that presumes consulting a restricted circle of advisers in order to substantiate, on scientific bases, the decision but as well as for adopting it in an individual manner. The president- general manager (PGM) usually interprets the role of a dictator of the employer that manages the fortune of the family.

A first feature of the French leadership style is the **centralized authority**. Because of the centralism, the authority of decision upon operational levels is limited by descendent informational restrictions. A second feature that results implicitly is the limitation of authority and decisional autonomy that may have negative effects upon the quality of the decisional process. A Japanese analyst of the French management that studied the relationships while working in a productive Japanese subsidiary active in the industry of electronic products from France, pointed out a third feature of the French leadership style: excessive individualism, feature that can be explained by practicing the authoritative style at all the levels of the structure. In this way, the confession that a French worker has made to Herve Sérieux, president of the French Association of the Quality Circles: “Every morning, before starting to work, I put my intelligence in the locker and I take it back at the end of the day, when I leave the factory”.

In the reference work “Management in Western Europe” (2000), Peter Lawrence and Vincent Edwards consider that the work relationships in France are very formal, often impersonal and of a hierarchical nature. The French employer may clearly draw a separating line between working and other activities. At the same time, at work, they will try to hide details of their private life and they will not ask questions to their colleagues about activities connected to their work. At the same time, the meetings are part of the

<sup>81</sup> **I. Mihuț-** “*Euromanagement*”, Ed. Economică, București, 2002, p.97

formality of the French management. The French managers show the tendency to have a positive point of view upon formal meetings, considered as the essence of managerial tasks, the only way to accomplish things. There is a difference in what regards the quality of work groups from France. The groups form, but they have the tendency to base upon the perception of some common interests in the defense of the “rights earned” (“droit acquis”). It is less probable that the working groups include people from **different management levels or different departments**.

## 2. The Rhenish Model

From the macroeconomic point of view, the Rhenish model grants to the state and to the public collectivities an essential role of redelivering a social security developed into pension systems through distribution<sup>82</sup>. Traditionally, this system applies in Germany, Switzerland and Benelux. The Rhenish capitalism integrates, at its bases, an intense participation, social rules, the protection of the individuals, eliminates the striking inequalities. At the company level, the correspondent of this system is “co administration”. According to this model, the managers and the shareholders and the specialists participate in an equal manner at managing the company and seek for a general consent of interests. The companies represent a real community of interests between the capital holders, the management and the employees. Co administration (“mitbestimmung”) is applied through three levels: management, supervising system and the council of the company which is being consulted in the matter of all the social issues. The hired staff is included in the Supervising Council. Inside the company a social dialogue exists that sometimes may seem obscure and stressing, but which constitutes, at the same measure a competition factor. This company model is known under the name of “stakeholder model”, opposed to the “stockholder model” present in the North American economy.

The Rhenish model is based upon concentration on long term and is described through stable shareholders and participative professional relationships. The actual consequences of this organisation system are the consistent remunerations, small differences between the employee’s salaries in other places, a different career structure and a specific professional forming system.

In Germany, the companies facilitate qualifying and the years of service in the promoting system. The ruling model in this domain is represented by the interior professional trajectories of the company, mainly for the so called “home career”, in the frame of the company: almost all the German managers have accomplished their career in the company, with a multiple selection system where the diploma does not represent a criterion of systematic reproduction of the elites. The professional formation is very important and is based upon a strong cooperation between the company and its employees.

On the organisational plan, the management is based upon rigors, rules and competence during the professional consensual changes, where each individual shows his own contribution. The German companies have an administrative tradition built upon the law spirit in what regards the staff management<sup>83</sup>. This model of administrative organisation of legal-rational type is based upon the work of Max Weber, for whom the efficiency of the organisation is strongly connected to a precise definition of the functions and tasks, which is made possible by applying a controlling system of procedural type (bureaucratically control).

The salary is considered the basic material stimulus for the employees of the German companies<sup>84</sup>. The salary level differs from one region to another (the lowest being the one from the lands from East) and from one company to another. The German management uses many forms of stimulating the growth of incomes based upon **merit** and **performance**, assigning them to the manager and to the employees. The specific stimulation forms used in the German companies are profit participation (in the case of managers-shareholders), encouraging employees in order to become shareholders, awarding some merit and performance prices, awarding bonuses (vacation money, money for different company anniversaries). The annual incomes of German managers are much lower that the ones of their American homologues.

Ioan Mihuț<sup>85</sup> provides us, in synthesis, some fundaments that, in his opinion, would characterize the German management model:

- Participative management based upon codetermination
- Promoting competence and the management based upon results
- Valuing hardworking, discipline and the creativity of the employees

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<sup>82</sup> M. Albert- *Capitalisme contre capitalisme*, Éditions du Seuil, 1991

<sup>83</sup> A. Ferner, J. Quintanilla, M.Z. Varul- “Country- of -origin effects , host- country effects and the management of HR in multinationals: German companies in Britain and Spain, *Journal of World Business*, 36(2), 2001, p.107-127

<sup>84</sup> I. Mihuț, *op.cit.*, 2002, p.76

<sup>85</sup> Ioan Mihuț , *op.cit.*, 2002, p.85-89

- Correct human relationships and granting social wellness.

In Chart 2 we provide, as well, still in synthesis, the main features of the Rhenish management/leadership model.

**Chart 2. The Rhenish Model**

<b>Financial-economical system</b>	<ul style="list-style-type: none"> <li>-familial capitalism: importance granted to saving and little interest for speculation</li> <li>-important productions protected by the competition of great industries</li> <li>-specialization: automobiles, chemical products, mechanic, electrical products</li> <li>-property: crossing between bank-company</li> <li>-shareholding stable and concentrated</li> <li>-logical and co administration</li> <li>-banks weight: controlling the mangers and long time credits</li> </ul>
<b>Social system</b>	<ul style="list-style-type: none"> <li>-increasing salaries</li> <li>-high level of professional forming</li> <li>-limited social inequalities</li> <li>-powerful unions</li> <li>-collective branch negotiations</li> </ul>
<b>The relationship with the state</b>	<ul style="list-style-type: none"> <li>-a protective federal state</li> <li>-the role of the state in correcting, enforcing and controlling the markets</li> <li>-the state agent in the services of the collective actions</li> <li>-corporate social conservatory protection government</li> </ul>
<b>Country of reference</b>	<b>Germany</b>

**Source:** processed after **Olivier Meier-** *Mananagement interculturel. Stratégie, Organisation, Performance*, Dunod, Paris, 2004,p.57.

There are other features that differentiate the German management from the management in the Anglo-Saxon area, for example. Some researchers might say that the Germans hold a weaker approach of the management. The Germans are focused upon the objectives, are hard working and will accomplish their tasks seriously, but they are not that well trained as their Anglo-Saxon homologous in recognizing that there exists something separable that may be called “management”, that someone may use in other domains, analyze and generalize<sup>86</sup>. They will have to remark that there are some management elements in most jobs, than saying that management is a specific job, with an independent dynamics.

### **3. Are we heading towards a European model?**

Can we speak about a European management and as its component a European culture? I think that the answer to this question is hard to give because, facing the diversity of the cultures peculiar to each of the countries that are members, it is very difficult to identify a sufficient number of common features. After Calori and De Woot (1994), Europe is a multicultural block that might divide in the following way:

at the first level of segmentation we find England, which can be considered an exception because the management of its companies is approaching to the one of the American companies (the liberal vision upon business, orientation on the short time, pragmatism)

At the second segmentation level, the separation between the north and south of Europe allows differentiating two groups of countries on the base of two main dimensions. The North can be seen as an

<sup>86</sup> **Lawrence și Edwards**, *op. cit.*, 2000, p.105

ensemble of countries less interventionist, opened to the liberal thesis and that relies upon a social management less hierarchical and organised (formalized degree relatively high). On the other side, the countries from the South are characterized by the state interposing via a more protective attitude, through hierarchical relationships and a more intuitive management.

If we go deeper with the segmentation, in the group of the northern countries, we can distinguish the Scandinavian countries and the German countries (Germany, Austria, and Switzerland). The Scandinavian countries grant more importance to the wellbeing of the employees and they prove to be more sensitive towards the quality of life in matter of work than the German countries. At the same time, I consider that it is proper to separate France from the other Latin countries because of its intermediate position between the intuitive management and a bureaucratic management. France is singular by its training system (“Les Grandes Ecoles”) and through the existence of some solid connections between the state companies.

At the last level we find the small countries like the Nederland, Belgium or Luxemburg, which because of their small size and their history, have opened early towards the international influences. But in spite of the numerous differences, Europe, seen from the outside, may seem as a homogenous block, similar to the north-American or Asian block. Europe has developed many managerial features that differentiate it from the management of other geographical regions. Particularly, the European companies are situated at half of the way between the north-American and Asian influences: the European company is an organisation that has as finality **the economical growth and the profit, but which grants an important position to the development of the human resources.**

The challenge for the European management is to favor the company’s growth, keeping an eye upon enrolling it in a social approach. The European culture is marked by the role of the politics in the economy and by the importance of the social dialogue, even though this appears in a more natural way in Scandinavia and in Germany than in France or Italy (where the conflict is often previous to negotiation). The Europeans prove to be, in their great majority, opened minded, receptive to debates, to the confrontation of ideas and respecting diversity, which they consider to be a specific and enriching element. The European companies, after many years of American hegemony and attempts to build a united Europe, have today the means to prove their own identity marked by a management between two extremes and respecting its diversities.

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# THE ROLE OF THE CULTURAL FACTORS IN THE VERBAL AND NONVERBAL COMMUNICATION

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*Abstract: The study analyses the influences of culture upon the verbal and the nonverbal communication. A special attention has been given to the cultural factors which influence the organisational communication: perception, ethnocentrism and stereotypes.*

*Keywords: communication, culture, verbal, nonverbal*

The language, appreciated by some authors as “a mirror of culture”<sup>87</sup>, can represent an important source of noise in the transcultural communication. Samovar and his assistants<sup>88</sup> define language as “a system of organised and learnt symbols used to represent the inner experiences of a geographical or cultural community”. This definition suggests that language is a process of coding or of “a symbolic representation” of reality. A similar opinion can be found at Gary Ferraro<sup>89</sup>, language being defined as being a set of arbitrary symbols with different meanings which have to be learnt, and if they obey certain rules, they can send complex messages. Language, as a means of communication, does not represent an objective means, an impartial one. It is rather **the subject of the perceptual orientations of the cultural background to which it belongs**. The important things have generic names which have to be modified with the help of additional words in order to get a specific character. For example, the linguists have discovered more than 50 distinct words for “snow” in the vocabulary of the Eskimo people.

We consider that language has two major cultural functions. Firstly, it is the **means of preserving culture**, and secondly, it represents **the means through which culture is transmitted to the new generations**.

Each culture uses the language to transmit the main ideas for its own system of values, filtering the exceptions through a process of putting labels. Two researchers, Edward Sapir and Benjamin Whorf studied the Indian language and sustained the assumption that language offers a **guide to the social reality** in the same extent as it serves as a means of communication.<sup>90</sup> The Sapir-Whorf hypothesis sustains that the language influences perceptions and transmits ideas, contributing to their shaping at the same time. So, the language offers a reference framework which determines the perceptions and the ideas of the members of a certain culture. The implications of the Sapir-Whorf hypothesis upon the intercultural communication are deep. The differences in language are more than just simple differences in special labels put to an object or to a concept, these differences imply the fact that the individuals who speak different languages, think differently and generate different meanings.

In order to understand the differences among cultures regarding the way they use the language, we suggest to examine some characteristics of the language which include rules for: (1) the measure in which the language is **direct**; (2) the maintenance of the social customs and relations; (3) the expression of emotions and (4) the value of “speech”.

The usage of language reflects many of the deep structural values of a culture through the degree in which it is direct. Most of the Americans are used to a direct language because it is the style which is characteristic for the American interactions. The Americans try to avoid ambiguity, being always outgoing. A similar usage of language is often seen, in other cultures, as a disconsideration of the others and can often lead to an offence to their feelings. There is an Asian proverb which says “Once the arrow is released from the bow it cannot be found”; at the same time Buddha advised his disciples to avoid “the rough language”.

Many world cultures use a less direct way of approaching to reality with the help of the language. The Mexicans are very much concerned about the respect paid to the individual and to his dignity, the direct debate being considered an act of impoliteness. They try to keep harmony in each interaction, always seeming to agree with each other. This indirect politeness is seen by the North Americans as a lack of

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<sup>87</sup> B. Bjerke, “Business Leadership and Culture”, Edward Elgar, 1999, p.22

<sup>73</sup> Samovar et.al., *op.cit.*, 1981, p.141

<sup>89</sup> G.P. Ferraro, “The Cultural Dimension of International Business, 2<sup>nd</sup> ed”, Englewood Cliffs, Prentice Hall, 1994, p.45

<sup>90</sup> Samovar, *ș.a.*, *op.cit.*, 1981, p.49.

honesty. To be indirect and ambiguous are forms of artistic expression in Africa. Richmond and Gestrin<sup>91</sup> remark :”The Africans speak most of the time with eloquence, without hesitation and without pauses , but their language is often imprecise, and their numbers are inexact.Each personal interaction becomes a discussion which establishes a basis for a relationship between the two parts”. The East Asian cultures are more concerned with the general emotional quality of the interaction rather than the meaning of the sentences or of certain particular words. Due to the collective nature of their culture, the South Asian languages do not reflect the usage of the personal pronouns in order to stress the importance of the group and not of the individual.<sup>92</sup> The main function of the language in these cultures is to maintain **the social harmony** . A Japanese saying is very eloquent for this: “ The mouth is the cause of all calamities”.The members of these highly contextualised cultures expect their communication partners to be able to “ to read beyond the lines” or to decodify messages in a holistic perspective.<sup>93</sup>

The language also serves **to maintain and perfect the social status and the relationships** among the members of a culture.The Spanish language , for example,expresses formal situations through separate verb conjugations in the formal language and in the informal one (the pronoun “usted” is used in the formal language , while the pronoun “you” is used in the informal language). The usage of the language in order to communicate the social status is , maybe, the most significant difference between the Western and the Japanese communication styles. In Japan, the deep structure of the language obliges the speaker to concentrate mainly upon **the human relationships** , while the western languages concentrate upon **the objects** or upon the relation among them. The Japanese culture and society are full of rigid rules which govern the social relationships and the social status in all the aspects of life. Consequently, the Japanese language differs substantially in different social situations.Matsumoto and Assar underline the fact that the Japanese use different vocabularies when they speak to their superiors, to their colleagues and to their inferiors. When a Japanese talks to someone socially inferior , he has to use a certain way of speaking. When a Japanese talks to someone superior , he has to use a proper language , even if the content of the message is identical with the content in the previous situation .<sup>94</sup> In Japanese , certain words have different forms for different situations, this fact depending on the immediate relation between the one that is talking and the one that is listening.<sup>95</sup>For example, there are several words for “you” : *omae, kimi,ariata, kisama* and *anata-sama*.More than this , the words used by a man and a woman differ in Japanese. Certain words are used only between a husband and his wife in order to express the delicacy of their married life.A man uses the word *omae* in two situations: when he addresses informally to a man or when he speaks to his wife. The Thai culture shows great importance to the place of the individual in the social hierarchy, different social classes using different pronouns, verbs and nouns in order to express the rank and privacy. There are at least 47 pronouns, including 17 forms for “I” and 19 forms for “you”. Thus, we can differentiate four Thai languages: the royal, the ecclesiastic, the familiar and the slang .

The way in which people express their own emotions represent a subject for the cultural diversity.TheKoreans are more reserved in comparison with the Americans, their feelings not being freely expressed. In Great Britain ,the speaker uses lots of euphemisms in order to avoid expressing the strong feelings.

In many cultures , the individuals have a special satisfaction in handling the art of speaking and the public speech. In Africa, the spoken word is the main means of communication diminishing the importance of the written one. Due to the oral tradition , the Africans adore debating problems and exchanging ideas. For example, in Kenya , speaking in public is an inevitable individual responsibility. The events of someone’s life are marked by ceremonies that imply multiple public discourses. The Arabic people show a deep affection for the language. They consider their language as “ the language of gods”, and treat it with great respect and admiration. As an old Arabic proverb says ,” The language of a man is his sword”. The Arabic language has a strong influence upon the mind of those who use it, the words being used for their own sake rather than for their own meaning. While an American could express an idea properly in ten words, an Arab would use one hundred. The Greek culture has a long and reach tradition which glorifies the oratory techniques. The Greeks use a set of key-phrases in order to express their culture. In a way, these phrases represent some proverbs because they reflect the Greek morality and serve as generic forms of expression which give way to many meanings in short sentences. For example, the Greeks disagree the lack of gratitude , using utterances like the following:” I taught him to swim and he tries to make me sink”. From

<sup>91</sup> **Y.Richmond,P.Gestrin-** “*Into Africa: Intercultural Insights*”, Yarmouth,ME,Intercultural Press,1998, p.30.

<sup>92</sup> **E.S.Kashima, Y.Kashima-**“ *Culture and Language*”, Journal of Cross- Cultural Psychology, 1998,29,p.461-487

<sup>93</sup> **E.S.Kashima, Y.Kashima-**“ *Culture and Language*”, Journal of Cross- Cultural Psychology, 1998,29,p.461-487

<sup>94</sup> **P.Matsumoto, M.Assar-** “ *The Effects of language on Judgments of Universal Facial Expressions of Emotion*” Journal of Nonverbal Behavior,1992,16,p.87.

<sup>95</sup> **Samovar și Porter**, *op.cit.*,2004,p.148

the way in which Spanish is used in Mexico we can understand the Mexican culture. Firstly, the Mexicans adore conversation and the pun upon words. The Mexicans widely use the double meaning of words in conversation, succeeding to smartly “twist” the sentence and draw attention with old sayings even in the key moments of an ordinary conversation .

Although people understand that the differences among languages are an important obstacle in communication , there is an acknowledgement of the fact that the nonverbal communication can lead to other obstacles. An important part is played by the **analysis of the nonverbal communication using the body movements and the environment** .The usage of the social and personal space (proxemics) and of the communicative artifacts ( the object language) are other two ways of the nonverbal communication. Another way is paralinguistics ,which is concerned with the way in which we communicate rather than the content of communication.

The nonverbal communication is important because the individuals use this system of messages to express attitudes and emotions , consequently, inner states . Consciously or unconsciously, deliberately or undeliberately, the individuals have important judgements and decisions regarding **the inner state of the others**, states often expressed without words.The nonverbal communication is a strong means of communicating the relational or emotional feelings towards another person.<sup>96</sup> More than that, the nonverbal communication is important in the human interaction because it is partially responsible for **creating the impressions**. In most of the cases ,the nonverbal messages appear before the verbal ones and influence the course of the interactions.

The nonverbal communication implies all the nonverbal stimuli from a given communication context which are generated both by the source , and by its usage in a certain context and have the value of a potential message both for the source and for the receiver.<sup>97</sup>The nonverbal communication has a multidimensional character, revealed in the fact that it often interacts with the verbal messages.This interaction determines us to take into consideration some of the functions of the nonverbal behaviour: **repetition, complementarity, substitution, regulation and contradiction**.

While most of the nonverbal communication is “part of a code universally recognised and understood”<sup>98</sup>, most of our nonverbal behaviours have deep roots in our culture. For example, in many cultures, the exterior signs of emotions are taken as a natural thing.The people of the Middle East and of the Mediterranean area are ,generally speaking, hearty and lively. For the Japanese , the public display of excessive emotions may be considered an act of impoliteness, lack of control and even a kind of invasion of the private space of the other person.<sup>99</sup>

The early researches upon the body language began more than 130 years ago, being focused upon the establishing of the universality of the body language in different cultures<sup>100</sup>.Later researchers established that certain facial expressions ( interest, happiness, surprise, fear, sadness,frighten, disgust ), which are primarily biologically determined, have a universal meaning<sup>101</sup> .

These stimuli determined by biologic causes are not considered reliable messages for the transcultural communication; they can lead to the decoding of a certain error. These universal stimuli, although signify the same dimension of the meaning , can signal a different intensity of the meanings in different cultures. Even more, under certain circumstances, the universal phrases are modified and qualified in certain social situations according to the acknowledged rules. For example, in one experiment, American and Japanese subjects shared the same facial behaviours when watching a film by themselves; but, when an audience was present , the Americans showed more facial behaviours than the Japanese.<sup>102</sup>

The gestures and the body position also function as ways of nonverbal communication.Within a culture , the movements of the body used in communication are usually analogous to the meaning they specify. For example, in the case of the interpersonal communication of the Americans, the spatial proximity signifies a

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<sup>96</sup> **L.K. Guerrero, J.A.DeVito, M.L.Hecht-** “*The Nonverbal Communication Reader: Classic and Contemporary Readings, 2<sup>nd</sup> ed.*”, Waveland Press,1999,p.1

<sup>97</sup> **Samovar și Porter**, *op.cit.*, p.169.

<sup>98</sup> **J.K.Burgoon, D.B.Buller,W.G.Woodall-** “*Nonverbal Communication,:The Unspoken Dialogue*”,2<sup>nd</sup> ed.,New York, McGraw-Hill, 1996,p.5

<sup>99</sup> **D.G.Leathers-** “*Successful Nonverbal Communication:Principles and Applications*”, 2<sup>nd</sup> ed., New York, Macmillan,1992,p.355-356.

<sup>100</sup> lucrarea fundamentală și de referință în acest domeniu o reprezintă opera lui **Charles Darwin-** „*The expression of the Emotions in Man and Animals*”, New York, Appleton-Century-Crofts, 1872

<sup>101</sup> **P.Ekman, W.V.Friessen și P. Ellsworth-** „*Emotion in the Human Face*”, New York, Pergamon Books 1971.

<sup>102</sup> **J.Boucher-** “*Display rules and facial effective behavior:A theoretical discussion and suggestion for research*”, în Topics in Cultural Learning, vol 2, **R.Brislin(ed.)**,Honolulu, 1974,p.87-102.

degree of emotional proximity. The South Americans understand proximity without too much emotional implication.

The nonverbal communication takes place at the same time with the verbal processes, although, usually, the sender is not aware of the nonverbal message sent. The nonverbal acts can contradict the verbal messages, indicating profound feelings of the sender.

Birdwhistell, who has extensively studied this subject, estimates that only 30% of the communicated messages are verbal (even if the conversation is between two people sharing the same culture and language). Condon and Yousef suggest that in an intercultural context, in which a common language is not shared, the impact of the nonverbal communication is greater. At the same time, because we are not aware of the messages we send or we don't know anything about the way they are decoded and interpreted, the potential of the most important problems grows.

Due to our own experience and to the experience of the others, we can learn to codify and to decode verbal and nonverbal messages. As **Samovar** says<sup>103</sup>, "In order to achieve a successful communication with other people, we have to be capable of creating inner images which should provide a psychological interpretation of the feelings and their characteristics". In certain unusual circumstances, the stereotypes and the ethnocentrism can influence these images. The measure in which we have empathy, we can surpass the stereotypes and the negative effects and we can achieve correct predictions regarding the others' feelings, attitudes and values. According to **Almaney** (1974)<sup>104</sup>, "The successful empathy in the intercultural communication will depend upon our ability to engage ourselves in a continuous process of a role-play and deductions." If we achieve the deduction part and we discover that it is not valid, we have to come back to the role-play (the analysing and the imitation of the behavioural models) and then to achieve other deductions. We will have to continue until the deductions will coincide or will come closer to the real behaviour of those we try to communicate with.

### **Cultural factors which influence communication**

Similarities and the cultural differences are key factors in the process of communication. Hall (1959) said there are infiltrates in all the aspects of communication. In his book of reference "The Silent Language", deals with the relation between culture and communication. In particular, he notices that the difficulties of the intercultural communication are rarely taken into account, because people are not aware of the behavioural model they develop in time, of the spatial relations and of the attitude towards working and learning. Our reply to the chief's severe reprimand, for example, will depend on a great deal upon our belief that a similar reprimand is justified or not. Consequently, we answer to the others' actions and communication according to perceived causes of these messages rather than to the message in itself.<sup>105</sup>

The process of assigning (the way in which the individuals study the causes of the others' behaviour) plays an important part in the intercultural communication. The studies show that people tend to attribute other people's actions to their own person, namely they try to attribute their own behaviour to some external factors (**Triandis**, 1977). In the case when it becomes obvious that the individuals from different cultures do not understand each other, each blames "the stupidity, the delusion and the madness" of the others.<sup>106</sup> Even more, the individuals from different cultures assign in a different way the causes of behaviours or messages, according to their own values, perceptions and expectations. We tend to interpret others' actions in the terms of our own cultural sphere.

### **The Perceptions**

Each culture clarifies its own experiences in ways which are functional in its specific sphere. This process generates a certain reality "map"; because the spheres are different, these maps will be different. A detailed analysis of the perceptual process<sup>107</sup> suggests that both the similarities and the differences among the stimuli influence perception.

As the perceptual process is developing, the stimuli previously generated become more and more differentiated and significant. When we deal with individuals from other cultures, the perceptions will be unusual, and this aspect will determine the inability to interpret the stimuli correctly. For example, the

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<sup>86</sup> **Samovar** *sa*, *op.cit.*, 1981, p.197

<sup>104</sup> **A.Almaney**- "Intercultural communication and the MNC executive", Columbia Journal of World Business, 1974,9,p.24

<sup>105</sup> **C.A.Lowe**, **J.W. Goldstein**- "Reciprocal living and attribution or ability: Mediating effects of perceived intent and personal involvement", Journal of Personality and Social Psychology, 1970, p.16, p.291-297..

<sup>106</sup> **Hall**, *op.cit.*, 1959, p.15

<sup>107</sup> **E.J.Gibson**- "Principles of Perceptual Learning and Development, New York, Appleton-Century-Crofts, 1969.

Westerns can notice the way in which the Orientals bow. The act is specific and does not have a correspondent act in the Western cultures. But, when the Westerns look at the Orientals performing this act, they do not perceive the intensity with which they do it as a sign of differentiating the status.

The perception of the signals does not vary only according to the cultural differences, but according to other factors, too. **Triandis** (1977) suggests that the race, the social class, the religion and the nationality matter (with different degrees of importance) in the social perception. The people who work with unfamiliar cultures have the duty to answer correctly to these factors.

The researchers have given a great attention to the study of the clarity of perceptions. Summarising the results of his research, Triandis says that the individuals are “weak judges” of those who are not similar to them. If a person resembles us, we can clearly analyse him/her, not necessarily because we have the capacity to correctly appreciate the others, but because we can appreciate according to our own person<sup>108</sup>. Triandis also says that the greater the difference between the sender and the receiver, the greater the probability of having a distorted message.

### **The Stereotypes**

The stereotypes represent another factor which influences communication. Each individual is unique in many acts, because nobody can process all this information properly, the individuals simplifying the complexity through different means. One means is to attribute a set of characteristics to a whole group and to act as if the all the members of the group had those characteristics. This act of ascribing certain characteristics without a conscious attention to the members of the group is called a stereotype. The stereotype process helps the individuals to sort the verbal and the nonverbal messages, simplifying the duty of processing the information. The stereotype process is something usual for the intercultural environments.

### **The Ethnocentrism**

The ethnocentrism refers to the superiority feeling of the members of a certain culture. Ruhly (1976)<sup>109</sup> defines the ethnocentrism as “the tendency to interpret and appreciate all the groups, their environment and the communication system according to their own categories and cultural values”.

All the individuals undergo a process of socialising which encourages the development of the ethnocentric attitudes: the individuals are taught to do things in a certain way, to analyse those around them in a certain way and to get the usage in certain systems. It would be irrational to think that a culture will choose the best way to do things from the point of view of that culture. That is why, at an early age, there appear negative implications in the communication among individuals with cultural differences. (Almaney, 1974).

“An American manager who considers English as being “the best” or “the most logical” language to be learnt, will not learn another language which he/she considers “inferior” or “illogical”. And if he/she considers his/her nonverbal system as being “the most civilised”, he/she will have the tendency to reject other systems considered “primitive”. In this way, the ethnocentrism can become an obstacle for an efficient empathy and can lead not only to the total destruction of communication, but to antagonism and even hostility”. (p.27)

In order to efficiently interact with people belonging to different cultural backgrounds, a person has to be conscious of the tendency towards ethnocentrism. **Being conscious does not suppose that the individual removes his/her own ethnocentrism, but he/she has to take its presence into account.**

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<sup>108</sup> Ronen, *op.cit* 1986, p.103

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# ASPEKTE BETREFFEND BEWERTUNG DES ZUFRIEDENHEITSGRADES DES VERBRAUCHERS. STUDIENFALL: FERNWÄRMEVERTEILUNG IN TG. MUREŞ

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*Seen from the thermic power liberalized market point of view, the consumers' satisfaction is of real economic interest for the Company of Thermic Power Distribution, as marketing objective and instrument. For a client-oriented company the current issue of services quality is a priority. The present research, aimed to obtaining a deep image of the consumers' satisfaction and dissatisfaction degree, was carried out through statistical survey to solve out in due time eventual problems that can arise.*

*Schlüsselworte: Zufriedenheit der Verbraucher, Qualität der Dienstleistungen, Kommunikation*

## 1. ARGUMENT

In den Jahren 1999-2006 hat die Gesellschaft S.C. Energomur S.A. einer kräftigen Konkurrenz standhalten müssen. Das Erscheinen der individuellen Heizungsanlagen, unterstützt durch ein entsprechendes Marketing, hat das Wandern der Verbraucher von dem zentralisierten Fernwärmeverteilungssystem zu den individuellen Heizungssystemen verursacht. Die Firma kann nur dann der Konkurrenz standhalten und eine treue Kundschaft behalten, wenn die Dienstleistung in einem Rahmen geschaffen wird, in dem der Bedarf der Verbraucher bekannt ist und das Ziel der Gesellschaft ihre Zufriedenstellung ist

Im Falle der Gesellschaft S.C. Energomur S.A. ist der Verbraucher mit der Dienstleistung zufrieden, wenn er ständig über Warmwasser verfügt und in der kalten Jahreszeit die Fernwärme beim erwarteten Niveau gesichert wird. Um den Zufriedenheits- beziehungsweise den Unzufriedenheitsgrad der Kundschaft zu ermitteln, sind periodische Studien, auf Meinungsforschungen basierte Untersuchungen empfohlen, um eventuelle Probleme/Reklamationen zeitgünstig zu lösen. Die durchgeführten Studien zeigen dass, auch wenn ein Verbraucher mit der Qualität einer Dienstleistung unzufrieden ist, weniger als 5% dieser unzufriedenen Kunden dieses auch reklamieren. Diese sind der Meinung dass, der reklamierte Fall entweder von kleiner Wichtigkeit ist, oder dass die Reklamation sie peinlich erscheinen läßt, oder dass man ihnen gar keine Aufmerksamkeit schenkt und das Problem ungelöst bleibt. Die Mehrheit dieser Kunden werden auf die Dienstleistung, die ihren Erwartungen nicht entspricht verzichten und werden in ähnliche Situationen, auch den Freunden diese Lösung empfehlen. Um dieser Tatsache aus dem Weg zu gehen, hat die Gesellschaft S.C. Energomur S.A. die Pflicht die Kunden zu informieren und auch den notwendigen Rahmen anzubieten, damit diese ihre Unzufriedenheit und ihre Reklamationen zum Ausdruck bringen können. Sollte dieses Ziel nicht realisiert werden, wird der unnötige Verlust von Kunden sein. Demzufolge kann die Firma die Anzahl der Reklamationen nicht als Messeinheit für die Unzufriedenheit der Verbraucher verwenden.

Um das Niveau der Verbraucherezufriedenheit zu studieren, wurde ein Fragebogen erstellt, da er einer der effizientesten und korrektesten Methoden in der Bewertung des Zufriedenheitsgrades der Verbraucher darstellt. Die gegenwärtige Forschung wurde durch Umfrage auf Grund des Fragebogens mit 52 Eigentümervereine, die 1625 Apartmens beinhalten, durchgeführt. Der Fragebogen wurde derart erstellt, dass er die für die Forschung notwendigen Informationen erhält und wurde folgendermaßen strukturiert:

- allgemeine Fragen;
- Fragen betreffend angebotene Dienstleistungen;
- Fragen betreffend der Kommunikation;
- Vorschläge und Suggestionen der Verbraucher.

Die befragten Eigentümervereine werden von modernisierte Heizwerke, momentan in Modernisierung befindende, oder solche die in nächsten Zukunft modernisiert werden sollen, beliefert.

## 2. GLOBALE ANALYSE

Der Fragebogen beinhaltet eine Anzahl von 16 items, weiter dargestellt, und ist auf 4 Gruppen strukturiert.

## I. ALLGEMEINE FRAGEN

Im ersten Teil des Fragebogens wurden allgemeine Fragen formuliert, mit deren Hilfe man die Meinung der Vertreter der Eigentümervereine über die Gesellschaft S.C. Energomur S.A. erfahren wollte, sowie der Grund warum man mit ihr zusammenarbeitet und das Maß der Zufriedenheit betreffend dieser Zusammenarbeit.

### Frage Nr.1: „S.C. Energomur S.A. ist was für ein Werk:

- Groß.....  Klein  
 Mit Erfahrung.....  Ohne Erfahrung  
 Modern .....  Veraltert „

Auf Grund der Antworten wurde ermittelt, dass von den Vertreter der Eigentümervereine 87,5% die Gesellschaft „Energomur“ als ein großes Unternehmen sehen, und 12,5% als ein kleines Unternehmen. 78,57% sind der Meinung, dass es ein Unternehmen mit Erfahrung ist und nur 21,43% sind anderer Meinung. Durch die Tatsache, dass die Verrohrungen und die Heizwerke in den Jahren 1961-1967, montiert beziehungsweise gebaut wurden, sind 46,43% von den Befragten der Meinung, dass die Gesellschaft eine veraltete Firma ist, aber durch die abgewickelten Investitionen und der laufenden Modernisierungsinvestitionen behaupten 53,57% der Befragten, dass die Gesellschaft „Energomur“ eine moderne ist.

### Frage Nr.2: „Welcher ist der wichtigste Grund, warum sie mit Energomur zusammenarbeiten ? (Wählen Sie eine einzige Antwort !)

- Preis der Dienstleistungen  Qualität der Dienstleistungen  
 Personal  Andere (welche)\_\_\_\_\_”

Die Mehrheit der Eigentümervereine und zwar 44,64% arbeiten mit der Firma „Energomur“ zusammen, da es Qualitätsdienstleistungen anbietet und 30,36% sind der Meinung, dass sie gezwungen sind diese Dienstleistungen aus Mangel an Konkurrenz anzunehmen. Es muss festgelegt werden, dass zu diesem Zeitpunkt die Gesellschaft S.C. Energomur S.A. nicht der einzige Lieferant für Warmwasser und Fernwärme in Târgu Mureş ist, auf dem Markt aus Mureş gibt es auch andere Mitanbieter, wie zum Beispiel die Hersteller und Vertreiber von individuellen Heizkessel, als auch diejenigen für Konvektoren, Hersteller von elektrischen Geräte für die Erwärmung der Wohnungen (elektrische Heizkörper, etc.), und Raumklimatisierungsanlagen. 14,29% von der studierten Kollektivität arbeitet mit der Firma zusammen, da sie mit den Preisen zufrieden sind und 10,71% bevorzugen die Gesellschaft, da es über ein qualifiziertes Personal verfügt.

### Frage Nr.3: „Wie ist im Allgemeinen ihre Zusammenarbeit mit S.C. Energomur S.A.:

- Schlecht  Zufriedenstellend  Gut  Sehr gut  Wunderbar”

Von der befragten Kollektivität meinen 1,79% eine wunderbare Zusammenarbeit zu haben, 48,21% von den Vertreter der Eigentümervereine meinen, ein sehr gutes Verhältnis zu haben, und 30,36% behaupten eine gute Zusammenarbeit zu haben, und 19,64% behaupten, bis am Tag der Ausfrage eine zufriedenstellende Zusammenarbeit gehabt zu haben.

## II. FRAGEN BETREFFEND GELEISTETE DIENSTLEISTUNGEN UND PRAKTIZIERTE TARIFE

Die zweite Kategorie von Fragen verlangt den Befragten Daten betreffend der Qualität der angebotenen Dienstleistungen und den Grund ihrer Unzufriedenheit und danach Meinungen betreffend den praktizierten Tarife.

### Frage Nr.4: „Die Qualität des Warmwassers ist:

- Schlecht  Mittel  Gut  Sehr gut  Wunderbar”

Die Frage betraf die Temperatur des Warmwassers am Endverbrauer, dessen Reinheit und dessen Verfügbarkeit. 59% von der befragten Kollektivität war mit der Qualität des Warmwassers zufrieden, was 869 Apartaments , die mit Warmwasser laut den von den Eigentümervereine festgelegten Lieferungsprogramm und den vertraglich festgelegten Parameter darstellt. 30%, also 384 Apartaments, sind der Meinung, dass die Qualität des Warmwassers mittel ist, und 11% von den in diesem Studium beinhaltet sind der Meinung, dass die Qualität des Warmwassers schlecht ist. Die Mehrheit der unzufriedenen Personen wurden von Heizwerke, die in dem Modernisierungsprogramm vorgesehen sind, beliefert und zur Zeit dieses Studiums gab es in jenen Zonen zahlreiche Unterbrechungen wegen den Modernisierungsarbeiten, was zu der Beeinflussung der befragten Personen betreffend der Klassifizierung der Qualität des Warmwassers geführt hat.

### Frage Nr.5: „Wie bewerten Sie die Qualität der Raumheizung ihres Apartments?

Um die erzielten Ergebnisse deuten zu können wurde jede Charakteristik wie folgt bewertet:

**Tabelle Nr. 1**

Lfd. Zahl.	Charakteristik	Bewertung
1	Schlecht	2
2	Mittel	4
3	Gut	6
4	Sehr gut	8
5	Wunderbar	10

Um den Zufriedenheitsgrad des Verbrauchers gegenüber der Heizung feststellen zu können, wurde jede Charakteristik mit der nach der Ausfragung absolut erhaltenen Häufigkeit gemäßigt.

Die Qualität der Heizung erhielt einen Mittelwert von 6,32, was laut Tabelle für *gut* entspricht. Wir können behaupten, dass die Gesellschaft S.C. Energomur S.A. einen hohen Zufriedenheitsgrad der in diesen befragten Gruppe enthaltenen Verbraucher sichert.

**Frage Nr.5: „Wenn die gelieferten Dienstleistungen nicht zufriedenstellend sind, was sind die Ursachen ?**

- Die Kontinuität der Dienstleistungen ist nicht gesichert
- Der praktizierte Tarif ist zu hoch.
- Häufige Unterbrechungen aus verschiedenen Gründe (häufige Havarien, Zahlungsverzüge einiger Verbraucher, Investitionen).
- Degradierung der internen Installationen.  Andere Ursachen (nennt welche) \_\_\_\_”

Im Rahmen der befragten Gruppe von 56 statistische Einheiten haben nur 25, also 44,6% den Grund ihrer Unzufriedenheit angegeben. Die meisten Personen, beziehungsweise 36% der unzufriedenen Personen haben als Grund ihrer Unzufriedenheit den von der Gesellschaft praktizierte Tarif angegeben und haben auch andere Ursachen aufgezählt, und zwar, dass die internen und externen Rohrverbindungen veraltet sind. 20% der Befragten sagen, dass der Ärger von den eigenen Installationen kommt, die aus dem inneren des Immobiles sind degradiert und veraltet. 4% behaupten, dass ihre Unzufriedenheit von folgenden Gründe verursacht wird: häufige Unterbrechungen aus diversen Gründen, die Kontinuität der Dienstleistungen wird von Lieferant nicht gesichert.

**Frage Nr.7: „ Wie glauben Sie, dass die Investitionen für neue Technologien zum Zwecke der Verbesserung der Qualität der Dienstleistungen sind:**

- Gar nicht wichtig  Nicht sehr wichtig
- Ziemlich wichtig  Sehr wichtig  Extrem wichtig”

Ein ziemlich wichtiger Prozentsatz, beziehungsweise 37,5% glauben, dass die Investitionen ziemlich wichtig sind, aber sie sind nicht das Wichtigste, was zur Verbesserung der angebotenen Dienstleistungen führt, aber keiner glaubt, dass Investitionen gar nicht wichtig sind.

**Frage Nr.8: „ Wie ist der Preis der Dienstleistungen im Verhältnis Preis/Qualität:**  Klein  Mittel  Groß ”

57,14% der Befragten sind der Meinung, dass der Preis der Dienstleistungen ermessens ist, wenn man das Verhältnis Preis/ Qualität in Betracht zieht, aber ein ziemlich großer Prozentsatz von 41,07% glaubt, dass der Preis hoch ist.

**Frage Nr.9: „ Wären Sie einverstanden monatlich ein Mittelverbrauch zu zahlen und bei einem bestimmten Zeitintervall den Ausgleich zu machen? ”**

Im Rahmen der befragten Gruppe sind nur 7,14% mit der Zahlung eines monatlichen Mittelverbrauchs und einer bei einem bestimmten Zeitintervall Regelung einverstanden, die Mehrheit der befragten Kollektivität und zwar 92,86% sind nicht damit einverstanden.

### III.FRAGEN BETREFFEND DER KOMMUNIKATION

Der dritte Teil des Studiums behandelt die Problematik der Kommunikation und studiert die Art und Weise wie diese zwischen der Gesellschaft und den Verbraucher gemacht wird.

**Frage Nr.10: „Sind Sie mit der Art und Weise, wie die Vertragsbedingungen und-klausel, laut Aufträgen/Bestellungen eingehalten werden, zufrieden?“**

Von den 56 befragten statistischen Einheiten waren 53 mit der Einhaltung der im Vertrag spezifizierten Bedingungen zufrieden. Unzufriedene gaben folgende Gründe an:

- die Firma ist unflexibel und achtet nicht auf die Interesse der Eigentümervereine;
- die Firma hält die im Vertrag vorgesehene Klausel nicht ein.

**Frage Nr.11: „Sind Sie mit der Art und Weise wie ihre Reklamationen von der Energomur S.A. gelöst werden, zufrieden? ”**

**Tabelle Nr. 2. Bewertung der Lösung von Reklamationen**

	Es war nicht der Fall	Zufrieden	Unzufrieden
Absoute Häufigkeit	6	44	6
Relative Häufigkeit	10,71%	78,58%	10,71%

Wichtig ist, dass die Anzahl der Zufriedenen die der Unzufriedenen überschreitet..

**Frage Nr.12: „ Wie passt Ihr Programm mit dem von S.C. Energomur S.A. überein:  Sehr schwer  Schwer  Geht  Leicht  Sehr leicht”**

Im Allgemeinen können Personen die Informationen erhalten oder diverse Unterlagen bem Stammsitz der Firma einreichen wollen, ihr Programm leicht an dem Programm der Gesellschaft anpassen.

**Frage Nr.13: „Wenn Sie die Firma ansprechen, wie aufmerksam werden Sie behandelt?“**

**Tabelle Nr. 3. Behandlungsweise der Verbraucher**

	Ohne zu großen Aufmerksamkeit	Unausreichende Aufmerksamkeit	Wie in einem Geschäftsverhältniss	Aufmerksam	Mit sehr großer Aufmerksamkeit
Relative Häufigkeit	0%	5,36%	51,79%	30,35%	12,50%

Es ist zu bemerken, dass mehr als die Hälfte der Befragten behaupten, vom Lieferanten wie Geschäftspartner behandelt zu werden und nur 5,36% mit den erhaltenen Informationen unzufrieden sind.

**Frage Nr.14: „Wie bewerten Sie die Haltung des Personals von S.C. Energomur S.A. Ihnen gegenüber?“**

Das Publikum war verständnisvoller wie erwartet und die Bewertung der meisten Befragten war „höflich“ (42,86%), gefolgt von „Sehr höflich“ (35,71%).

**Frage nr.15: „Wenn Sie über die finanziellen Mitteln verfügen würden, würden Sie in der Erneuerung der inneren Heizungsinstallationen des Immobiles investieren?“**

Im Rahmen der studierten Kollektivität sind 55,36% bewußt, dass die Verbesserung der Qualität der angebotenen Dienstleistungen wichtige Investitionen benötigt, die erhebliche finanzielle, menschliche und materielle Ressourcen beantragen. Trotzdem glaubt ein ziemlich wichtiger Prozentsatz und zwar 41,07%, dass die Investitionen zwar wichtig sind, aber nicht das Wichtigste um die Verbesserung der angebotenen Dienstleistungen zu erreichen und 3,57% geben den Investitionsbemühungen der Gesellschaft keine zu große Aufmerksamkeit.

Im letzten Teil des Fragebogens wurde eine offene Frage gestellt, in der die studierte Kollektivität ihre Vorschläge und Suggestionen betreffend der Verbesserung der Tätigkeit und des Verhältnisses zwischen Energomur und Verbraucher äußern konnte. Die meisten Personen haben die Fortsetzung der Investitionen vorgeschlagen und die Herstellung und Verteilung des Warmwassers und Fernwärme zu effizientisieren, da das wichtigste Element die Qualität und die Verfügbarkeit der angebotenen Dienstlistungen sind.

**3. SCHLUSSFOLGERUNGEN**

Auf Grund der infolge der Forschung erhaltenen Daten können wir behaupten, dass die Gesellschaft S.C. Energomur S.A. als große, erfahrene Firma betrachtet wird, die seit 8 Jahren auf dem Markt von Mureş

tätig ist. Die Hälfte des befragten Verbraucher sieht die Firma als eine moderne Firma und die andere Hälfte sieht sie veraltet, und meint, dass erhebliche Investitionen notwendig sind. Die Partner arbeiten gerne mit S.C. Energomur S.A. zusammen, Tatsache die durch deren Behauptungen bewiesen wurde.

Die Zufriedenheit gegenüber dem Verhältnis Preis/Qualität ist gering, unter 2% sind zufrieden und 41,07% meinen es ist nur angemessen. Die Qualität des Warmwassers und der Fernwärme, als Quelle der Unzufriedenheit, stellt einen hohen Prozentsatz dar und es müssen Verbesserungsmittel gefunden werden. Das Gefühl der Unzufriedenheit verursacht in den meisten Fällen, die Tatsache dass, sowohl die internen Installationen des Immobiliens als auch die externen, die der Gesellschaft gehören veraltet, degradiert sind und der Rücklauf des Warmwassers beim Immobilium nicht gesichert ist. Aus diesen Gründen wird die Kontinuität der Dienstleistung nicht gesichert und die Temperatur des Wassers erreicht langsam den gewünschten Wert, was zu Verlusten und zusätzlichen Kosten führt.

Zu bemerken ist die Tatsache dass die meisten Befragten zufrieden waren, wie ihre Reklamationen gelöst und sie von den Angestellten mit Höflichkeit behandelt wurden, Trotzdem muss behalten werden, dass 10,71% sich unzufrieden erklären und glauben, dass ihnen ungenügende Aufmerksamkeit in den Geschäftsverhältnissen geschenkt werden. Im allgemeinen behaupten die befragten Personen, dass um den Zufriedenheitsgrad zu vergrößern die Firma Investitionen für die Verbesserung des Herstellungs- und Verteilungssystems der Fernwärme machen muss.

## MEDIA PLURALISM IN ROMANIA

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*Abstract: The European Union is committed to protecting media pluralism as an essential pillar of the right to information and freedom of expression enshrined in Article 11 of the Charter of Fundamental Rights. Since the early nineties the discussion on media pluralism has played an important role within the European Union.*

*The program “Media pluralism” has three steps:*

*1. A Commission Staff Working Paper on Media Pluralism. This baseline analysis also includes information on national media ownership regulations and the very diverse regulatory models of the 27 Member States.*

*2. An independent study on media pluralism in EU Member States to define and test concrete and objective indicators for assessing media pluralism in the EU Member States.*

*3. A Commission Communication on the indicators for media pluralism in the EU Member States (in 2008), on which a broad public consultation will take place.*

*From the economic point of view, media pluralism means competition on media market. So, the people have access to quality information because of the market competition.*

*Through this program, The European Union supports the development of the media market, the new entrances on market and it is trying to prevent a monopoly situation that will limit the people's right to information.*

*Key words: marketing, media pluralism, competition*

### **Cap. 1 Market structure**

The relations between competitors are influenced by the number of firms that control the offer for a specific product or service. From this point of view there are four types of competitive market structures: monopoly, oligopoly, monopolistic competition and perfect competition. With a specific product, the company is placed in one of this competitive market structure, each one has specific characteristics, that will influence the strategies and marketing actions<sup>110</sup>.

By definition, when a monopoly exists there are not numerous sellers in a market, each having a share, but only one seller having 100 percent of the market. Also, by definition, a monopoly is a market in which new sellers are, by one means or another, barred from entering. A monopoly may be held by the state or by a private interest. It may be due to the nature of the commodity itself or it may be established by some form of legislation. Additionally, such factors as original patents and sizable initial investment in start up costs may effectively bar or discourage other sellers from entering a market – at least for a time.

Competition within an oligopoly is characterized by strategic interdependence between firms, a feature lacking in other market structures. For example, a monopolist has complete market power as its choices alone determine the price and output in the market, whereas a firm in perfect competition is a price taker and hence has no market power – it cannot by its choice of output influence the market price. In an oligopoly each firm is large enough to have an impact on price and output, but so do its rivals. The market outcome therefore depends on the nature of interaction between firms.

Because the market outcome depends on the underlying nature of interaction between firms, an oligopoly can encompass a rich variety of outcomes: firms may fight price wars, collude, seek to differentiate their goods, or choose to compete in multiple dimensions such as price, advertising, quality, research and development (R&D), location, product attributes, etc. Because of the potential richness of outcomes in an oligopoly, even a rudimentary treatment of oligopoly behavior is impossible here. We therefore restrict our discussion to concentration measures, static models, dynamic models (especially collusion and punishment), and the dominant firm-fringe followers models of oligopoly. The central results are, firstly, that in static settings firms will not be able to collude, but can do so in a dynamic setting since there is scope for detection of, and punishment for, deviating (cheating) from collusive outcomes. Secondly, when

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<sup>110</sup> Lefter C. si colab. - “Marketing vol. I” Ed. Universitatea Transilvania, Brasov, 2006, pag. 77

a dominant firm sets prices, it must consider the effect of attracting entrants if the price is set too high, and of sacrificing profits if the price is set too low.

Monopolistic competition is a market structure characterized by a large number of firms where every firm has some market power with respect to its products. The basic market characteristics of a monopolistically competitive industry are the following:

- there is a large number of firms, and every firm has a small market share;
- every firm sells a differentiated product from its competitors, and therefore it has some market power ;
- there is free entry and exit of companies into and from the industry in the long run, which usually leads to lower market share and zero economic profit;
- because of the large number of firms in the industry, each firm does not consider the reactions of its rivals in its own decisions.

The market structure of monopolistic competition is suitable to study several different questions which cannot be easily addressed in the context of other market structures. First, since every firm in the industry sells a different variety, the level of product variety in the market can be assessed along with its social welfare implications. Second, this market structure allows economists to explore the reasoning behind companies' decisions on the type, design, and selection of the varieties (brands) they offer in the market. Finally, the implications of brand selection on companies' pricing policies can also be assessed.

**Perfect competition** is one of the four basic market structures which exist in the economic classification system for markets. Although relatively few examples exist where markets completely fit the criteria for this market type, it plays an important role in economics and antitrust as it establishes a theoretical benchmark for the criteria needed to achieve socially optimal market performance.

The criteria necessary for perfect competition are as follows:

1. The market contains a large number of buyers and sellers, each of which is small relative to the size of the whole market.
2. The product being produced by the rivals in this market is homogeneous and thereby lacking in features – ranging from product attributes to quality differences to sales and service differences – by which each firm's product can be differentiated, in the eyes of consumers, from those of its rivals.
3. Firms in the market have knowledge of and access to the same technology for producing the product, and both buyers and sellers have perfect information as to other conditions in the market.
4. The entry of new firms into the market may be described as being relatively easy to achieve in that no substantive barriers to entry or exit deter new firms wishing to join the market.

Largely as a result of these criteria, managers of individual firms in this type of market find that they have no control over the price of their product as the combined forces of the market's supply and demand determine the market price for all firms. As such, perfectly competitive firms are said to be price-takers. In addition, the ease of new entry, in theory, fosters a long run outcome in which price is high enough to cover all costs but does not offer any positive economic profit. Moreover, the threat of new entry promotes efficiency by forcing existing firms to minimize costs or be driven out of the market.

## **Cap. 2 Media pluralism**

Responding to continuing political concerns about media concentration, and its possible effects on pluralism and freedom of expression, the Commission has launched a three-step approach for advancing the debate on media pluralism within the European Union.

This underlines the European Union's commitment to protecting media pluralism, as well as the right to information and freedom of expression enshrined in Article 11 of the Charter of Fundamental Rights, and similar provisions in Article 10 of the European Convention for the Protection of Human Rights and Fundamental Freedoms.

The European Union is committed to protecting media pluralism

Maintaining media pluralism is an essential condition for preserving the right to information and freedom of expression that underpins the democratic process. The monitoring approach to media pluralism set out by Commissioner Reding and Vice-President Wallström, responsible for Institutional Relations and

Communication Strategy, follows suggestions made at the Liverpool Audiovisual Conference in 2005, and indicates how this politically-sensitive issue should proceed.

The three-step approach<sup>111</sup>

In the three-step approach, the notion of media pluralism is much broader than media ownership; it covers access to varied information so citizens can form opinions without being influenced by one dominant source. Citizens also need transparent mechanisms that guarantee that the media are seen as genuinely independent.

The approach presented to the Commission on 16th January 2007 has three steps, to be implemented by the Task Force for Co-ordination of Media Affairs.

1. A Commission Staff Working Paper on Media Pluralism. It outlines efforts to promote pluralism by third parties and organizations, notably the essential work undertaken by the Council of Europe, and has a concise first survey of Member States' audiovisual and print media markets. This baseline analysis also includes information on national media ownership regulations and the very diverse regulatory models of the 27 Member States.
2. An independent study on media pluralism in EU Member States to define and test concrete and objective indicators for assessing media pluralism in the EU Member States.
3. A Commission Communication on the indicators for media pluralism in the EU Member States (in 2008), on which a broad public consultation will take place.

If deemed necessary, following consultations, a second study could systematically apply the media pluralism indicators to all EU Member States in order to measure the health of Europe's media pluralism.

Throughout the whole process, the Commissioners' Group on Fundamental Rights, as well as the European Parliament and Council will be kept informed about the progress made.

The Romania's profile presented in the Commission staff working document "Media pluralism in the Member States of European Union" covers the following items<sup>112</sup>:

Legal Base

Law no.41 of 17 June 1994 on State Television and Radio Broadcasting (SRR, SRTV Law)

Law no. 504 of 11 July 2002 on Radio and Television Broadcasting, (Audiovisual Law 2002)

Law no. 402 of 7 October 2003 on the Modification and Completion of Audiovisual Law no 504/2002, (Audiovisual Law 2003)

Law no. 19 of 2003 on Rompress (Romanian State news agency)

Regulation of Media Ownership

Ownership restrictions Television	Restrictions on horizontal concentration. A company can own a maximum of 30 per cent of the market of the broadcasting companies nationwide, measured in audience share
Ownership restrictions Print	Antitrust and concentration general legal framework applies.
Cross ownership restrictions	There are special provisions for cross-media ownership within the broadcasting sector.
Foreign ownership restrictions Print and TV	No restrictions
Restrictions for political parties and organizations	No restrictions

<sup>111</sup> www.ec.europa.eu

<sup>112</sup>Commission of the European Communities - „Media pluralism in the Member States of the European Union SEC (2007) 32”, Brussels, 16 January 2007, pag. 74-76

### Market Situation – Audiovisual

Public broadcaster: TVR (TVR1, TVR2, TVR Cultural, TVRi)

Main national commercial operators: Media Pro International SA (ProTV, Acasa), TV Antena1 S.A. (Antena1)

Audience share main channels 2005 - daily share(%):

**Table 1**

TVR1/Romania 1	TVR2	PRO TV	Antena 1	Acasa TV	Prima TV
22.1	4	16.7	16.6	9.2	5.1

Source: European Audiovisual Observatory, Yearbook 2006

### Market Situation – Print

Top Ten Daily Newspapers (2005)

**Table 2**

Title	Publisher	Circulation (000) 2005*	Circulation (000) 2006**	Cover price (Romania lei) 2005*
Libertatea	Ringier Romania	252	265	0.65
Jurnalul National	Intact	122	86	1.10
Evenimentul Zilei	Ringier Romania	75	69	0.90
ProSport	Ringier Romania	67	77	0.55
Gazeta Sporturilor	Intact	64	74	0.60
Romania Libera	Societatea R	62	57	1.00
Adevarul	Adevarul	61	25	0.95
Gandul	Crucisatorul	43	32	0.80
Ziua	Ziua	33	21	1.00
Gazeta de Sud	Media Sud Management	29	29	0.70

Source: \* World Association of Newspaper, Word Press Trends 2006 and ENPA

\*\* Romanian Auditing Office of Editions, [www.brat.ro](http://www.brat.ro)

Top Ten publishing companies (2005)

**Table 3**

1	Ringier Romania
2	Intact
3	Catavencu
4	Publimedia International
5	Adevarul SA
6	Societatea R
7	Media Sud Management
8	Ziarul CN
9	Ziua
10	Agenda

News Agencies:

- Rompres
- NewsIn
- Mediafax
- Amos News
- Ager Press
- RGN – Romanian Global News

### Cap. 3 Case Study: The rights for football coverage

The rights for television coverage are very important for football financing – clubs and federations can sell the coverage rights for football match. In the last years the competition determinate the dynamic rise for prices.

In 2006, in France, nine from the most televised ten broadcasting, on all channels, was the football matches. The most popular sport from the planet has million viewers; this fact determined a stronger competition between televisions for the exclusive coverage of football championship and price increase.

UEFA, for example, announced that the coverage rights for the Champions League matches for 2006 – 2009 it will get 647 million euro every season. But, to recover the investment, the coverage rights holder are broadcasting the events on pay-per-view channels and, in the end, the viewer is the one who pays more.

The television coverage of the sports competition is done more and more through encoded and prepay channels so that these events are less accessible (can't be rich by) for certain consumers, observe the European Deputies from The Culture and Education Committee (Commission). The solution for this problem can be the coverage of competition on the other media channels.

The broadcasting of the matches on the internet is a known phenomenon in our days; according to a study published in The Great Britain, 2,5 million people watched the World Cup matches on the internet. With all of that, there are still problems: the pirate sites from Asia cover the matches free and they aren't rights holders (in 2006 UEFA started legal proceedings against these).

The efforts of European telecommunication industry are now focused on mobile phones, a market with high potential: The European Commission estimates 100 million clients might subscribe to the television through mobile phones and handhelds by 2010. The report made by the Belgian Deputy Ivo Belet (PPE-DE) suggests that the Commission should to take into account the economic impact of the new media supports (video on the internet and mobile phone) in evaluating decisions for the media rights<sup>113</sup>.

Right now in EU there are two ways to sell the coverage rights for the football matches. The first is "separated sale", when the clubs sign individual contracts with the TV broadcasters. The Spanish team Real Madrid signed a contract for 1,1 billion euro with Mediapro to cover their matches until 2013.

This money will help the team to buy the best players in the world and to continue to dominate the national league. Belet considers that "the practice from some national leagues to individually sell the coverage rights is opposed to the solidarity principle and risks to completely destroy the competition balance" in football.

The second modality is "collective sale", when the clubs from an association sign a single contract with a single broadcaster from a country. In January on this year, Premier League from England signed contracts with 81 broadcasters from 208 countries. Every year, the league wins 950 million euro from abroad and 420 million euro from country.

Although this second modality was critiqued as being "monopoly practice", it's not sustained by the Belet report. In addition, European Commission recently said that this practice respects competition rules in EU. Last year, an independent study about European football showed that "the centralized marketing system (collective sale) of the rights by the authorities of football at European level is essential to provide for financial solidarity to all levels of the pyramid".

The Belet report suggested a public debate and a deeper analysis by the commission regarding the implementation of this model to European scale, for pan European and national competitions, how it's suggest in The Independent Study regarding European sport for 2006. The Belgian deputy also invited the Commission to present a detailed evaluation of the economic and sportive impact and of the efficiency of its decisions regarding coverage rights.

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<sup>113</sup> www.smartfinancial.ro

## Cap. 4 Conclusions and recommendations

Even if a number of studies are already available that analyze legal instruments and some aspects of 'real' media pluralism none of these studies identify systematically the range of **concrete indicators** necessary to measure media pluralism in the Member States. The Commission services will therefore procure an independent study in order to define indicators for assessing pluralism.

The identification of concrete indicators marks a new approach and will enable citizens and all interested parties to assess more objectively media pluralism in the Member States. A successful study will help to introduce a greater measure of clarity into a debate on a very complex and multifaceted issue.

Taken together, the indicators should be placed in a risk-based analytical framework for assessing pluralism across the Member States. The study will not seek to apply the indicators systematically to every Member State, thereby generating a risk assessment profile for every Member State; it will rather seek to develop a methodology based on indicators that would deliver such a result. A successful study along these lines will help to introduce a greater measure of clarity. The study will include the development of indicators under the following headings<sup>114</sup>.

### (1) Policies and legal instruments that support pluralism in Member States

The scope of these indicators will be wider than ownership, aiming to assess various policies that support media pluralism, for instance independence of the public service and private broadcaster, and others identified in the European Parliament's Resolution cited earlier. The study will assess not just the presence of measures to support pluralism, but propose ways to assess quality of implementation and the transparency of monitoring measures.

### (2) The range of media available to citizens in different Member States

These indicators will assess pluralism from an end user perspective. They will serve to define different types of media markets, notably from a geographic perspective (urban, rural etc).

This part will also feature an assessment of the pluralism of the media offer available to different social groups within the Member States together with some consideration of the impact of new technologies on the structure of the media. The output will be used to develop a series of representative profiles that are drawn from the wide variety of circumstances to be found in Member States' markets.

### (3) Supply side indicators on the economics of the media

These indicators would enable the Commission services to assess the range and diversity of media available across Member States.

Indicators could include for instance the number of media companies in a particular Member State - or within a linguistic region within a Member State - the number of newspapers and magazines per head of population, for instance and their genres (news, generalist, thematic...). This part should also develop an economic analysis of how new technology is changing the structure of media industries compared with 20 years ago. It should outline the economic incentives for horizontal and vertical media concentration at company level - drawing on economic theory as necessary and analyzing how different policy lines covered in (1) affect the economics of the media.

The opportunity to implement these indicators could be envisaged at the appropriate point in the monitoring process, for example through a further study. Any follow-up would notably have to take into account technical feedback received from Member States and civil society.

The European institutions and all interested parties such as NGOs will then be well-placed to engage in dialogues with Member States on further competence-building and other remedies as appropriate.

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## HUMAN RESOURCES STRATEGIES – RESOURCING STRATEGY

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In this article the authors make an abstract of the main human resources strategies, presenting them in relation with the global strategy of the organisation. The accent falls on resourcing strategy, one of the main sources of competitive advantage. Resourcing strategy is not just about recruitment and selection. It is concerned with any means available to meet the needs of the firm for certain skills and behaviours. A strategy to enlarge the skill base may start with recruitment and selection but would also extend into learning and development programmes to enhance skills and methods of rewarding people for the acquisition of extra skills. These statements want to emphasise the strong links between different human resource strategies.

*Key words: strategic management, human resources, resourcing strategy, skills.*

The last years' research proved that the main priority of organisation strategy and strategic management is to secure a long-term future of the company. It is certain that such a purpose you can not achieve by practicing a bad human resource management and not take into consideration the strategic role of human resources. The human factors are critical when implementing a different organisational strategy, as people are usually change resistant. The performance of the company is possible only if products and services are made available at the right time, price and quality, and in the volume and locations required by the customers who are to use and consume them. Organisations and their managers can not be able to achieve this in the context of non-effective human capital.

Acting as a strategic partner, human resources department plays a role that includes helping the organisation develop its strategy. Management specialists **M. Reddington and M. Williamson**<sup>115</sup> support this idea drawing some clear conclusions concerning the terrain that human resources professionals need to occupy:

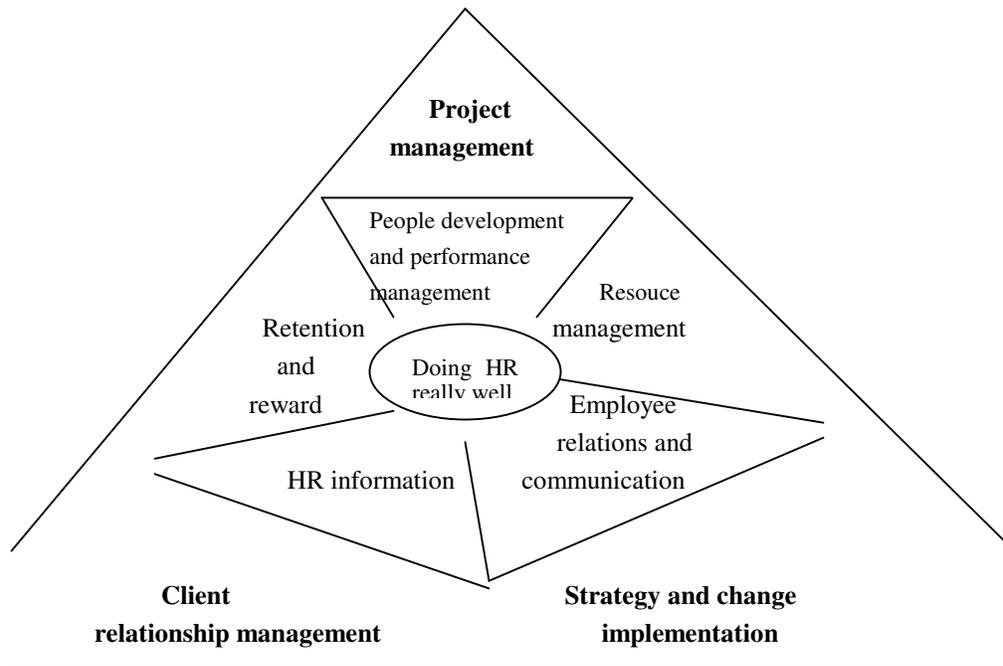
- understand the business and be respected as business people;
- be able to contribute to the development and execution of strategy;
- act as internal consultants, able to build strong client relationship skills;
- articulate and demonstrate value through each intervention made with clients;
- influence rather than depend on positional power.

Human resource strategies required by the successful implementation of an organisational strategy

The area that human resources professionals act nowadays is larger than few years ago. When implementing a human resources strategy we must take into account even the complexity of the internal environment and the changes that arise at the workplace. The changed role of human resource professionals brings new HR capability areas. A framework was developed by **National Grid Transco Ltd.** (**Figure 1**) and reflects very well these assumptions:

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<sup>115</sup> Reddington, M., Williamson M., Withers M., "Transforming HR – Creating Value through People", Elsevier Butterworth – Heinemann, Linacre House, Jordan Hill, Oxford, 2005, pg. 169



**Figure1. HR capability areas linked to the changed role of the HR professionals.**

Human resources strategies with impact on the performance of the organisation

There are human resources practices with a great impact over the performance of the organisation. We can say that they emphasise the strategic role that people have over the efficiency of the company:

1. *Attracting, developing and retaining high-quality people – resourcing strategy.* The identification of those factors that tend to attract people to the organisation and those that put them off constitutes an understanding of the organisation’s strengths and weaknesses as an employer, in relations with other employers from the activity sector. Retention strategy aims to ensure that key people stay with the organisation and that wasteful and expensive levels of employee turnover are reduced.
2. *Talent management.* The way the company chose to attract the best qualified people, how it wins “war for talent” by ensuring that well-motivated people required by the organisation to meet present and future needs, are available. Talent management strategy introduces management succession planning procedures that identify the talent available to meet future requirements and indicate what management development activities are required.
3. *Developing a distinctive organisational culture.* The culture gives the organisation and its staff a strong identity suitable to the individual and organisational purposes and activities.
4. *The need and ability to compete with other employers in the sector on the basis of:* wages, job satisfaction, working environment, career plans, mutual loyalty, opportunities, secure employment, etc.
5. *The design of pay.* The reward packages must meet the expectations and aspirations of those who come to work in the organisation. It also has to be reconciled with the organisation’s requirements. Although it is considered that the financial reward decreased in its value, people will always seek for jobs that are also well paid.
6. *The design of jobs.* This activity provides individuals with stimulating and interesting work and gives them the autonomy and flexibility to perform their jobs well. The requirements of job descriptions must reveal the specific activities of the job and shouldn’t be only a form of evaluating and controlling people. This also includes the creation of a functional, comfortable and suitable working environment.
7. *Learning and development.* Training and development strategies designed to improve all aspects of business performance must involve all staff. The organisation has to encourage self-learning, the individuals who seek to acquire knowledge and skills that contribute to organisation’s

objectives. Many organisations take the view that training and development is an essential feature of successful business and that part of the employment contract is a commitment to train and to be trained. Successful training strategies integrate organisational requirements with personal and professional needs.

8. *Knowledge management.* Creating, capturing, sharing and using knowledge improves organisational learning process and increase the performance of the employers and of the company.
9. *Setting standards of performance, attitude and behaviour.* The company develops a performance culture in which the best employees are also the one that are highly rewarded. Strategies also tend to improve the performance evaluation system. It must be an absolute equality in opportunities and access to promotions, training and development after the performance evaluation over a period of time.
10. *Motivation.* All kind of motivation systems encourages people to identify themselves with the core values and objectives of the organisation and to contribute to the achievement of its goals. Rewarding people according to their work develops motivation, commitment and job engagement.

#### Criteria for an effective human resources strategy

Any human resources strategy sets out to achieve a number of objectives and seek to prove the efficiency of its programmes. The main criteria any human resource strategy should be based on are:

- the strategy must contribute to the development of the business and to satisfy its needs;
- be founded on detailed analysis and studies, not just assumptions;
- can be turned into actionable programmes that anticipate implementation requirements and problems;
- is coherent and integrated, being composed of components that fit with and support each other;
- takes account of the needs of all employees and, in the same time of the other stakeholders' needs.

#### Resourcing strategy

Resourcing strategy ensures that the organisation obtains and retains the people it needs and employs them efficiently. The objective of resourcing strategy is to find the most suitable workforce the organisation needs, with the appropriate qualities, knowledge, capabilities and potential for future training. The aim of this strategy is therefore to ensure that an organisation achieves competitive advantage by employing more capable people than its rivals. This strategy also seeks to retain them by providing better opportunities and rewards than others and by developing a real organisational culture.

The resourcing strategy must take into account the general strategy of the company and understand the main directions in which the organisation is going. **Armstrong M**<sup>116</sup>. found that a good resourcing strategy must determine:

- the number of people required to meet business needs;
- the skills and behaviour required to support the achievement of business strategies;
- the impact of organisational restructuring as a result of decentralisation, delayering, mergers, product or market development, or the introduction of new technology;
- plans for changing the culture of the organisation in such areas as ability to deliver, performance standards, customer services, team working and flexibility that indicate the need for people with different attitudes, beliefs and personal characteristics.

These factors will be strongly influenced by the sort of activity and the type of business strategy adopted by the organisation.

#### The components of employee resourcing strategy

Human resources management specialists found the main components of the employee resourcing strategy:

*Human resource planning* anticipates as well as possible the future requirements concerning the number and type of people.

A strategic planning of future workplaces is necessary as in many cases the lack of brings multiple negative consequences: higher production costs, the stagnation of production process, etc. When planning human resources it is very important to take into account also the external environmental factors.

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<sup>116</sup> Armstrong M., "Strategic Human Resource Management: A Guide to Action", Kogan Page, Limited, 2006, pg 119

Strategic human resource planning, through its components, must take into consideration basic elements and analyze the present situation regarding workplaces and the existent employees, the uncertain character of a business and its capacity and, of course, maintain a flexible human resource to face all kind of fluctuations in business.

This strategy suppose planning activities like: demand forecasting, supply forecasting, forecasting requirements – analysing the demand and supply forecast to identify future deficits or surpluses, action planning – preparing plans to deal with forecasts deficits through internal promotions, training or external recruitment, developing retention and flexibility strategies.

- *Resourcing plans* – preparing plans for finding people from within the organisation and from outside, or for training programmes to help people learn new skills. The analysis must also establish how many people need to be recruited in the absence of qualified people within the organisation or the impossibility of training people with new skills in time.
- *Retention strategy* – preparing plans to retain people you already had hired in organisation.

Here an analysis of why people leave may provide some information, but rarely employees give the full reason why they are going. The survey results could be supplemented by focus groups in which they would discuss why one of them stay or leave and identify any kind of problems.

- *Flexibility strategy* – planning for increased flexibility in the use of human resources to enable the organisation to make the best use of people and adapt to changing circumstances.

Sometimes flexibility may take the form of segregating the workforce into a core group and one or more peripheral groups. Flexibility also implies outsourcing – getting work done by external firms or individuals – and multi-skilling – increase the ability of people to switch jobs or carry out any of the tasks that have to be undertaken by their team.

*Talent management strategy* – ensuring that the organisation has the talented people it requires to provide for management succession and meet present and future business needs.

**Armstrong<sup>117</sup>** identified the components of the talent management strategy and here we present the most important ones:

- Developing the organisation as an “employer of choice”;
- Using selection and recruitment procedures to hire people who are likely to thrive in the organisation and stay for a reasonable length of time;
- Providing talented staff with opportunities for career development and autonomy;
- A working environment which provide a balance between working in the organisation and life outside work;
- Developing leadership qualities and a positive contact;
- Recognizing those with talent by rewarding excellence;
- Conducting talent audits that identify those with potential and those who might leave the organisation.

It is sometimes assumed that talent management strategy is only concerned with key people. Everyone in an organisation has talent and talent management processes should not be limited to the favoured few, although they are likely to focus most on those with skills and high potential.

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# ETHICS IM WERBUNG UND DIE RELIGIOSE ELEMENTEN

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*Übersicht: Die Bombardierung des Verbraucher fehlt nicht mehr als eine Neuheit. Adverting Spezialisten möchten nicht nur der Interesse des Verbraucher fesseln, sonder ihre Werbungen in ihren Köpfen prägen. Um das möglich zu machen, gibt es verschiedene Methoden. Zwischen den unterscheiden wir, die jeniger die schockieren, die jeniger die nutzen religiöse Elemente und machen eine Mischung zwischen heiliche und menliche Kennzeichen.*

*Die Religion darstellt eine wichtige Informationquelle, sie ist reich in Symbolen und damit auch eine Kontroverses- und Herausforderungsquelle. So könnte die Werbunden diese Sektor nicht umgehen.*

*Die Kommunikation in Werbungen durch religiöse Elemente ist nich etwas neues. Die heutige Tendenz umsetzt die biblische Ikonographie im schockierenden Bildern, damit das Produkt verkauft sein.*

*Das Christentum hat seine eigenen Brands. Wenn wir ein Bild sehen, könne wir es erkennen als christliche Symbol: Apfel, Engel, Prister, Nonnen, Aurora, Teufel, Herdbruecke, Traube, hristiche Figursen und Abendmahl sind einige Symbolen benutzt im Werbung mit mehr oder weniger Diskretion. Wenn wir solche Werbung anschauen, fragen wir uns: **Ist es ein Werk oder ein Blasfenie?***

*In diese Arbeitschrift vornehmen wir einige religiöse Symbolen und studieren ihre Nutzung im Werbung. Die ausgewaahlte Symbolen waren:*

- das Abendmahl;
- das Apfel;
- Engel und Teufel;
- Die Kirche mit Prister, Nonnen, Herdbruecke und Bible.

## Religiose Elementen benutzt im Werbung

Das Abendmahl

Das **Abendmahl** konnten wir als Advertinsingselement im viele Werbungen finden.

Die Werbung von **Otto Kern** hat über viele Jahre mit religiöser Symbolik und ihrer kreativen Umsetzung für den Zeitgeist gearbeitet. Den Höhepunkt, was die allgemeine Aufmerksamkeit betrifft, erreicht Kern mit seinen Serie biblischer Motive Vier Motive zeigen dabei das Abendmahl, zwei daraus wurden veröffentlicht, eins offiziell inkriminiert. Dieses zeigt einen jungen Mann inmitten von zwölf jungen Frauen an einem Tisch sitzend. Die Inszenierung ist übernommen von Leonardo Abendmahl. Alle Beteiligten tragen blaue Jeans und sind oben ohne Kleidungen. Der Text zur Anzeige variiert, zunächst lautete er: *Wir wünschen mit Jesus, dass die Frauen die Männer respektieren lernen*, in der späteren Fassung: *Wir wünschen mit Jesus, dass die Männer die Frauen respektieren lernen*. Die zweite Variante der Anzeige zeigt die gleiche Konstellation mit umgekehrten Geschlechterverhältnissen, die beiden nicht veröffentlichten sind jeweils mit nur einem Geschlecht besetzt. Die Aufregung um die veröffentlichten Bilder war gewaltig. Die Zentrale zur Bekämpfung unlauteren Wettbewerbs stellte einen Antrag auf Verbot des Gesamtkatalogs wegen der Nutzung biblischer Sujets zu Werbezwecken, konnte sich damit aber nicht durchsetzen.<sup>118</sup>

Ein anderen Beispiel ist die **Volkswagen** Werbungen. Diese Werbung war Teil einer Werbekampagne, die Frankreich im Januar 1998 10.000 Plakate bescherte, die in vier verschiedenen Versionen religiöse christliche Inhalte aufnahmen. Die Kosten für diese Kampagne wurden auf 100 Millionen französische Francs geschätzt. Die Anlehnung an das Vincis Abendmahl ist explizit : die Jünger sitzen alle hinter einer langen Tafel, die mit einem weißen Tischtuch bedeckt ist, in Posen, die an die der Figuren auf dem italienischen Gemälde erinnern. Das Plakat stellte eine Parodie von Leonardo da Vincis Abendmahl dar und war am unteren Rand mit einem weiß gedruckten Slogan versehen : „*Freuen wir uns, Freunde, denn*

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<sup>118</sup> Andreas Mertin, Über die Reizbarkeit des religiösen Gefühls am Beispiel von Leonardos Abendmahl, Magazin fuer Theologie und Aesthetik

der neue Volkswagen ist geboren“.<sup>119</sup> Wir alle wissen, das zu der Zeitpunkt, gab es kein Herzenlustgrund<sup>120</sup> sonder ein Herzleitgrund.

Sieben Jahre später, im Februar 2005, taucht das selbe Motiv – das Abendmahl. Die Konfektionsmodesköpfer **Marithé und François Girbaud** haben sich ebenfalls von Leonardo da Vincis Abendmahl inspirieren lassen. Aber ihre Werbung ist in vielerlei Hinsicht diskreter und respektvoller als die ehemalige Werbung des deutschen Autoherstellers: man sieht sie kaum (sie ist nicht Bestandteil einer groß angelegten und allgegenwärtigen Werbekampagne, das Logo der Marke ist diskret. Der architektonische Rahmen, der die hieratische Haltung Christi unterstreicht, fehlt; Brot und Wein (durch einen einfachen Becher suggeriert) stehen nicht vor Christus, sondern auf der Seite. Der Tisch hat ein modernes Design, ohne weißes Tischtuch und ohne Tischbein.

Die einzige Innovation – die sicherlich Anlass zu Protest gegeben hat - ist die, dass die Personen, Christus wie Jünger, alle (außer einem) Frauen sind. Der weibliche Christus und die Jüngerinnen sind anständig angezogen. Nur der männliche Jünger, der den Platz von Johannes in da Vincis Gemälde einnimmt, hat einen nackten Oberkörper und eine laszive und zweideutige Haltung, da er halb auf dem Tisch, halb zwischen zwei Frauen sitzt. Die Werbung ist daher sehr "trendy", weil sie mit religiösen und sinnlichen Konnotationen spielt.<sup>121</sup>

Man erkennt nur 17 Beine bei 13 Personen, die oft auf unrealistische und sinnliche Weise miteinander verschlungen sind. Ein amüsanter oder verwirrendes Detail: unter dem Tisch befindet sich eine zusätzliche Hand, die niemandem gehört, und dient als Sitzplatz für eine Taube<sup>122</sup>; der männliche Jünger stellt seinen nackten Fuß auf einen Teller. Manche Jüngerinnen scheinen Klone voneinander zu sein. Wie auf da Vincis Wandbild sind die Jüngerinnen zu dritt platziert; wie auch der weibliche Christus ahmen sie häufig die Gesten der Personen auf Leonardos Gemälde nach. Vor dem weiblichen Christus befindet sich ein Teller mit zwei Fischen – ein Detail, das man nicht bei da Vinci findet, aber auf manchen mittelalterlichen Darstellungen des Abendmahls – wahrscheinlich als Anspielung auf die Geschichte von der Vermehrung der Brote, in der es ebenfalls zwei Fische gab.

## Apfel

Ein religiöses Symbol, das häufig benutzt ist, ist der **Apfel**. Das Botschaft übergebend ist der Verlust, die Verführung und der Lust um etwas zu innenhaben. So steht im Paradis ein Kamel, hinter ein Baum und genisst ein Apfel. Er scheidet zu sein den Schlange, der hat Eva verführt. Ein Licht kommt von Himmel wie eine Segne, für was es Macht. Als Motto können wir lesen: **Camels sind einfach verführerisch**.

Mit Otto Kern treffen wir noch ein mal. Diesemal ist es mehr schamhaft. Adam und Eva tragen Otto Jeans und erfreut sich über sem Apfel. Auch bei Benetton können wir das selbe Motiv erkennen. Volkswagenleasingservice sind dargestellt mit dem Hilfe des Apfels: *Lassen sie sich verführen*.

## Engel und Teufel

Bilder mit **Engel und Teufel** treffen wir oft im Werbungen. Zum Beispiel eine Engelin raucht ein **West**. Um prächtiger und diabolischer zu sein, hält sie ein Gabel. Ein Engel fühlt sich besser zwischen zwei fast genäckte Frauen. Das Parfum, **Bruno Banani**, gibt ihm eine Aurora. Die kleine Preise, die verführt dich, sind illustriert Nechermann Reise Katalog apeliert zu einen Wicht.

## Die Kirche

Die **Kirche** und ihre Symbolen: **Prister, Nonnen, Herdbrücke und Bible**, war nicht ausgeweicht von Werbung. **MTV** stellt sein Logo auf einem Herdbrücke und ein Prister halt einen Bible mit MTV- you better believe, fest. Die Nonnen segnen diejenige die rauchen **Fellow**, oder sir betten im **Diesel** Jeans oder **Viva Maria** Unterkleidunfen.

## Fasit

In unserer Darstellung haben wir verschiedenen Biespielen vorgestellt. Die Werbungen, die sich vom Christentum haben inspirieren lassen, haben ein unterschiedliches Niveau. Einige machen uns lachen andere macht uns wütend. Jede von uns kann eine personliche Reaktion verteilen. Für einige, diese Werbungen können als Kunstwerke gelten und für die andere wie eine Blasphenie. Dann fragen wir uns:

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<sup>119</sup> Jérôme Cottin, Zur Verteidigung verbotener Bilder. Am Beispiel einiger zeitgenössischer Neuinterpretationen von Leonardo da Vincis Abendmahl.

<sup>120</sup> Matthaus 26:22

<sup>121</sup> Jérôme Cottin, Zur Verteidigung verbotener Bilder,

<sup>122</sup> Taube symbolisiert der Heilige Geist

Wie weit kann ich in Werbungen mit religiöse Symbolen gehen? Auf diese Frage antwortet uns, Ethics in Werbung.

Persönlich können wir nur bedauern, dass man die Bilder auf der Straße, die christlich inspiriert sind, benutzt. Als Beispiel haben wir die Musulmanen die sehr stark reagiert um Mohamedskalikatur. Aber für, wenn wir sehen Jesu gekreuzt auf einer Fraurückseite, oder Jesu als Frau nackt, scheint es als Normalität, soweit das Produkt verkauft ist.

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## EUROPEAN INTEGRATION – A NEW PROVOCATION FOR THE ROMANIAN TOURISM

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**Abstract:** *a major impact upon tourism have the tendencies of economic, social or life style change, the last ones being integrating part of our society. It is important for the tourism sector to evaluate these changes and the implications of Romania's adhering to EU upon tourism, the transportation, environment protection, social and regional policy having a major incidence in tourism development.*

**Key words:** *European integration, implications of Romania's adhering to EU upon tourism*

The tendencies of continuous change with major impact upon tourism are economic, social or related to the life style, the tourism being integrating part of our society. It is important for the tourism sector to evaluate these changes in their very outset, namely the implications upon tourism of Romania's adhering to EU.

Although it was not a specific topic within Romania's adhering negotiations to the EU (ended in December 2004), the negotiation chapters with a major impact upon tourism's development were: transportation, environment protection, social and regional policy, and others.

Among the most significant implications of Romania's adhering to EU that concern the tourism in Romania, there are:

- the growth in number of the foreign tourists coming from the European Union and visiting Romania, not spectacularly nor suddenly, the explication being that the population of the old member states still prefers "the old destinations" (Spain, Italy, France, etc.);
- the growing competition both between destinations and tour operators as well, which will determine the competition between any Romanian tourism destination and the ones of the EU;
- the rising quality of the tourism services and staff;
- the tourists will become aware of their rights as costumers, that being a direct result of applying the European legislation in the field of tourism but also of the justified growth in tourists' exigencies towards the received services;
- the environment protection and lasting development will condition tourism's development and became a major imperative to assure the viability of any touristic arrangements;
- the access to the financings offered by the European Union will facilitate tourism's development and infrastructure in areas with touristic potential in Romania.
- another implication of Romania's adhering to EU, direct reflected upon the Romanian tourism, is making the touristic marketing a priority both for the central authority (National Authority in Tourism) and for the touristic destinations, and furthermore for each tour operator.

Knowing the fact that the image is playing a very important role in coming to a decision regarding choosing a holiday destination (the connection between holiday reasons and image being evident), there it is time for a quality and more aggressive marketing to convince the potential tourists of the European Union's countries.

tourism development at the regional level – within the context of the decentralization / regionalization of the competences in tourism, one of the economic sectors of Romania that needs "more action"!

### **The tourism development at the regional level**

The tourism is considered a "peak field" of the regional development, and, within the future years, it is foreseen that the tourism to actively contribute to the economic diversification and to the increase of the employment opportunities in Europe.

Or, with a view to the regional development for stimulating the economic development of the less developed regions, EU supports the activities that bring about multiple effects – it is known that the tourism is a sector with a high potential for generating both economic development and finding new labour places.

A considerable space is given to both the priority objectives in matters of EU tourism policy and to the regionalism policy – in the meaning of the regional promotion of the tourism as a stimulation factor in the development of the under-privileged areas, but, nevertheless, with real elements related to their touristic vocation (the region being thus able to remove the economic unbalance). For this reason, the regions and the local authorities play a major role in defining the policies, organizing and developing the tourism (for this reason we consider appropriate to quote the situations of the Federal States Germany and Belgium but also the case of other countries – France, Italy or Spain).

Moreover, it is important to remember that the experience of the countries with a long touristic tradition proves us that the touristic planning is necessary, on all the economic levels, to achieve a durable tourism, since the inappropriate consideration given to those planning methods in the touristic fields leads to certain social and environmental issues and also causes an insufficient development of the touristic activities in comparison to the already existing resources.

It is obvious that the Romanian government can play an important role in the development of tourism, but the current tendency is “to delegate” more and more tasks to the local authorities, who, indeed, know better the communities and the areas they administer. The efficiency of a public local administration shall provide the prosperity of all the activity sectors, including here the tourism. The so wanted and so advertised and announced reform of the public administration has to lead to determine the setting of certain efficient structures and modern methods for mobilizing the material and financial human resources for the purpose of appropriately meeting the society requirements. And, for that reform to have a positive impact upon the tourism development, it has to focus on three major directions (presently, we face a reduced involvement of the local authorities in the development of this sector):

- decentralization + consolidation of the local autonomy;
- successful completion of the human resources management;
- introduction + development of the public management in administration.

By means of a long – lasting touristic planning and an intelligent management, the benefits can be maximized and the issues can be also considerably diminished.

**The regional development policy** strengthens the role and the responsibilities of the local public administration and of the regional bodies in the economic and social development of all the development regions, and in particular, of every development locality.

Although all the eight regions of our country dispose of a valuable potential for the touristic development, in 2003, the contribution of the tourism in the development of the national economy was unfortunately reduced (2,19% din PIB)<sup>123</sup>.

The regions are endowed with a remarkably touristic potential related to the natural setting, the cultural and historical background. The differences between the regions, with a view to the valuation of the touristic capital are determined by their historical development conditions and the country general infrastructure, an aspect that often hindered the development of several areas of high touristic attractiveness, but with low degree of accessibility, and at the same time, facilitated the development of others. An obvious example here is given by the evolution of Valea Prahovei (Prahova Valley), in comparison to Rucar – Bran Couloir and the upper valley of Buzau.

The statistic data indicate an increase of the interest towards the Romanian touristic attractions, aspect proven by the increased number of the arrivals in the accommodation facilities after 2000. Therefore, in 2005 the number of tourists reached 5.805 million (from which 24,6% foreign tourists). The number of the accommodation requests increased, reaching 18,37 million. It is worth to mention here the increased number of the foreigners’ accommodation demands– 3,46 million (2005), representing a rate of 61,6 in comparison to year 2000.

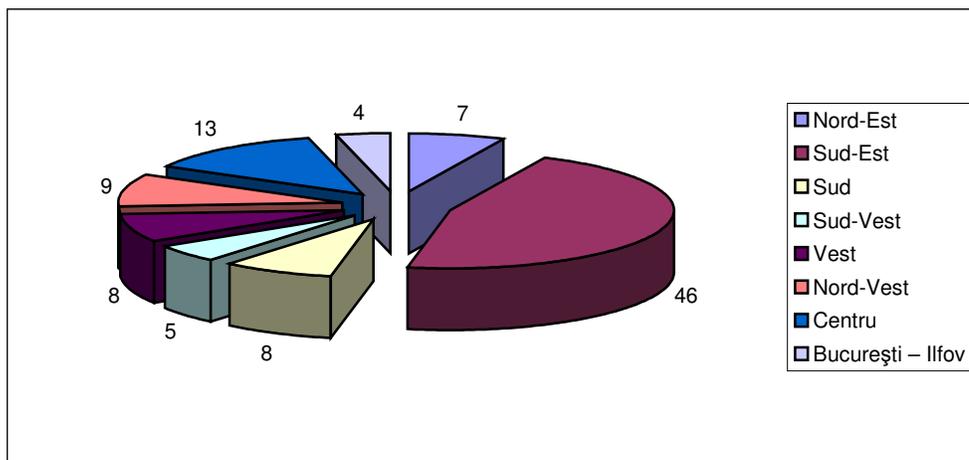
The tourism infrastructure faced major changes after 1990. Therefore, in 2005 the existing accommodation capacity was with 10,3 less than in 1991. Although quantitatively reduced, it subsequently improved, an aspect underlined by the study carried out observing a Phare Program<sup>124</sup> granted to The Ministry of The European Integration. In 2005, the effective accommodation capacity (number of beds – days) indicates that an approximate 18,04% of the Romanian accommodation capacity is found in the Black Sea Resorts (fact that is valued only during 2-3 months/year), 29,79% in Bucharest and in major county cities (excepting Tulcea), 19,4% in the spa resorts , 0,9% in The Danube Delta and 15,0% in other touristic destinations.

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<sup>123</sup> The National Forecasting Board

<sup>124</sup> The study was made within the Phare Programme RO2002/000-586.05.01.04.02.02, by the project „Schemes development for the Regional Operational Programme”.

Graphic 1 – Accommodation capacity according to the Development Regions , 2005



Source: INS – Accommodation Capacity, 2005

The accommodation capacity (number of places) according to the regions underline major differences between different country areas. The South – Eastern Region holds the highest accommodation capacity (46%), being followed by far by the Central Region (13%) and by the North – Western Region (9%).

It is known the fact that the existence of a high accommodation capacity does not automatically attract a touristic activity, and therefore, the major differences from this point of view, can be determined both by the consumers' preferences and by the existing infrastructural facilities, atypically distributed. Nevertheless, it can be stated that these regions hold a more balanced capacity of touristic development than the existing one, in spite of the prognoses according to which the region that is to develop further is the sea side and the Danube Delta, as well as the Carpathian and Sub-Carpathian areas.

The regional evolution of the main markers in the touristic fields, also performed within the Regional Operational Program 2007-2013 underlines the regional differences related to the means of attracting the tourism and the manner of using the accommodation facilities, in the context of the massive decline of the touristic activity, after the 90's.

Table 1. Evolution of the main touristic markers between 1993-2005

Region	Accommodation capacity in 2005 (number of places)	Accommodation capacity I/ 2005 vs 1993 (%)	Over nights in 2005 (thousands)	Arrivals in 2005 (thousands)	Arrivals in 2005 (thousands)	Arrivals I/2005 vs 1993 (%)
North-East	18.718	-11,43	1.435,8	-34,01	624,5	-32,7
South-East	132.965	-4,53	5.139,1	-32,87	1.107,9	-20,8
South	22.292	-5,16	1.807,2	-30,80	573,5	-36,5
South-West	14.672	,18-69	1.601,8	-22,61	334,1	-41,9
West	21.291	-8,75	1.835,3	-12,67	535,1	-24,1
North-West	26.019	+11,39	1.754,6	-15,61	733,3	-30,4
Centre	36.012	+2,17	2.782,1	-20,89	1.067,9	-9,3
Bucharest – Ilfov	11.225	+22,9	1.481,2	-22,83	831,3	+0,7
<b>Romania</b>	<b>283.194</b>	<b>-3,35</b>	<b>18.372,9</b>	<b>-25,82</b>	<b>5.805,0</b>	<b>-23,2</b>

Source: INS

Summing up, a durable regional development need to correlate and integrate the tourism of Romania among the other components of the local economy, also considering the fact that this clean industry (also called „the un-foggy” industry) does not bring any prejudices to the environment, and basically, it does not assume and involve major investments.

Or, an appropriate touristic planning and a good durable development project, both comprised in a regional development program involve investments which, the more harmoniously is the integration made, the cheaper are the aforementioned investments.

Or, the lack of action and the contemplation of the natural scenery lead to the aggravation of the touristic condition in our country, and the permanent postponing of the decision-making processes deepen this crisis ... fading away the possibilities of a possible and well-deserved straightening, and, also bring about the exponential increase of the prices of an imperative intervention pushed to an unknown future.

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# EUROPEAN INTEGRATION BY THE CHANGE OF ORGANISATIONAL CULTURE

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**Summary :** *The culture of an organisation is a set of norms, values and beliefs. These have developed over time, unplanned and emergent. However, the culture of an organisation is something that can have an enormous impact on the way in which organisation operates, and its effectiveness. It is also something that can be assessed and, if necessary, changed over time. Organisational culture interventions are notorious for their difficulty and duration, but if culture change is needed this should not deter an organisation from embarking on the process of change. Indeed, it may be the key to its survival. In this paper we wish to present what is the link between organisational culture and European integration.*

*Key words: organisational culture, changes, European integration, model of*

## 1. What is organisational culture mean?

Organisational culture is complex and multi-faceted. Culture is intangible and imprecise. It also changes over time. Different cultures are reflected in different organisational structures and systems. Indeed, it is important that structures and systems are appropriate to the organisation's culture. Also, different people prefer different organisational cultures, depending on their personalities and motivations.

Often an organisation will combine a number of cultures (sometimes with a dominant culture and a number of sub-cultures). A range of cultures is sometimes necessary and appropriate, but sometimes there can be a clash of cultures within an organisation.

Attempts to define organizational culture have adopted a number of different approaches. Some focus on *manifestations* – the heroes and villains, rites, rituals, myths and legends that populate organizations.

Culture is also *socially constructed* and reflects meanings that are constituted in interaction and that form commonly accepted definitions of the situation.

Culture is *symbolic* and is described by telling stories about how we feel about the organization. A symbol stands for something more than itself and can be many things, but the point is that a symbol is invested with meaning by us and expresses forms of understanding derived from our past collective experiences. The sociological view is that organizations exist in the minds of the members. Stories about culture show how it acts as a sense - making device.

Culture is *unifying* and refers to the processes that bind the organization together.

Culture is then consensual and not conflictual. The idea of corporate culture reinforces the unifying strengths of central goals and creates a sense of common responsibility.

Culture is *holistic* and refers to the essence – the reality of the organization; what it is like to work there, how people deal with each other and what behaviours are expected.

All of the above elements are *interlocking*; culture is rooted deep in unconscious sources but is represented in superficial practices and behaviour codes. Because organizations are social organisms and not mechanisms, the whole is present in the parts and symbolic events become microcosms of the whole.

Corporate culture is really a kind of image for the company which top management would like to project. The image of the organization differs according to where you view it. Even in companies with strong cultures the social distance between senior management and shop floor reality can be very wide. Cultures are hardly planned or predictable; they are the natural products of social interaction and evolve and emerge over time. So is it valid to allow such a notion of culture to give way to a version of managed consensus? Pettigrew believes that cultures can be shaped to suit strategic ends. He has in mind the idea that organizations have the capacity to transform themselves from within. Even if cultures can be managed is this necessarily a good thing?

Culture spans the range of management thinking and organizational culture has been one of the most enduring buzzwords of popular management. Why? What is the appeal of the concept? Organizational culture is apparently unifying and this strongly appeals to management's concern with projecting an image of the organization as a community of interests. Perhaps most importantly culture penetrates to the essence of an organization – it almost analogous with the concept of personality in relation to the individual and this acute sense of what an organization is – its mission, core values – seems to have become a necessary asset of the modern company. There is the vexed question of whether or not organizational culture can be managed.

## 2. Why to change organisational culture?

When is the organisation's culture a problem?

Organisational culture is a problem when the way in which the organisation usually operates puts obstacles in the way towards achievement.

Some examples:

- goals of the organisation demand an external orientation of the members, but the organisational culture is characterised by internal orientation;
- transparency is needed to be accountable and to function democratically, but the tradition to involve family members and to favour them, may makes transparency cloudy;
- being value driven as a main characteristic of an organisation stands not well with the businesslike attitude of our professionals;
- productivity, being directed towards goals, may be hindered by the grown habit to intervene in each other's work, directing most of the energy to each other instead of to the product;
- the not-outspoken rule not to intervene in each other's work (the non-intervention principle) may hinder the ideal working method of sharing ideas, innovations, solutions and problems;
- because of the one-sided fixation on ideology, satisfaction of personal needs may be considered as forbidden;
- a grown emphasis on output may have led to the situation in which reflection (base for learning) is considered a waist of time.

Organisational culture is not the result of just a decision, but the outcome of a lasting process, in which the attitude, beliefs and behaviour of people are gradually shaped. Organisational culture, even if not objectively effective, is always a logical adaptation to a changed environment. Organisational culture may be compared to coping mechanisms: once effective in one specific situation, but internalised, unconscious familiar, and hardly noticeable for the owner.

That is why change of organisational culture is not easy.

For the 'change agent' (the one who manages the process of change: the leader or manager or an outsider consultant) this entails:

- modest aims combined with ambition;
- understanding the culture of an organization;
- flexibility in strategy

There are other general key factors for success to identify: whichever variant is chosen for a successful strategy, it is important to make use of the existing energy.

A second element of a successful strategy is to keep in mind that involving people will create support and giving them the opportunity to analyse themselves, examining what the problem is and what would be the best solution.

And a third element: always take into consideration the interests and needs of the persons which have to be motivated for the objectives of change.

Try to explore the meaning behind a view someone is taking. Try to translate someone's stand in terms of interests, needs, values, ideas, thoughts and emotions. Try to brainstorm about solutions that cover as many similar and different interests as possible.

It will be clear that change agents need a broad arsenal of strategies to achieve the change objectives, and that they have to be willing to continuously adjust their strategies to respond Management consultants have tools for assessing appropriate organisational culture(s) and staff preferences in this regard.

Different organisational cultures can be successful, there is no optimum – appropriateness and 'fit' are the keys. Organisational culture interventions can be complex and time-consuming. However, it is clear from company analyses that if successful companies fail to adapt their culture when the environment changes, then they cease to be successful. Even without proactive intervention, organisational culture changes over time as organisations grow and progress. When first founded, an organisation tends to revolve around its founder and his/her vision. As the organisation grows, activities need to be 'departmentalised' and organisational systems established. Work is delegated to functional units. This often proves difficult for the founder or first Chief Executive, either because they struggle with the loss of control or because they find themselves ill equipped to deal with their new organisational role. Often these new systems become inflexible, and other cultures break through to cope with a changing environment. Then new systems of communication and coordination are introduced to bridge the various cultures and structures.

In order to meet the needs of customers who are increasingly sophisticated, organisations have had to re-engineer themselves from being primarily product-centric to being customer-focused. As part of this,

organisational culture change is imperative. There has been a vast increase in the amount of information used at every level of business over the past few years, from product planning through to developing customer relationships. We now work in a 'knowledge economy' in which information is often the product or certainly a significant part of it. Most managers recognise the impact of IT and its effect on cultural change.

So what kind of culture should companies seek to adopt in order to cope better with these new business imperatives? It's important to realise that culture, like clothing, is not a one-size-fits-all business. Every organisation develops a culture that suits its own unique set of circumstances. But there are certain common features about the way the culture question should be handled in the face of unprecedented business and technological change. For instance, it is important to understand that culture change is a process not a destination.

If you're working in a company that needs to take decisions fast, you need a culture that empowers a person to act. If you're facing ever-tougher competition you want to encourage people to share information quickly, so your company can react to threats faster. One way to achieve both is to get rid of unnecessary management hierarchies.

But that is not to say that management taking the lead in terms of culture isn't important. Leadership from the top sends a message to the entire organisation. Directors who have turned around failing companies have often achieved this through effectively implementing a culture change across the whole organisation.

At the end of the day, culture change requires altering the way people behave. And that often means creating new values and beliefs, which infuse the organisation and influence the way people think about how they carry out their jobs. It means creating a company in which people understand 'how we do business around here'. That way should be the way, which leads to business success.

What about European countries? Why is a need to change organisational culture in the context of integration? The change of economic and politic environment makes it necessary. The countries do not exist by them selves. It is a big system that interconnects. Each country has to adapt his own culture to the European culture. That includes a policy oriented to the clients, a developing of management of human resources based on the needs of employees.

### **3. Can we speak about a general model of organisational culture?**

Some of scientist tried to make a model of organisational culture. Of course some aspects can be put into a model, but each organisation has his particularities. Other way, each country included in the European system has the traces of his own culture.

Then why did we speak about changing of organisational culture? Changing means not to standardize all the enterprises and the employees. Changing means to find the best way to achieve the organisation's goal in the context of new European requirements.

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## HOW SHOULD THEY AFFECT PRICING DECISIONS?- DIFFICULT COMPARISON EFFECT

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*Abstract: In most companies, there is ongoing conflict between managers in charge of covering costs (finance and accounting) and managers in charge of satisfying customers (marketing and sales). Accounting journals warn against prices that fail to cover full costs, while marketing journals argue that customer willingness-to-pay must be the sole driver of prices. The conflict between these views wastes company resources and leads to pricing decisions that are imperfect compromises. Profitable pricing involves an integration of costs and customer value. To achieve that integration, however, both need to let go of misleading ideas and form a common vision of what drives profitability. In this chapter and the next, we explain when costs are relevant for pricing, how marketers should use costs in pricing decisions, and the role that finance should play in defining the price-volume trade-offs that marketers should use in evaluating pricing decisions.*

*Key words: decision, pricing, cost.*

The concept of economic value assumes not only that customers are aware of alternatives but that they can cheaply and accurately evaluate what the alternative suppliers have to offer. In fact, it is often quite difficult to determine the true attributes of a product or service prior to purchase. For example, consumers suffering from a headache may be aware of many alternative pain relievers that are cheaper than their usual brand and that claim to be equally effective, but if they are unsure that a cheaper brand is as effective or as free of unwanted side effects as the one they usually buy, they will consider it an inferior substitute even though it could be chemically identical. Most customers will continue paying a higher price for the assurance that their regular brand offers what the substitutes do not: the confidence accumulated from past experience that their brand can do what the others only promise to do.

Even price itself can be difficult to compare across brands, thus reducing price sensitivity. Catalog and Internet retailers often divide their prices into two parts: one part for the items plus a fixed or variable charge for "shipping and handling." Research shows a wide variance among customers in their ability to make accurate comparisons with the single prices offered by traditional stores. Similarly, branded grocery products are often packaged in odd shapes and sizes, making price comparisons with cheaper brands difficult. When, however, stores offer unit pricing (showing the price of all products by the ounce or gallon), grocery shoppers can readily identify the cheaper brands. In one study of unit pricing, the market shares of cheaper brands increased substantially after stores ranked brands by their unit prices.

Companies with new products for which they are trying to build cash flow often make the mistake of building the start-up cost of acquiring and servicing a new customer into a large, up-front fee. Because high uncertainty undermines perceived value, such companies lose potential sales and win sales only at lower prices than they otherwise could. By absorbing the up-front cost in higher monthly fees, the seller communicates confidence that customers will be satisfied and enables customers to pay as they enjoy a known value from product usage. Consequently, the seller should close more sales and, assuming that the product or service delivers the promised value so that the customer continues to buy it, the seller can ultimately expect a greater cash flow and a higher net present value (NPV) per customer acquired.

### **Switching Cost Effect**

The greater the added cost (both monetary and nonmonetary) of switching suppliers, the less sensitive buyers are to the price of a product. The reason for this effect is that many products require that the buyer make product-specific investments to use them. If those investments do not need to be repeated when buying from the current supplier, but do when buying from a new supplier, that difference is a switching cost that limits interbrand price sensitivity.

This is the switching cost effect: The greater the product-specific investment that a buyer must make to switch suppliers, the less price sensitive that buyer is when choosing between alternatives. Since this effect is often attributed simply to consumer "inertia", it is easy to underestimate its predictability and manageability.

Aspiring suppliers often absorb part of the switching cost in order to eliminate this effect. They should not do this simply by offering a lower price, however, since then they must give the discount even to previous customers who are not incurring a switching cost. The key is to target the discount selectively to new customers without lowering the price expectation. New suppliers do this by providing free training, by giving generous "trade-in allowances" to customers who replace competitive equipment, or by giving a discount on the first order placed under a long-term contract.

### **Price-Quality Effect**

Generally, price represents nothing more than the money a buyer must give to a seller as part of a purchase agreement. For a few products, however, price means much more. Such products fall into three categories: image products, exclusive products, and products without any other cues to their relative quality. In these cases, price is more than just a burden; it is also a signal of the value a buyer can expect to receive. In such cases, price sensitivity is influenced by the price-quality effect, which states that buyers are less sensitive to a product's price to the extent that a higher price signals better quality.

Often, the perception of higher quality at higher prices reduces price sensitivity even when consumers seek neither prestige nor exclusivity. This occurs when potential buyers cannot ascertain the objective quality of a product before purchase and lack other cues, such as a known brand name, a country of origin, or a trusted endorsement to guide their decision for example, the name of a restaurant in a strange location, a folk artist at a fair, or a totally new brand with which the buyer has no prior experience. In such cases, consumers will rely somewhat on relative price as a cue to a product's relative quality, apparently assuming that the higher price is probably justified by corresponding higher value.

As an illustration of how strong this effect can be, researchers have reported cases where a new synthetic car wax faced strong consumer resistance until its price was raised. Similarly, sales of new creamy-style cheesecake were poor until the company raised the price to equal that of its heavy (and more costly to produce) regular-style cheesecake. Buyers could not judge the quality of either product before purchase. Consequently, buyers played it safe by avoiding cheap products that they believed were more likely to be inferior.

Extreme cases such as these, where sales respond positively to a higher price, are admittedly rare. They lead one to expect, however, that in other cases sales simply respond less negatively to a higher price than they would if buyers did not associate a higher price with higher expected quality. Numerous studies have shown that, even when the objective quality of a brand is unaffected by its price, consumers use price as a quality cue to the degree that:

1. they believe qualities differ among brands within the product class.
2. they perceive that low quality imposes the risk of a large loss.
3. they lack other information (such as a known brand name) enabling them to evaluate quality before purchase.

The more consumers must rely on price to judge quality, the less price sensitive they will be. For most purchase decisions, consumers can either examine a product before purchase or infer its quality from past experience with the brand (the difficult comparison effect). Studies indicate that under these conditions, price is not used as a quality cue. Nevertheless, the conditions for using price as a quality cue occur in one very important case: when new products are first offered to a market.

### **Expenditure Effect**

A buyer's willingness to evaluate alternatives depends also on how large the expenditure is relative to the effort necessary to reduce it. For businesses, this effect is determined by the absolute size of the expenditure; for households, it is determined by the size of the expenditure relative to the available income. The *expenditure effect* states that buyers are more price sensitive when the expenditure is larger, either in dollar terms or as a percentage of household income. The more a buyer spends, the greater the gain from carefully evaluating the expenditure and attempting to find a better deal. This explains why the same person will sometimes shop at an expensive convenience store (for a small purchase) but be very sensitive to price when deciding where to go for the weekly shopping excursion. This partially explains why heating insulation costs much more when sold to maintenance men in lots of twenty-five feet than when sold to building contractors by truckloads of tens of thousands of feet. At the other extreme, small "impulse purchases" are simply not worth any effort to ensure that the price is a good deal. Consequently, percentage price differences across suppliers are often very large.

The effect of the expenditure size on price sensitivity is confounded in consumer markets by the effect of income. A family with five children may spend substantially more on food than a smaller family, yet still be less price sensitive if the cost of food accounts for a smaller portion of the large family's higher income. This relationship between a buyer's price sensitivity and the percentage of income devoted to the product

results from the trade-off buyers must make between conserving their limited income and conserving the limited time they have to shop. Higher-income buyers can afford a wider variety of goods but cannot always afford more time to shop for them. Consequently, they cannot afford to shop as carefully as lower-income buyers, and so they accept higher prices as a substitute for time spent shopping.

The expenditure size relative to income is also a constraint on both a business's and a household's primary demand for a product. A young man may long for a sports car, believing that a Porsche clearly has differentiating attributes that justify its premium price relative to similar cars. An economic value estimation™ of sports cars would reveal his decided preference and belief that the Porsche offers a "good value" relative to other sports cars. At his low income, however, he is not making purchase decisions among competing sports cars. Expenditures in other purchase categories (housing, food, and education) are of higher importance than a sports car, and those categories currently consume his income. Until his income rises, or the price of sports cars becomes much less, his brand preference within the category is not relevant.

### **End-Benefit Effect**

An individual purchase is often one of many that a buyer makes to achieve a single benefit. Cream cheese is one of several products that a cook must buy to make a cheesecake. Software is just one component of a computer system, the cost of which may be minor compared to the cost of processor, modem, data storage, etc. The relationship of a purchase to a larger benefit is the basis of the *end benefit effect*, which can be divided into two parts: the derived demand and the price proportion. *Derived demand* is the relationship between a desired end benefit and the buyer's price sensitivity for one of the products that contributes toward achieving that end benefit. The more sensitive buyers are to the cost of the end benefit, the more sensitive they will be to the price of products that contribute to that end benefit. In the examples above, the more price sensitive the buyer is about the decision to make a cheesecake or build a computer system, the more price sensitive she will be to the cost of cream cheese or disk storage devices. *Price proportion cost* refers to the percent of the total cost of the end benefit accounted for by the product's price. The smaller the proportionate share accounted for, the less sensitive the customer will be to price differences.

Derived demand is most obvious in business markets. The more (less) price sensitive the demand for a company's own product, the more (less) price sensitive that company will be when purchasing supplies. A manufacturer of office furniture purchases sheet steel from which it makes desks. The more desks it can sell, the more steel it will buy. If desk buyers were highly price sensitive, any attempt to pass on steel price increases to the price of desks would cause a large reduction in sales. Consequently, the high price sensitivity of desk buyers would force the desk manufacturer to be highly sensitive to the cost of its desks and, therefore, to the price of steel.

Imagine how the manufacturer's purchase behavior would change, however, if booming demand were to cause an order backlog to lengthen and customers to lose leverage in negotiating desk prices. Since the manufacturer could now more easily pass on added costs to the customer, its goal in purchasing would become less to save money on supplies and more to ensure on-time and defect-free deliveries to keep the manufacturing process running smoothly. It is essential for salespeople in business markets to understand the end benefit that drives a customer's purchase decision (is it cost minimization, maximum output, quality improvement, civic mindedness, or what?) in order to infer the importance of price in the purchase decision.

The relationship between price sensitivity for a product and for the end benefit to which it contributes is not simply an economic phenomenon. There is a strong psychological component that depends on how a buyer perceives the absolute price, or price difference, in proportion to the total cost of the end benefit.

To fully appreciate the marketing implications of the end-benefit effect, managers need to recognize that it is both an economic and a psychological phenomenon. Consider how you would react if, after celebrating a very special occasion at a nice restaurant, your beloved paid for it with a two-for-one discount coupon. Unless you are an economist, this action would probably be seen as rather unromantic. Most people think it tacky to make choices based on price when an end benefit is emotionally important to them. Moreover, one must also recognize that the "total cost" of the end benefit need not be only monetary. Dieters are less sensitive to price than nondieters when treating themselves to chocolates or ice cream because the dollar expenditure is only a small part of the total cost (both monetary and nonmonetary) that they pay for this treat. The psychological aspects of this effect make it an excellent target for promotional activity. Once a brand is established in customers' minds as somehow "better," advertisers can increase the value of that perceived difference by relating it to end benefits to which the customer already attaches a high value.

### **Shared-cost Effect**

Although the portion of the benefit accounted for by the product's price is an important determinant of price sensitivity, so also is the portion of that price actually paid by the buyer. People purchase many

products that are actually paid for in whole or in part by someone else. Insurance covers a share of the buyer's cost of a doctor's visit or a prescription drug. Tax deductions cover a share of the cost of publications, educational seminars, and travel related to one's profession. Businesses usually compensate employee travelers for all or part of their travel and entertainment expenses.

**Fairness Effect** The concept of a "fair price" has bedeviled marketers for centuries. In the Dark Ages, merchants were put to death for exceeding public norms regarding the "just price." In the more recent dark history of Communism, those who "profiteered" by charging more than the official prices those very prices at which the state was unable to meet demand—were regarded as criminals. Even in modern market economies, "price gougers" are often criticized in the press, hassled by regulators, and boycotted by the public. Consequently, it is well worth a marketer's time to understand and attempt to manage this phenomenon.

Buyers are more sensitive to a product's price when it is outside the range that they perceive as "fair" or "reasonable" given the purchase context. But what is fair? Managers should note that the concept of fairness appears to be totally unrelated to issues of supply and demand. It is related to perceptions of the seller's profit, but not entirely. Oil companies have often been accused of gouging, even when their profits are below average. In contrast, popular forms of entertainment (for example, Disney World, state lotteries) are very profitable and expensive, yet their pricing escapes widespread criticism. Recent research seems to indicate that perceptions of fairness are more subjective, and therefore more manageable, than one might otherwise have thought. Buyers apparently begin by making an inference about the seller's likely margin relative to what they expect the seller earned in the past, or relative to what others earn in similar purchase contexts. The effect of margin on fairness is strongly mitigated, however, by another factor: the inferred motive of the seller. Explaining the action with a "good" motive makes the price more acceptable than a "bad" motive. Finally, the research indicates that companies with good reputations are much more likely to be given the benefit of the doubt that their pricing decisions have good underlying motives, while those with unpopular reputations are likely to find their motives suspect.

### **The Framing Effect**

The preceding discussion about prices and price increases being more objectionable for "necessities" follows from a stream of research called prospect theory, which has many important implications for managing price sensitivity. The essential idea of prospect theory is that people "frame" purchase decisions in their minds as a bundle of gains and losses. Moreover, how they frame those decisions affects how attractive they perceive a choice to be. The framing effect states that buyers are more price sensitive when they perceive the price as a "loss" rather than as a forgone "gain," and that they are more price sensitive when the price is paid separately rather than as part of a bundle.

Many marketing implications of prospect theory have been suggested that seem consistent with both common observation and controlled research:

- To make prices less objectionable, make them opportunity costs (gains forgone) rather than out-of-pocket costs. Banks often waive fees for checking accounts in return for maintaining a minimum balance. Even when the interest forgone on the funds in the account exceeds the charge for checking, most people choose the minimum balance option.
- When your product is priced differently to different customers and at different times, set the list price at the highest level and give most people discounts. This type of pricing is so common that we take it for granted. Colleges, for example, charge only a small portion of customers the list price and give everyone else discounts (a.k.a. scholarships). To those who pay at or near the full price, the failure to receive more of a discount (a gain forgone) is much less objectionable than if they were asked to pay a premium because they are not star students, athletes, or good negotiators.
- Unbundle gains, bundle losses. Many companies sell offerings that consist of many individual products and services. For example, a printing company not only prints brochures but helps design the job, matches colors, schedules the job to meet the buyer's time requirements, etc. To maximize the perceived value, the seller should identify each of these as a separate product and identify the value of each one separately (unbundle the gains). However, rather than asking the buyer to make individual expenditure decisions, the seller should identify the customer's needs and offer a package price to meet them (bundle the loss). If the buyer objects to the price, the seller can take away a service, which will then make the service feel like a stand-alone "loss" that will be hard to give up.

Anyone who thinks only in terms of objective economic values will consider these principles far-fetched. One might argue that buyers in these cases could easily think of the same choices as entirely different combinations of "gains" and "losses." That is precisely the point that prospect theorists make. There are many different ways to frame the same transactions, and each way implies somewhat different behavior. Researchers have presented research subjects with many objectively identical choices, changing only the

framing of the presentation. They have found that changing how people think about the choice in terms of "gains" and "losses" consistently and predictably changes the choices they make.

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# CONNECTING CHANNEL STRATEGIES, TO COMMUNICATIONS STRATEGY

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*Abstract: In most companies, there is ongoing conflict between managers in charge of covering costs (finance and accounting) and managers in charge of satisfying customers (marketing and sales). Accounting journals warn against prices that fail to cover full costs, while marketing journals argue that customer willingness-to-pay must be the sole driver of prices. The conflict between these views wastes company resources and leads to pricing decisions that are imperfect compromises. Profitable pricing involves an integration of costs and customer value. To achieve that integration, however, both need to let go of misleading ideas and form a common vision of what drives profitability.*

*Key words: decision, pricing, cost.*

The third of the five Cs of value-marketing strategies asks managers to communicate the value delivery of their offerings to their target customers. In developing channel strategy, managers have two options to communicate value to their target customers:

- *"Push" strategies.* The focus of communication is on the supplier's next immediate customer. Push strategies are aimed at propelling the supplier's offerings through the channel. For example, some manufacturers of over-the-counter (OTC) drugs and automotive paints do not promote these products directly to ultimate consumers. Instead, they focus on the retailer or auto-repair shops, expecting these channel firms to make the sale to the consumer. Channel firms that carry a variety of competing products may favor push strategies because they permit promoting products that are most profitable to the channel firm (the channel firm's customers frequently do not have strong preconceived preferences). Suppliers often find push strategies less expensive to implement.
- *"Pull" strategies.* The focus of communication is on the end customer or a channel member closer to the end customer. Such strategies are aimed at pulling the supplier's offering through the distribution channel. For example, Intel maintains brand preference by advertising its chips to end consumers with the "Intel Inside®" campaign. The intent is to create a preference for computers with its chips-causing retailers to favor Intel-based computers. Channel members benefit from pull strategies when customers are "presold" for particular brands. Suppliers gain some control over channel firms because it is more difficult for channel firms to switch customers to competing brands.

Push strategies depend on channel intermediaries to carry the value message through the rest of the channel. Pull strategies "presell" the offering to the target customers, who then go to channel intermediaries with brand-specific demands.

Push strategies are essential when the supplier's product and its differential value are not apparent to target customers, or when its value delivery cannot be easily made salient to target customers. For example, most automobile buyers are unaware of the specific machine tools used in the manufacture of their automobile or of the specific brand of paint that covers it. For machinetool suppliers or automotive-paint manufacturers, convincing manufacturer that their products can make automobiles better or cheaper is more effective than trying to convince consumers to buy vehicles manufactured with a specific brand of machine tool or utilizing a particular paint. The main drawback to push strategies is they depend on the distribution channel to convey the value message to ultimate consumers. In some cases, push strategies may require managers to invest in developing the value-marketing skills of the entire distribution channel or risk having the channel not convey the value theme.

Pull strategies carry the value message directly to target customers. A pull strategy often gives a supplier greater control in communicating value to target customers. Further, pull strategies are often favored by channel intermediaries because they often create "presold" customers, thus reducing the marketing effort required by channel firms. More-exclusive retailers who compete with low-price outlets often prefer suppliers who invest in building brand image. Also, effective pull strategies can provide suppliers

insurance against channel intermediaries who try to opportunistically sell competing offerings-customers arrive at the channel firm with strong brand preference.

The choice between "push" and "pull" is usually difficult. Push strategies require both costly incentives for the retail channel partners and limited distribution. In introductory and growth markets, channel intermediaries must invest substantial resources in targeting potential customers and communicating value in return for uncertain sales that may occur considerably later. As a result, suppliers have to share a large portion of their sales price with channel firms as an incentive for the selling effort. In addition, when sales are uncertain or do not follow quickly, manufacturers generally must pay high fees for promotional efforts, such as cooperative advertising and in-store demonstrations.

Given these costs, it would seem that a pull strategy might be preferable, but there are three strong considerations recommending the push approach.

1. The costs are large variable-being proportionate to the amount of sales and the number of retail distribution outlets. This is a big advantage for a product that is starting out small. The cost of an effective advertising campaign could be prohibitive.
2. The retailers have pretargeted the market. In markets where demand is diffuse-few people are potential purchasers-the retailer (who may be a catalog or e-commerce company) has already identified them. Either the target consumers already know where to buy or retailers own a highly coveted customer list. For sales of scuba equipment, aids to the physically impaired and to people interested in do-it-yourself home repair, no advertising outlets exist to reach a majority of the potential buyers. All of the potential purchasers, however, will eventually need to visit a retailer or web site, or read a catalog which, given an adequate incentive, can promote the product.
3. The retailers or others in the chain "augment" the product. Few people would pay the prices for Mary Kay cosmetics if they were available on a rack in a drug store. The value is in the Mary Kay experience of being "made up" in the privacy of home. Mary Kay creates that experience with a team of independent distributors who are motivated by, among other things, high margins.
4. Pull strategies require sophisticated marketing, expertise that a firm may lack. Managers must know not only who might buy their product, but also understand why. They must connect their offerings to benefits and offerings that these target customers find salient, which may be difficult when channel firms augment the offering in a way that hides the supplier's components, and they must create messages that can be indirectly communicated convincingly in limited space or time.

Still, in most mature mass markets, pull strategies are preferred. They are cost-effective for high-volume, mass-marketed products, and they give the seller control over the message. Moreover, the mass-market channel partners like Wal-Mart, grocery chains, and drugstores prefer pull strategies despite lower margins. They make their money-moving inventory efficiently, not by selling. Moreover, a pull strategy creates a stronger brand identity that increases loyalty.

Pull strategies are an effective counter to brand competition for channel attention. When multiple brand competitors are competing for the same customers, opportunistic channel firms will play them against each other to extract higher margins and fees. Brands that are large enough to support the cost of a pull strategy can undermine the opportunist's ability to do this. Because customers are presold on the supplier's brand, an attempt to switch them to a competing product is more difficult.

Pharmaceutical manufacturers, which traditionally used only push strategies, have in the United States adopted the pull approach for some products. Managed-care practices have encouraged substitution of branded pharmaceuticals with generic products and have discouraged prescribing "quality-of-life" drugs-such as nonsedating antihistamines and drugs for treatment of erectile dysfunction-that have no effect on overall health. The pull strategy educates patients to ask for these drugs by brand name.

Even some suppliers of materials that are not apparent in the finished good have developed "branded ingredient" pull strategies. W. L. Gore, Inc., uses such a strategy to promote Gore-Tex™ apparel, even though W. L. Gore does not manufacture apparel. Similar strategies have been developed by Du Pont (Stainmaster carpet), Intel ("Intel Inside"), and G. D. Searle (NutraSweet in foods and beverages). Branded-ingredient strategies are a special type of pull communication strategy in which a component not immediately transparent to the end user can be linked to benefits and value the target customer highly desires.

The selection of the appropriate channel communication strategy (push or pull) has a strong impact on successful pricing-strategy implementation. This impact is manifested in the ability of suppliers to communicate their value delivery to target customers.

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# THE KNOWLEDGE MANAGEMENT INSIDE THE INTELLIGENT COMPLEX ADAPTIVE SYSTEMS

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*In the new era of globalization, information avalanche, uncertainty, permanent change, economic complexity, the company needs a terrible adaptation capacity to environment in order to survive. This is challenging the managers to take into account a new asset; the intellectual capital or the knowledge resources of the organization. The nowadays Knowledge Management Systems offer good technological solutions to search for information or knowledge claims, select, store and share them inside the organization, but the knowledge generation – the most important phase of knowledge life cycle – requires a special focus of managers. The Complexity Theory is teaching the managers how to organize the knowledge management in a dynamic company. The most creative phase of a system, that is, the point at which emergent behaviours inexplicably arise, lies somewhere between order and chaos. Therefore the manager could only support this self sustained process by maintaining a certain degree of informality and diversity. It is not possible to control an individual's thinking process, his feelings, his creativity and trust. This seems to be the new paradigm that modern management could count on in order to develop a learning and innovative organization able to have healthy reactions at rapid changes of the market.*

*Keywords: knowledge management, complex adaptive systems*

## **The need for change**

In the last decades it has become obvious for many managers that, in order to be successful in their business, they need more efficient organization models and also organizational paradigms better adapted to the present environment. The management processes have to take into account the present permanent changing business environment to reach sustainable success. The globalization and the issue of the knowledge based economy caused the turn of quality knowledge application into an ultimate competitive factor. It is evidently that our present world is much more complex and more difficult to manage than that one we used to deal with and therefore the optimization of the individual and organizational learning processes, and the generation and dissemination of knowledge inside the organization, has become a major concern for the management science inside the Western economies. The work becomes more and more complex. At every organization level we are requested to supply more and more customized products and services in order to add a bigger value to our internal and external customers. We are requested to answer with shorter and shorter time to market and higher and higher quality. We are requested to develop new business relationships, to increase the loyalty of our customers and the solidarity of our suppliers, at the same time taking care to reach the objectives of all the stakeholders. We are requested to learn and innovate faster than our competitors. We are requested to develop fundamental strategies and generate related bottom lines. And all these targets should be achieved with minimum resources and efforts, and without drawbacks.

The permanent change, the complexity and uncertainty are the parameters of the contemporary economic environment, which have a bigger and bigger impact on organizations. These phenomena, which are more and more acute, are caused by some processes that are taking place nowadays:

- The increasing connectivity. The latter technologies have created new ways for data, information and knowledge exchange between individuals and organizations. The exchange of ideas, the collaboration, and the experts' involvement, are much faster. By consequence it is a pressure on the organization, which is supposed to face the new realities, having the ability to share the internal and external intellectual capital in order to make a decision faster.
- The organizations are overwhelmed by a huge volume of data, information and knowledge. All of them should be explored, sorted, interpreted, and validated. The challenge is even higher because the information is often coming randomly, redundantly, having a low value for the organization. In order to answer these requirements the organization has to develop its own human and system self learning capabilities.
- The delivery speed of products and services, of creating and sharing new ideas and knowledge is permanently growing. Therefore the decisions have to be taken faster and faster. The speed with which the information is exchanged increases the uncertainty, by reducing the time of understanding the events and phenomena.

- The digital economy. The technological boom taking place in the computer and communication field has caused a revolution in all the economic fields. The efficiency grew in all sectors. The new digital world brought along new rules, limitations and constraints.

In order to answer these requirements we need more and more to rely on the new asset named 'intellectual capital' used by individuals who are supposed to solve certain problems. This means that the organizational and managerial conventional paradigms are limited from the point of view of the intellectual capital management in the new economic environment and we need new ones. This supposes that the decision has to be delegated toward the organization's members who have the necessary knowledge and who are close to the real facts, getting high quality unfiltered information in real time, and clearly understanding the context. Therefore it is necessary to implement more flexible organizational structures and to adopt managerial principles, reflecting the support for new strategies and policies as well.

### **Complex adaptive systems**

The Complexity Theory or the Complexity Science represents the study of the spontaneous order occurring from a very disorderly system. How and why such coherence emerges in complex systems is a mystery. Nevertheless, understanding its influence on the performance of human organizations could lead to major gains in the conduct of human affairs, especially business.

Complexity studies indicate that the most creative phase of a system, that is, the point at which emergent behaviours inexplicably arise, lies somewhere between order and chaos. The researchers point out that complex systems produce their most inventive displays in the region of behaviour called "the edge of chaos". Systems operating in the vicinity of this edge exhibit wild bursts of creativity and produce new behaviours at the level of the whole system. In a sense, complex systems innovate by producing spontaneous, systemic bouts of novelty out of which new patterns of behaviour emerge. Patterns, which enhance a system's ability to adapt successfully to its environment, are stabilized and repeated; those that do not are rejected in favour of new ones, almost as if a cosmic game of trial-and-error were being played. Complexity is, therefore, in part, the study of pervasive innovation in the universe. Or, in other words, the complexity theory studies the systems' thinking applied to the behaviour of natural systems. The complexity theory offers a robust solution to the nature and role of knowledge inside the living systems, including the way knowledge evolves in human organizations. This seems to be the paradigm that modern knowledge management development and organizational learning could count on.

The theory of knowledge related to living systems, inside the complexity theory, is named the complex adaptive systems (CAS). Although different by details, there are complex systems like the people of a town, the nervous system of a mammal, ecologic systems, business systems, economic systems, which have all an enigmatic coherence on their way of adapting to their environment. These things exemplify our intuition that general principles are governing the behaviour of CAS systems. Inside the CAS theory there is also the key of understanding the way that knowledge is naturally revealed inside the living systems. The complexity theory offers solutions for the knowledge management practitioners inside the organizations to develop tools and methodologies usable in the real world. Relating this theory to human organizations we could say that these are complex adaptive systems because they contain groups of independent and autonomous agents sharing the same goals and complying with a certain set of rules accepted both individually and by the whole group. These rules are not necessarily correlated among them, and the tension between them could generate in time new ideas to have them replaced with new rules. Every new idea or rule that is replacing an old one could be seen like an innovation. The innovations leading to knowledge and practice changes could be seen like learning events.

### **Intelligent complex adaptive systems**

The organizations could be named intelligent complex adaptive systems if they have the capacity to collect information, to innovate, generate knowledge, and act based on validated knowledge. This capacity is the foundation for success in a competitive and rapid changing environment. The intelligence of the organization is more than the simple sum of every employee's intelligence, information and knowledge.

We are witnessing today two parallel revolutions strongly interconnected. On the one hand we see the huge impact of knowledge on the economic processes at micro and macro economic levels. On the other hand we see the complexity permanently growing in the organization's internal and external processes. These two processes are in a way interrelated. The growing complexity requires new knowledge but on the other hand, the issue of new knowledge is leading to a more and more complex world, and this process seems to be endless. The complexity is related to the number of the elements and to the relationship existing between the elements inside the system. Of course an intelligent organization shouldn't count on all the entries of the system. There should be a certain selection capacity, which should reduce the complexity and generate a certain coherence. If every knowledge worker and every group of workers inside an intelligent complex adaptive system should act independently and randomly, a big number of system states and lack

of coherence may be generated, which will not be beneficial for the organization. On the other side, if every worker or group of workers should act in a predetermined way then the organization should act in a fixed structure with a big number of members with strong controlled relationship between them, similar with a bureaucratic system. This rigidity may kill the organization. From the organization's point of view neither extreme is beneficial for the organization. A correct balance between uniformity and diversity should coexist in order to generate an intelligent answer of the system to external stimuli. The balance is based on three factors:

- diversity, which supposes the foundation for new ideas and options to be generated
- interactions of individuals and groups of people, which supposes the confrontation of the new ideas with the old ones and with the external environment
- selection, which supposes the keeping of the ideas validated by practice and the rejection of those noncompliant with selection criteria and practice. This is reducing the unnecessary complexity.

This should be the surviving strategy in a permanent and rapid changing environment.

### **The relationship complexity – innovation – adaptation**

It could be stated with certainty that the future is difficult to predict. Therefore we have to learn to live and deal with uncertainty, surprise, paradox, and complexity phenomena. In addition, inside the complex adaptive systems, the complexity is permanently growing. These systems are evolving and surviving by learning, adaptation and by influencing the environment, and therefore their own complexity is growing as well.

The complex systems generate new features because of the big number of relationships existing between its agents, in our case between the members of the organization. These new features could be volatile and difficult to control because few agents will succeed to generate changes able to be propagated inside the entire organization by self applying and self consolidation. The complex systems could be influenced by creating and stimulating the natural mechanisms of generating new ideas, hypotheses, and variants, inside the relationships between the organization's agents but also with external agents.

The complex adaptive systems could not and must not be controlled; they could be only stimulated or blocked. The control cancels creativity, minimizes interactions, and could exist only in the case of stable systems. This is because it is not possible to control an individual's thinking process, his feelings, his creativity and trust.

When two complex adaptive systems are interacting, that one that includes a higher diversity will prevail. Nevertheless it is also a limitation here because a too higher diversity and variability could lead to chaos. The variability and diversity could be beneficial for the organization if and only if they are accompanied by permanent innovation, by interaction with external environment and selection, and finally by the self-organizing capacity.

The complex adaptive systems couldn't be very efficient by their nature. By definition the efficiency doesn't allow enough room for creativity, learning and exploration. Therefore a certain level of disorder is necessary in order to offer the system the ability to learn, change and adapt itself. This disorder shouldn't influence the company's structure because the structure has a major impact on the relationships between agents, and on their turn the relationships determine interactions, the generation of behaviour models and actions. And the actions generate events that on their turn represent a new basement for new relationships and interactions between agents and so the complexity spiral is amplified allowing the natural selection of new ideas filtered based on their capacity to allow the organization the permanent adaptation to environment. Briefly this spiral of complexity allows the self organization of the human community by stimulating the development of a diversity of models, optimizing the interaction between people and generating more options for action.

In a modern organization operating in a complex and dynamic environment, the manager shouldn't control the organization operation but preferably to stimulate people, systems, relationships, and processes. This approach will encourage people to think for themselves, to feel that they could exercise their power of making decisions, and create solutions at their local level. The manager has to encourage simultaneous changes of low and high amplitude at local level, and stimulate the new knowledge generation that will finally allow a better environment adaptability of the organization. His only concern should be to take care that organization is aware about its development way and people know which are the important values for the organization.

### **The knowledge life cycle and the innovation process**

The knowledge life cycle inside the organization is a complex process composed by two sub processes closely connected: knowledge generation and knowledge sharing. A fundamental aspect of the knowledge life cycle is its self sustaining feature in any human community it is taking place. By consequence the knowledge life cycle also takes

place without knowledge management. The outcome of these knowledge life cycles is dependent on the interaction between the individual and the social systems he is living and working in as a consequence of the decisions that should be made in order to solve the current problems. The knowledge life cycle is in fact a system of solving problems that are coming out naturally as a consequence of situations we face all the time.

In this case what may be the role of the knowledge management?

In spite of its self generation feature, the knowledge processing may have a variable quality and performance. Therefore it is necessary to apply the knowledge management. It facilitates the improvement of knowledge processing and increases the knowledge performance in specific ways. But the knowledge management never creates the knowledge life cycle. If this is the case, let's see what may be the way that the knowledge management could influence in a positive way the knowledge processing. From this point of view the management could differentiate deterministic and nondeterministic approaches.

The deterministic approaches could be applied when we deal with deterministic systems, or systems whose behaviour could be easily anticipated. But the self governing systems should be addressed in a different way. We don't create or cause such systems. They already exist or are self organizing based on an intrinsic pattern. If we are content with their general behaviour, it may make sense to support all the processes and not to control them. In the case of conventional knowledge management – including the old conceptions related to knowledge management – it is preferable the use of deterministic policies: “Do that way because it is my decision ... “. According to this principle a desired behaviour could be obtained only if we apply a deterministic policy. In the case of modern knowledge management we have to tune the applied policy according to the desired behaviour. If this behaviour already exists, then the applied policy should support and strengthen the behaviour. In the case of self organized systems a permissive and not a prescriptive policy should be applied. In this situation a good understanding of the pre-existent behaviour and dynamics is necessary. If we refer to the individual and group learning - this important factor of the knowledge management – we should apply policies that support it in a maximal way. So, our policies and programs should improve the processing of the knowledge claims by individuals and groups of people in order to leverage the errors rejection and allow the surviving of as many as possible robust knowledge after the evaluation process. In fact managers should only improve the conditions for processing knowledge in a natural way.

Taking into account that the knowledge life cycle is a self organizing phenomenon, it will be self sustained with or without the formal intervention of the knowledge management. This means that innovation is sustained implicitly, autonomously and independently inside the system. If we do something that is against this natural process, this should inhibit the normal flow of the knowledge life cycle. The artificial behaviours inside the knowledge processing will be not self sustained, but they will even come in contradiction with the natural behaviour, which is stubborn and invincible.

Therefore the knowledge management strategies, tools and methods, which are not based on the principle of the knowledge natural life cycle, will not be sustained inside the organization, and they will not even be accepted inside the organization and may create unaccepted costs for the company. These undesirable effects could also be transferred upon the business processes and finally upon the economic bottom lines of the company.

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## EVALUATING INFORMATION SYSTEM DESIGNING STRATEGIES

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*Evaluating information systems designing strategies was initially used to justify certain decisions that had already been taken, or as an argument to prove the utility of the analysts and system engineers' work (a somewhat formal evaluation); later on the move has been made towards an objective evaluation of these strategies and, finally, of the information systems, in order to prove the benefits brought by the new technologies. Unfortunately, the preponderant orientation towards quantitative methods has discouraged some people, while others rejoiced, because the benefits were not at all easily definable and measurable.*

*Keywords : informatics system, evaluation,*

Evaluating information systems designing strategies was initially used to justify certain decisions that had already been taken, or as an argument to prove the utility of the analysts and system engineers' work (a somewhat formal evaluation); later on the move has been made towards an objective evaluation of these strategies and, finally, of the information systems, in order to prove the benefits brought by the new technologies. Unfortunately, the preponderant orientation towards quantitative methods has discouraged some people, while others rejoiced, because the benefits were not at all easily definable and measurable. Evaluation has now become a means of diagnosing the actual situation and of learning from one's mistakes, the so necessary feedback for an efficient organizational management.

Adopting information technologies and information systems offers a lot of organizations the possibility of obtaining a wide range of strategic and operational benefits. Still, although many of these benefits can be taken into consideration in today's accountability, the intangible and non-financial benefits are those that make the process of justifying expenses much more complicated. Therefore, many companies find themselves in the situation of not being able to estimate all the implications of investing in new technologies, limiting themselves to a limited evaluation process, to analyzing the quantifiable benefits and costs. That is why we question the predictive value of these decision making processes that are based only on traditional approaches of investment evaluation.

The first problem that needs to be solved is defining the object to be evaluated. Evaluation can refer to the strategy of realizing an information system, but, as the subject is complex, it can only be approached in context. In time, 4 strategic applications of the Information Systems were created, each one having their own implications on management:

- Applications which ensure an efficient integration of information in the company's key processes, the ones that add value.
- Applications which create more efficient links between the organization and its main suppliers and customers.
- Applications which make it possible to project and deliver new or improved products or services for the market.
- Applications which offer the executive management the information needed in order to run the company and its strategy as efficiently as possible.

The last type of strategic use of IS/IT is probably the most uncommon one, although the concept of executive information system is well known and sold on the market by software suppliers. The idea of offering executive managers reliable information straight from the information systems is not a new one. It was one of the subjects of the management-oriented information systems era, but this objective has rarely been achieved. The main reasons for this are:

- It is difficult to define the relevant information for the executive management and these change continuously and rapidly; the need for external information combined with internal information;
- The simplicity of approaching Management Information Systems, which doesn't easily allow adding interpretations to gross data, therefore not being able to ensure the basis for strategic decisions and their potential implications.

In order to design an efficient management information system, all these factors need to be taken into consideration. Different techniques are needed in order to determine which information is necessary for

taking a strategic decision. Often, the strategy of the company itself is unclear. We need to identify the relevant external data sources, to validate and integrate them into the information resource of the organization. Complex, but flexible analyses need to be performed on the data, as well as adequate presentations of the results for the executive, offering a limited time amount for assimilating the details.

The facilities offered by the information systems for presentations have improved spectacularly. At the moment there are knowledge bases and expert systems capable of incorporating the managers' knowledge in interpreting the data. But all these cannot substitute finding the information that is necessary in order to take each type of strategic decision.

The successful development of the information systems is, at the moment, a matter of understanding the managerial processes involved and, in this field, there is a lot to be learned. Some organizations have made significant steps in building efficient systems, even if they are not wide enough to support decision-making at an executive level.

Strategic applications develop aspects of the IS/TI use that remain outside the field of automated data processing and management information systems. These imply new approaches, in order to identify and then design strategic information systems. Here is a series of key factors to the success in approaching a strategic information system:

- The information needs should be analyzed in the wider context of the activity branch and the relations with the suppliers and clients.
- The focus should be kept on the added value and on quality, not on reducing the costs.
- All parties involved should benefit from the system
- Understanding the client, his needs, his possible future tendencies
- Innovations based on the organizational profile and on an adequate technology.
- Step-by-step development of the systems.

Today's complex environment requires much more understanding, knowledge and experience from managers, who need to decide what to do with an information system for obtaining the desired benefits. There is a series of concepts that can facilitate explaining the way in which information systems can be used at present in order to improve organizations.

Evaluation signifies appreciating or recognizing values, being synonymous with measuring values. But, in order to measure something, we need to define the intrinsic dimensions of the object or phenomenon, to establish a measuring unit and to execute the measuring. This measuring, presumably objective, depends to the highest degree on a series of subjective judgements. The Oxford dictionary offers the following definition: "Value is the quantity of goods or trade means considered the equivalent for something else". From a commercial point of view, value is considered to be the amount of money exchanged between parties, when a buyer buys a good or a service from a seller. Value is always determined by context and perception. Changes in value can happen entirely due to a change of perception. When measuring the performance of a company, the standard used for measuring value is, undoubtedly, a flexible one. Evaluating the achievements of information systems is at the moment of high interest from different points of view: IT, managerial, sociological etc. It is a favorite subject for many controversies, both in academic environments, as well as in business ones, and it is a lively debated issue in scientific publications, seminars and conferences. The reason for this wide public interest is the fact that IT is becoming more and more important in achieving the organizational objectives in general, and in achieving the strategic objectives in particular. Investments in IT never cease to grow and deciding persons are beginning to fear that the benefits brought by these investments will not meet the expectations.

A normal restriction in this field is taking into consideration the organizational context to use and multiple perspectives. Neils Bjom-Andersen wrote that: "many of our researches in the information systems area did not take into consideration the dynamic nature of the environment and the requests addressed to society and individuals." Targett thinks that: "evaluation is interpreted too narrowly in many organizations, referring only to quantifying well defined benefits, with the obvious aim of having the project approved." Not taking into account the benefits that appear for some categories of the interested groups leads to ignoring one of the most important effects of designing and implementing information systems, only because they are not highlighted in the balance sheet. Indicators such as profit rate only mirror the objectives of a small group of interested parties. But in the base methodology for designing Multiview information systems, the techniques and instruments are chosen according to the actual state of facts, as opposed to the traditional designing methodologies, such as SSADM, where the steps are very clearly specified and must be rigorously followed in any situation. A major influence on the functioning of a new information system belongs to the existing practices and the organizational culture. The evaluation of the information systems designing strategies has a series of specific characteristics that render it extremely difficult. Hence, evaluation is a rather complex issue. The designing of information systems includes multiple actions, impossible to separate from the organizational context in which they are placed and from

the infrastructure that they stand on; information systems are a product of people's work, a product that is continually improving.

Due to the fact that the requirements that need to be satisfied and the restrictions set on the information system are not always clearly formulated, evaluation implies a high degree of ambiguity. We must consider the fact that information related to the information system and to its environment are not always available, correct and exact. Therefore, we specify the following:

- The time elapsed between the planning, designing, realizing, implementing of the information system and obtaining the benefits is considerable. During this time, both the organization, as well as the environment can change.
- The high number of interested parties involved is due to the fact that information systems influence the whole organization, but also the environment, and change the working method. Often, the costs appear in other parts of the organization, different to those where the benefits appear, and often, both costs, as well as benefits, migrate outside the organization, too.
- Insufficient information on the area, as well as the rapid evolution of technologies, makes this field less accessible for the evaluators having only economic knowledge.

Therefore, we ask the following question: "When can we consider that an information system is a success and the managerial strategy used is efficient?"

We can consider that the system has reached its pre-determined purposes when:

- The users are satisfied;
- Its use brings a profit
- The share-holders are content.

The evaluation of the information systems design strategies aims towards:

- Evaluating the performances of information systems, because the performances of the system are in fact evaluated.
- Evaluating the software when we refer only to the programming part of the system.
- Evaluating the IT, referring only to equipments and programs.
- Evaluating the IS/IT, in order to highlight the lack of a clear distinction, widely accepted, between these terms.
- Evaluating the informational function, when we refer to the whole organization and all the information systems in an organization.
- Post implementation auditing, referring to the type of evaluation which is carried out after the implementation of an information system and which verifies if the initial specifications have been observed.
- Justifying investments in IS/IT, referring to the evaluation of investment options in order to choose the best one.

There are two categories of generic benefits which can be obtained: tangible and intangible. A tangible benefit is a benefit which directly affects the profit rate of the organization. An intangible benefit is a benefit which has a positive effect on the organization, but does not directly influence the profit rate.

Inside these wide categories of tangible and intangible benefits, there is also need for another classification of the benefits, into quantifiable and unquantifiable benefits. A tangible quantifiable benefit of realizing and implementing information systems is a benefit which directly affects the organization's profit rate and the effect is of such a nature that it can be objectively measured. For example, reducing costs or increasing incomes is also a benefit. A tangible unquantifiable benefit also directly affects the organization's profit rate, but the extent of this influence cannot be directly measured. For example, the possibility of better information as a result of optimizing the access time to information is a benefit. The intangible unquantifiable benefits are the most difficult ones. They cannot be easily measured and their impact does not directly affect the profit rate of the organization. Examples of this type are: the market reaction, the customers/employees' opinions on the company's products. Compliance with legal dispositions: this type of benefits is either obtained, or not; there are no intermediary steps. It is usually advised for their delivery to be made at the lowest possible cost. Usually, an information system is not designed and used only for the organization to comply with certain legal dispositions.

Strategies can be evaluated by assessing the performance of the system. In the industrial culture of the developed countries there is a deep need to periodically measure the organization's performance, for several reasons, including the need to improve performance and ensure development. Both the improvements of performance, as well as the ensuring of development are necessary to fulfill the hopes related to increased salaries, profits, dividends of the interested parties. When evaluating performance, one must keep in mind the nature of the organization, its dimension and, especially, the management's style and objectives.

In general, there are certain situations in which performance is not measured or is measured with less attention:

- When the funds involved are not substantial;
- When performance or value are considered as guaranteed;
- When the organization thinks that a certain activity is a current expense and not an investment.

The expenses for Information Systems are usually watched closely because:

- The amount of funds involved is often substantial
- Investments in this field are not linked directly to the aspects that generate profit for the organization and that is why there is no consensus on the necessity of such investments;
- Expenses on IS, especially those on equipment, are cleared off in time
- The risk of these investments is higher than in other fields.

All these factors have led the management demand a detailed and analytical approach to the IS investments evaluation in the wider context of IT investments. Also, in order to ensure quality services, the performances of the information system should be periodically evaluated. This evaluation consists of comparing real performance to those specified, both in regard to the use of resources and functioning and maintenance. When the functioning is not in the prescribed standards, a corrective action is necessary, followed by re-evaluation. A functioning evaluated as satisfactory does not indicate the immediate need for change, but it should not lead to the limiting at that level. The information field is not a static field. The emergence of new technologies, the changes in the economic climate, the increase of the loading degree, a change that involves the users, the demand for new applications or a delay in the design of new systems can change today's satisfied users into tomorrow's frustrated users in a minute. Because of this, evaluations need to be programmed at regular times, so that weaknesses of the designed system can be detected and corrected before they become chronic. Also, every time there is trouble, evaluations should be carried out.

The evaluation of performance is in fact a control mechanism. Surprisingly, many informatics compartments which design and ensure the maintenance for reporting systems used for financial activities and for the functioning of the organization globally, carry out their own evaluation only occasionally. As a matter of fact, the Information Systems' role is to lead to an increase in efficiency in all other compartments of the organization. Such systems are installed because they promise to provide benefits which equal or even surpass their costs. Therefore, any improvement in the information function efficiency will amplify on the organization as a whole. There are also financial reasons for focusing on increased performance in the informatics activity. Generally speaking, informatics departments take up between 1-5% of the income generated by producing companies. In companies that offer services and in public agencies that have information at their core, this level rises up to 20%. Why wouldn't the organization look for a way to reduce these expenses? Evaluating performance leads to savings, by identifying weaknesses and taking the right action.

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## MARKETING COMMUNICATION TOOLS USED IN SERVICES ACTIVITY

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*Transport, tourism, insurance, banking, medicine a.s.o., all the tertiary sector activities needs a marketing approach. Efficient marketing can mean sell the services and generate loyalty from the clients. The marketing communication in tertiary sector is very important but more difficult to be realized, because the services are intangible and the clients cannot see or touch them. Informing the clients about certain services' offers or certain economic organizations and influence theirs feelings is not an easy task.*

*Key words: marketing, services, communication, promotional tools.*

Communicating about the service is not an easy task. Service can be described it, but advertising stands its best chance of succeeding in the field of connotation and feelings. In services economic sector, the tools used in case of promotional policy of the marketing mix depends of every type of activity.

In **tourism**, promotional policy involves big efforts concerning the information customers' process about certain supplies which can satisfies tourist consumers' needs.

**Advertising** has two main functions: informing the tourists and inducing to buy tourist products. It's proper to extern marketing concept.

Choosing advertising channel is a process that must considering some of the following criteria:

- compatibility with the target audience (organizations or tourist public);
- compatibility with the product (mass-products or luxury products);
- compatibility with the type of commercialisation tourist products;
- style of message (connotative or denotative message);
- expected response-time.

The most used vehicles of **tourist advertising** are the following.

**Printed materials** (tourist or travel brochures, tourist guide-books, tourist folders etc.), specially used to inform the potential tourists clients (giving advices and useful information), printed in bright colours, presenting the tourist attraction in a good and advantageous position, in the assembly decor. The hotelkeepers, travel agencies, travel associations, tourist offices a.s.o, offer these materials.

**Media channels:** press or print-media (newspapers and publications, whatever their periodicity), radio-media (radio stations), cinema-media, TV-media (local, national or even international channels, generally or specialized programs or channels, like Discovery Channel, Travel and Living Channel, National Geographic a.s.o.

**Direct advertising** (using like vehicles of advertising the telephone, The Internet, the mail a.s.o.), combined in many cases with direct distribution (often offering the possibility to reserve or buy the presented tourist products).

**Poster-media** or out-door (billboards like hoarding and walls) used to inform the potential tourists by the travel agencies.

**Sales promotion** acts in the short term to change tourist's behaviours by offering various advantages to the tourists. It's proper to extern marketing concept. The most used tools are the following.

**Prices discounts**, specially used to stimulate the tourist demand, hardly used in low or off-season. This instrument can be used by one or can be combined with other promotional tools. The most known promotional tools are: the **inclusive tour** offered by travel agencies (including all basic tourist services: transportation, accommodation, food & beverage, entertainment) or airway companies, tourist **package** (offered by hotelkeepers, like week-end packages, honeymoon packages a.s.o.), **special offers** (for certain events or holidays), various **discounts** or **rebates** a.s.o.

**Posters** posed in the airports, departments stores, stations, used to attract and to conduct the tourist' attention to the sales points of travel agencies.

**Contests, lotteries, tombolas, free gift advertising** used to popularise the tourist offers, to create a certain atmosphere and increase the curiosity of tourists;

**Other promotional formulas**, like offering **loyalty prizes**, offering **voyages** to certain tourist destinations, presenting **shows** or offering special **starters** with a view to better knowing the region or country customs a.s.o.

**Public relations (PR)** are a promotional activity that aims to communicate a favourable image of the tourist products or of the tourist firms and to promote goodwill. Every organization deals with many important groups, called publics (such as government, the community at large, employees, customers, suppliers, news media a.s.o.) and public relations activities are directed toward these publics, by some specified techniques. This kind of marketing communication is proper also to intern (when its addressed to intern public) and extern (when is addressed to extern public) marketing concept. In tourism, we can use all public relations techniques categories (communication with news media, organizing special events, like organization's anniversary, a new hotels' launching, sponsoring a.s.o.).

**Tourism fairs, exhibitions**, other general or specialized holiday shows. The main function of the modern tourism fair is to bring together professional buyers and sellers, hotelkeepers, tourism and travel agencies, tour-operators a.s.o. In tourism activity, fairs and shows have often an educational and cultural appeal as well as a commercial one and there are usually no limitations on the types of admitted persons.

**Banking and insurance services** promotion is made in varied ways, but the most used instruments are the following.

**Advertising** is used to inform the potential clients about the offers and to create a good image for these offers.

Even services tangibilized process (by environment, design, architecture a.s.o.) it means to add communication elements.

**Printed materials** are used concordant to extern services marketing concept. On the sales points, the public can find brochures or folders presenting the most attractive offer.

**Media channels** (local or national) are used to communicate messages to inform the public about the different offers.

**Poster-media** is recommended for transmitting short messages, stressing the slogans or the brands.

**Sales promotions** are realized by **prices discounts** (like lower interests, lower commissions for banking operations a.s.o.), **special offers** (for example, assurance package on a lower price) or **fidelity prizes** (for example, lower interests for certain bank credits, as a reward for traditional clients).

In the same can be used the **advertising on the sales points**, as to conduct the public to the contact and sale points.

**Sales forces** are a very important marketing communication tools, especially in insurance services or exchange services, because the brokers or jobbers have an important communication tasks.

**Public relations (PR)** are used to create, to improve and consolidate the financial organizations' image. They are corresponding also with the intern and extern services marketing concept. The tools are press dialogues, events organizations, other manifestations (like anniversaries, retires, festivities organized with religious occasions like Christmas Tree a.s.o.).

In **transport**, the promotional activity, has like objective the brand image consolidation, travellers information, travellers trust increase in safety transport.

**Advertising**, though is not so used, advertising can contribute to a good communication.

**Printed materials** are used especially in airports, rail stations or even on hotels' front offices (for transport services which are not included in tourist offers).

**Media channels** advertising are used on local area (radio stations, television or local press) or on national and international areas (especially for air transport, promoted on important magazines or on international television channels, like National Geographic or Travel).

**Sales promotion** is realized in different ways, corresponding to transport specify.

**Prices discounts** are applied also for goods' transportation (depending on quantity, frequency, distance a.s.o.) and passengers' transportation (depending on travellers rank, like students, pensioners a.s.o.) or depending on the day of the week or on the time of departure. The season tickets or the ticket acquisition in advance are offered on a smaller price. In the same time, we can find special offers like the „**last-minute**” offers or **loyalty reward** like flying points in air transport.

Also, are important the banners or the **posters** posted near the sale points, with the purpose to conduct and to inform the travellers about the time-table, the routs and the transport facilities.

In **educational services**, the promotional policy concerns mostly the pupils and the students but also the economic organizations (the main beneficiaries of high-schools or universities „delivered products”). In the same time, promotional policy can be targeted on local authorities, because they can influence or support the educational institutes activity.

**The public relations or fairs** are the most used promotional tools.

**Events** like „Open Gates” or educational fairs participation (organised on local, national and even international fields, are opportune occasions to build or consolidate a certain brand image or to spread information about educational offers.

The positive effects of these events is amplified by using **advertising printed materials** like brochures, flyers, folders a.s.o., which popularise the offers and present the symbols' image.

Other promotional tools corresponding to intern and also extern marketing concept are the **scientific events'** organisation or participation (like conferences, sessions, symposiums or work-shops), on national or international fields, scientific materials publishing, exchanging experiences a.s.o.

In **sport** or in **cultural services**, the main promotional tools are the **advertising printed materials** (flyers, brochures, folders), **posters, banners** or **the media channels** (advertising spots or advertising messages which announce the show, the concert or the competition).

In the same time, **public relations** activity is very important. The cinemas or the theatres are participating or organising some specify **events**, like galas, festivals a.s.o.

In **medical** or **pharmaceutical** services, the promotional tools are used by privet surgeries or clinics.

The advertising is realised by **printed materials** or by **channel media** (local or national television channels or radio stations).

Usually, the **message** concerned the high quality level services, the hygienically conditions, the level of tariffs.

Also, having a strong financial power, the pharmaceutical chains can support the **advertising campaigns'** efforts, can realise **public relations** activities, and can **sponsoring** important **events**.

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# PHYSICAL DISTRIBUTION, LOGISTICS AND SUPPLY CHAIN MANAGEMENT

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*Key Words: Physical Distribution, Logistics, Supply Chain Management, Consumers’ needs*

As a marketing mix element (near product development and management, pricing and promotion policies), distribution policy means a strategic decisions assembly concerning channels management, physical distribution, relationships between business partners: manufacturers, wholesalers, retailers, sales representatives and the like.

All these decisions affects not only the marketing costs but the whole organization efficiency and influence the consumers needs satisfaction’ level.

Because of global changes in business environment, now becoming a strategic imperative for economic organizations to address the management of the distribution function in general and in particular to device a channel strategy which gains them access, coverage, representation in the market place.

Initially, „physical distribution” terms was used to described the physical movement of products from their’ origine point to the ultimate consumer.

The American Distinguished Professor Philip Kotler considered that physical distribution concept involves materials and products planning, implementation and physical control, from their’ origine point to the consuming points, as to satisfying consumers needs and getting profit for the organization [1].

These means that physical distribution is a whole process that concerne also materials and finished product, a physical (spacial) movement of goods from the manufacturers to intermediaries and finally to the ultimate consumer.

Distribution accomplishes this by providing time and place utility, in other words, availability and its goals are like any other marketing goals: consumers satisfaction and profit for the firms.

After 80’, the marketers begin to use the logistics concept, an important way to get the competitive advantage.

In 1991, The Council of Logistics Management from the USA recognised the importance of logistics, concerning not only finished product planning, implementing and controlling process, but materials, unfinished products and conexas informations also, from the origin to the consume point, as to adapting and satisfying the clients needs.

So, the „Physical Distribution” concept was replaced by „Logistics” concept.

In to a report of a study on logistics of product distribution, the conclusion of The Council of Logistics Management was that „... logistics ...can be a critical factor in ensuring the succes of new products or other strategic initiatives”[2].

Logistics involves a managerial perspective on the whole decisionally process.

On some opinions, within the field of distribution, two distinct branches are recognized, but neither receives constant management attention. The development and management of the channels of distribution –the chain of intermediaries linking the producer with the ultimate consumer- is considered quite distinct from the logistics of moving the actual material in question: distribution channels involve relationships between business partners: manufacturers, wholesalers, retailers, sales representatives and the like and physical distribution involves the actual movement of products and thus focuses on how they are transported, stocked and warehoused [3].

We can see two different points of view.

From the customer’s point of view, this distinction is meaningless. Either the product can be purchased conveniently and delivered quickly and reliably or it cannot.

But from the company’s point of view, the activities associated with each branch of distribution are so different that they almost always receive separated treatment.

According the same opinion, logistics is run more or less out of the loading docks and thus has just about the lowest status of any activity. Distribution channels are usually run out of the sales department, wich traditionally ranks only slightly better than logistics in the corporate hierarchy.

In marketing literature is talking about the logistician mission as „... bringing goods and services, on required conditions, in the right time and on the right place and assuring the biggest contribution to the firm's benefits [4].

Unlike the marketing channel (which facilitate transactions by a good coordination between product, price and promotion activities) the logistic channel assure the spacial and temporal products and services availability.

The logistic channel become a major services assurance system for the consumers or a events adding value chaine [5].

The new way of organizing the company in which many of the activities that add value, even in the core manufacturing area are now spread among suppliers, partners and subsidiaries all around the world, can assuring competitive success.

Going from these perspective, on the manufacturing economic organization's level, the marketing-management specialists considere that logistics system includes the next majores components [6]:

- **Physical distribution**, which means the whole operations and activities assembly that assure products availability for the firm;s clients, providing quantity, time and place utilities, concurring to the bottom marketing channels' expectations where the organization is involved.
- **Manufacturing's sustaine activities**, which means assuring the manufacturing process with raw materials, components and the like, concurring with manufacturing programme (the manufacturing organization's internal tides).
- **Purchasing**, which means all the materials, components, products etc. buying activities assembly (buying, aquisition, procurement); these element concerne the relationship between the firm and its suppliers.

Going from these logistic structure, the marketing-management specialist include a new concept: the purchasing/supply chain management, concerning a better corelation between all participants.

Management began to see the manufacturing process as including the production and delivery of components by suppliers and to manage the process all the way through, rather than just on the assembly line.

With this new perspective, the costly stockpiling of components at the factory was replaced with just-in-time delivery of just the right components, all of them meeting performance standards.

Suppliers became part of the manufacturing process and the information flow made it possible to integrate their activities with the company's seemlessly.

From the suppliers' perspective, the producer is approached like customer's relationships; these producer, on his turn, develop relationships with its customers, its about a purchasing/supplying chain which can be good manage only by better using the information flow between customer and manufacturer and through all the parteners involved in distribution.

The high quality of the purchasing/supply chain management involves an integrated vision on the internal logistics system's activities and, in the same time on the interface activities between suppliers and customers, as to assure a competitive value chain.

The purchasing/supply chain management concept includes planning and management of all suppliers selection, purchasing, conversion activities and logistics management activities.

Also it's included the channel parteners relationships: suppliers, intermediaries, services suppliers and clients.

Basicly, the supply chaine management integrate the internal companie purchasing/supply management with the purchasing/supply management between companies [7].

There are some interesting aspects concerning the supply chain management:

- a managerial approach of all logistics management relationships and activities;
- the purchasing/supply management includes all logistics management activities;
- the importance of all channel parteners relationships;
- the integration between demand and supply, the coordination between internal integration (on companie's level) and external integration (between companies, as chain elements).

In the Council of Logistics Management vision, supply chain management is like an integrated function, beeing responsible with all logistics management and product operation activities, including and corelating the major;s affair internal and external processes. Also, it's interacting with other organization's functions like marketing, sales, new product development, financial or information technology.

The two big subsystems (purchasing and supply) must be in a such a way coordination as to assure a good coordination between all value chain included activities.

At the managerial level, implementation of marketing strategies requires establishment and maintenance of strong and close relationship –externally with customers and suppliers and internally with all functions in the organization, in order to add the value appropriate to the needs of the company and its customers-bearing in mind that the point of ultimate consumption may be at several stages remove from the company's direct transactions.

Michael Porter offers a value provision model illustrating the upstream and downstream processes activities, divided in a fallowing way: primary activities and support activities [8].

Primary activities including:

- - inbound logistics (material-handling procedures, packaging; storage; transportation a.s.o.);
- - operations (input transformations to a final product);
- - outbound logistics (finished products' distribution);
- - marketing and sales (advertising, sales management, prices, channel management;
- customers relationships management a.s.o.);
- - service installing, repairing, training a.s.o.).
- Support activities including:
- - firm infrastructure (general management, planning, account and finance a.s.o.);
- - human resource management (selection, evaluation, motivation a.s.o.);
- - technology development (know-how, procedures, technologiacd inputs a.s.o.);
- - procurement (raw materials, components, other materials a.s.o.).

Based on Fletcher's model, which is conceptually similar to Porter's [9], Michael Baker considered that the value cycle means [10]: find and create value activities (by market, marketing research&product development; purchasing&production processes; logistics&distribution; marketing&sales) and also exchange value delivered through marketing mix.

The new orientation underline the necesitatess of a good management of the relationships in the spirit of common acceptance and understanding of the overall objectives.

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# **BUSINESS POLICY IMPLEMENTATION PATTERNS, WITHIN SMALL BUSINESS IN ROMANIA AND EUROPEAN CORPORATE BUSINESS – A COMPARABLE STUDY**

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*Abstract: Business policy expresses approach manner of external and internal medium. This approach regulates proportions between medium elements thereby this fixes inside of a system who leads and who is leaded face to available resources and strength of each of these elements. In this manner, the firm represents a system that includes an ensemble of components and leading positions, where trough are establishes many connections and powers relations based on formal position into organization.*

*Structuring relations means to put together and ordering constitutive elements of firm into coherent and functional structure characterized by hierarchical and functional dimension.*

*Implementing some policy, firm must have managing structure to ensure dealing of liabilities and interaction of different composing activities.*

*Such policy firstly represents a lifestyle's firm and a habit of mind, which it results from levels of management. Ensemble of management turns the inert firm into an active system who defines a steady position within the framework of external medium (market place).*

*Keywords: business policy, managing structure, entrepreneurship, corporation, business group.*

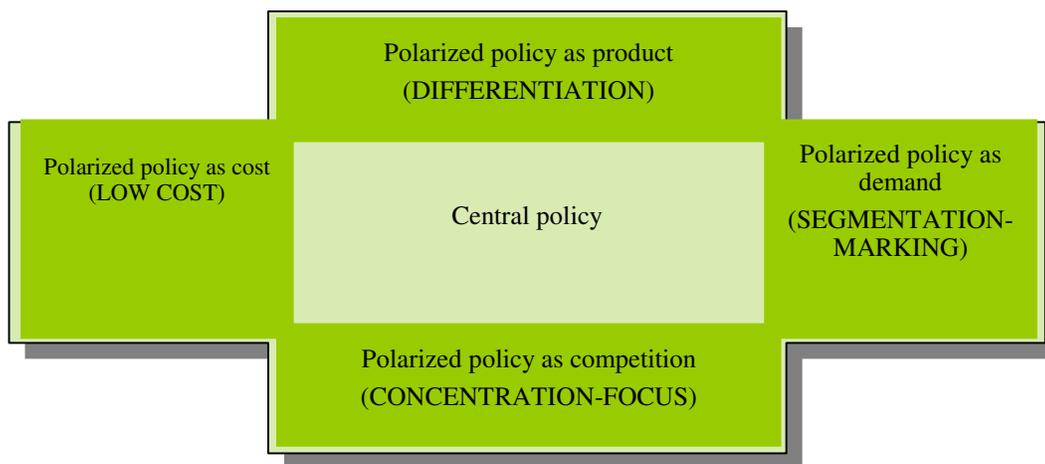
## **1. Business policy**

Business policies, adopted inside a company, represent fundamental decisions concerning operating business area. The policy concept betokens about action guide or conduct manner of the firm that must be displayed inside and out of the company. Business policy controls relations between company and her marketplace and at the same time, it controls internal relations between individual and collective components. External relations set by marketing policies configuration whereas internal relations is controlled using integrated managerial and functional policies.

As if model of distribution for centers of power gravity into organization, the policy of company may oscillate between centralizations and functional concentration centers of power distribution. Proceeding about market policy is achieve according to policy of organization obtained formally or in a natural way. According as market policy, our organization will attempt to obtain the best position, centrality-according all of success factors of market, until polarized policy by one of their (fig. no.1).

Between polarized policies on record intermediary situations when the policy becomes bipolar oriented toward two success factors of market. For example, the policy polarized on differentiation and segmentation-marking set on product and clients (demand) as success factors.

Level of centralization it will follow the same way like the business policy. The more oriented is the policy through the costs the decisions will be take it on hierarchical directions, while if the policy is oriented toward the clients than the decisions follow functional directions. In this case, the decisions will generate functional authority for some compartments about the others. At the same time, business policy biased to product will generate, inside the company, a managerial structure based on functional collaboration and policy biased on concurrence will must to profit by a group structure of the company.



**Fig. no. 1 Policies polarization forms**

## **2. Managing structure-business policy ratio**

### **2.1. Romanian entrepreneurship model**

That model uses the principle of unitary authority and responsibility where through is established a single headquarter of management and dispatching the relations and decisions into the firm.

In that case, business policy is unclear defined and the firm tries to counteract all the stress coming by the market through the central position and actions in all his fronts.

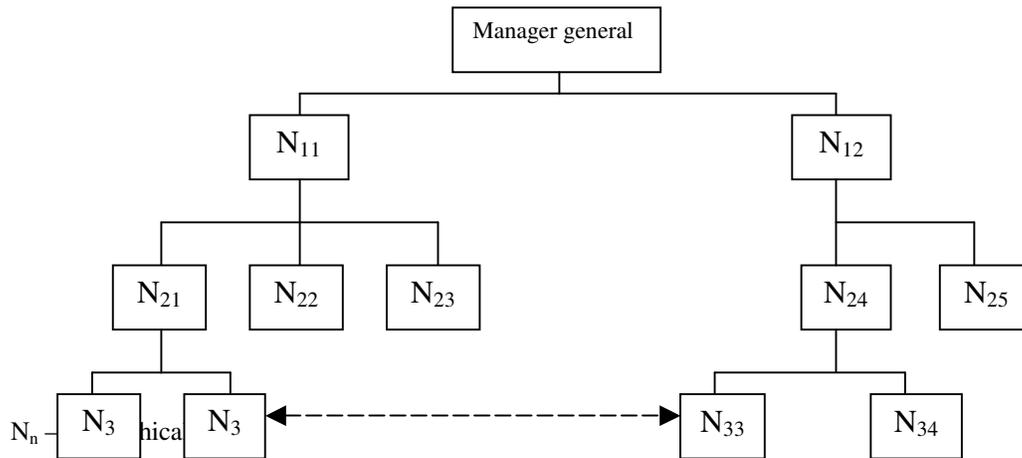
This is a valuable option for business policy on the small business, which tries to survive in a hostiles circumstances characterized by a hard competition on the market. In that situation is necessary a powerful headquarter which cans to offer at firm a maximum flexibility in relation to continual changes of market.

Entrepreneurship model is characterized by a small numbers of hierarchical levels and frequently delegations of authority that's allows a fast transmission of instructions to the operational levels and adjustment to the market competition.

Power is concentrated at the highest level of management and distributed vertically restricting the possibilities from communications and decisions between different firm's compartments.

Managers from a hierarchical level can dispose only for managers below them who manage operational units of production, distribution, finance etc.

Organizations of this kind not have functional compartments to decide in relation to different levels. Hierarchical manager possesses a functional status besides hierarchical status. These compartments possess hierarchical lines, which they absolutely manage them independent and they only submit to superior management authority. Even these conditions between these lines on develop communicating operational connections, non-decisional connections but for reciprocal information and collaboration. As such, for a hierarchical level, a subordinate receives dispositions from one manager, against it claim responsibility for his entire activity (fig. no 2).



**Fig. no. 2 Managerial entrepreneurship model**

Basic characteristic of this implementation pattern for business policy is uninterrupted line of authority and regulations. Such a long time the performance of this organizational structure is relied on concentration of authority, it necessary to be multivalent managers able to multiple efforts on different directions. President of company is able to coordinate his subordinate in all accounts: technical, economical establishment, executive.

In this way managerial responsibilities down very much along with descent in hierarchical levels instead growing requirement for professional efficiency (technical and technological) in every administration appointment.

On the strength of simple organizational model, this managerial structure can be easy to realize and to amend according as immediately requirement of firm competitiveness.

Firm based on entrepreneurship structure represents an ensemble of operational units settle around headquarter, within every managers is the leader of the unit.

### **2.2. European corporate management approach**

This model appears in moment of increasing company's affaires and markets and a hierarchical centralized management is more and more difficult to achieve.

A large dimension of the firm and his activities make almost impossible access to characteristic flexibility of a small or medium firm. For this reason firm localized in optimum positions, defined like polarized policy as product and polarized policy as demand.

Financial power of the corporation, it allows an aggressive and concentrated unique approach, which make the difference on the marketplace against the others competitors.

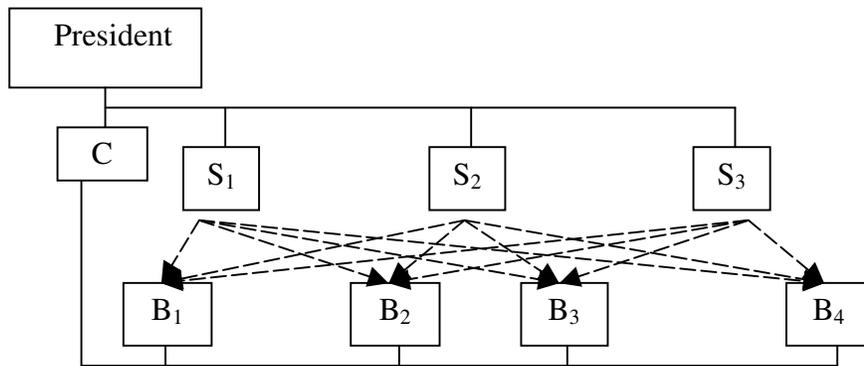
Business areas incorporate through structuring and allotment of company's activities by domains and operations what guides to specialization of managers. Business policy is one in all markets based on functional authority of some compartments in all areas of activities. It constitutes a functional staff of company, which beside to hierarchical administration it gives unity to entire managing system.

Corporate approach can be considerate like cause for a specific economical crisis, generating overproduction and a frail flexibility of affairs, wherefore European Community was bound to evolve at the Union position and at the same time to extend permanently number of member states.

Functional corporate structure passes from centralized decisions with linear managing relations to concentration of decision insides compartments having specific functionality and activities with many-sided relations structured in decisional networks.

The main characteristic of corporate structure it constitutes by allowance of hierarchical levels because, in this managing structure, all the operational responsibilities are conducts from a single specialized manager. These functional positions are at the same hierarchical level with hierarchical managerial positions. In his fields activity each functional compartment has total authority under hierarchical levels. In his way a position into organization is operates by a hierarchical manager and a functional manager.

Trough the functional corporate approach the bases of polarized policy set by a management oriented on one or two strategic functions. Based on these strategic functions are connects all the components of organizational structure (fig. no.3).



C -operational compartment (driven)

S<sub>n</sub> –staff compartments (functional);

B<sub>n</sub> – offices and operational departments

**Fig. no. 3 Managerial corporate approach**

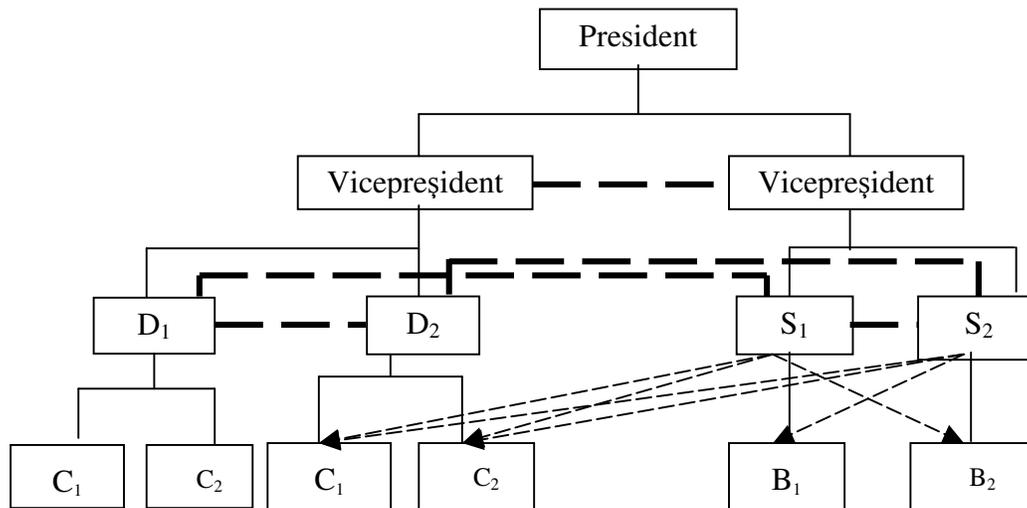
Management staff has directly and entirely a big responsibility about achievement of the functional and strategic objectives. At the same time, operational managers in compartments, departments and offices are directly amenable for operational objectives but only indirectly for strategic company's objectives.

Corporate system cannot be managed like a centralized system because his dimension, become a conglomerate company into semi-independent operational divisions coordinated at functional level. Operational divisions take not strategic decisions or referring to business policy.

### ***2.3. Business group approach in European Union***

Group model characterizes modern companies, which try to interblend the advantages of entrepreneurship mobility and corporate force and aggressiveness.

This approach is adopted even the firms which are a great dimension with a weak flexibility and try to concurrently place between two business policy or try to use different policies for different affaires. Therefore, some firms use a focalized policy where through his products are better but also well adapted for every category of consumers. Suchlike a corporation decides at one moment to offer own policy for every business domain making transition to a multi-brand group organization wherein it uses different approaches for every divisions inside of business group.



$S_n$  –functional compartment (staff),  $D_n$  –operational division,  $C_n$  –operational compartment,  $B_n$  – operational offices

**Fig. no. 4 Business group approach**

Derived from a group approach, a few supporting managing structures for business policies are specialize:

- Geographic structure* Managerial geographical structure, that consist in organization by geographical brands wherefore are organize production and personnel divisions etc;
- Integrated structure* It is a common structure for the firms promoting technical progress, that's realizes capitalization projects of scientific research. In this structure on create team projects, which will often generate new brands in alliance with other firms;
- Product's structure* presumes to organize division for every product or product families. The divisions structure on specific departments;
- Conglomerate structure.* This organization involves a combined structure based on those above mentioned.

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## APPROACHING EUROPEAN MARKET AND CAPITAL ALLOCATION ON DIFERENT EXTERNAL MARKETS

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*Abstract: Companies and capitals may face different variants of European markets, being necessary to classify these markets by establishing their importance within the whole strategy of the company. Another goal is the wish to cover as many of these markets as possible under maximum efficiency conditions by obtaining very high incomes in conditions of more and more reduced costs. The effect of these markets classifications and characterizations will be favourable for capitals development and for business development on the European markets as a central interest element for stakeholders in these businesses. The national markets within European market are in various strategic positions through their specificity, with the prevalence of a certain international marketing approach.*

*Keywords: market, integration degree, relations with external market, integration of activities*

A first strategic position of composing markets inside European market may be considered that of the markets that have a low capital absorption capacity, forming a category of **export markets** and **unintegrated markets**. The main characteristic of these markets is represented by the fact that they are the lowest influence of the institutional markets by being the most difficult to control and organize markets of all the markets.

These markets are characterized by big capital diffusion but also big consumers categories, by having a weak request and offer structure and ordering. This means that these markets cannot offer markets concentration areas that could have sales high enough to assure high profits and possibilities to reduce global costs.

Export markets are also characterized by a weak cultural and social influence because the specific consumption segments and the possibilities of production diversification are not defined, therefore leading to the implicit development of an undifferentiated consumption. Under these conditions, developing some own production and distribution facilities turns out to be inefficient, being enough the production within adjacent markets and the import of these types of products on which a supported requested can be distinguished, therefore creating a later available market.

The most important risks are those referring to the political and law factors that compose the institutional environment incapable of assuring a certain stability and certitude regarding business development. Under these conditions, companies look at these markets as risk markets that are partially included in the business portfolio waiting for the moment when they will be developed enough to go in directly. It may be considered that these markets become interesting under the condition they display economic conditions attractive enough for accomplishing the products export. The companies that act on international markets include these markets by making exports using production and supply grounds placed in markets near them.

Another major risk of these markets is that referring to the use of intermediaries who often become independent and may decide upon price politics. Since when entering a new market, price is one of the fundamental elements together with the product, in order to create a sufficient request an exclusive distribution politics based on short distribution channels is absolutely necessary. This choice is the only one that can support the later development in the situation when the company wishes to include this new market for long time.

As promotion is an element that becomes too expensive for export markets under the conditions of a too low sales volume and a restricted control upon actions, it is enough to make a public relations department together with the product's suppliers, in order to support the supplying company image.

The second category of markets within European market is the **partially integrated markets**. At the same time they represent another development level and integration degree in comparison with the company that wants to enter a certain market and the business it develops.

These markets gain or own a great importance in time through the economic and technologic factor, but especially through the demographic and cultural factor and the consumption specificity close to the culture of the origin markets of the foreign companies. They are generally markets where request is already formed, the only necessary thing being the diversification of this consumption and enlarging the products range or activity fields that the company can develop on these markets.

The company generally has tighter relations with that external market, a primary integration in its business structures inside it being possible. Therefore a much stronger control may be done upon the developed operations. The company tends to consider these markets more and more important due to an increasing request and a weak coverage of it by the competition. Although production is generally accomplished on other markets or through the partners on this market, there also appear direct investments within it, especially at the level of commercial and auxiliary activities represented by the company's agencies, logistics, auxiliary production, etc.

The main working ways are given by partial business delocalization forms under the form of franchising or the licensors, but also operational through commercial agencies and production subcontracting parties and supply and services contracts.

Under these conditions, the company successfully develops the product offered, and the gradual adaptation of the products to local conditions and the geographic support segments positioning within the request will be possible offering new consumption models in the new market. Also, the sales support becomes to develop through powerful promotion campaigns based especially on public relations grounded on previous collaborations direction when the market used to be not integrated but also on advertisement taken from the traditional markets the company activates on and which are similar to the new market.

Once the company is extended on the new market, it will be able to manage its commercial much better by being able to successfully develop a marketing strategy materialized by a better price management possibility on the basis of specific investment but also of the request within the market. The company will also be able to have a bigger control upon the distribution within the market, gradually requiring intensive distribution forms by having the possibility to enlarge those channels with intermediaries that may cover bigger and bigger areas from the new market. The aggressive promotion on the new markets will be able to be better managed through a careful selection of advertising environment using mass forms and being at the same time oriented towards auditorium segments. The advertisement expenses will have to be divided between these partial integrated markets and fully integrated markets in order to provide lower expenses and a more flexible price politics.

During market evolution, it may display a volume increase and an effective manifestation at the level of all consumption groups and on the entire market area, transiting towards a new specific level of **completely integrated markets**. They are very important markets for international business of the company by being earned markets that bring substantial incomes and profits to the company.

Completely integrated markets benefit from a coherent institutional environment that promotes foreign capital development and at the same time from a multiculturalism that allows the development of multiple business forms and products by having bigger consumption availability in comparison with any other type of market.

The disadvantages of such markets are connected to a certain form of sales capping on medium term as a consequence of decreased possibilities of offer innovating and consumption re-stimulation. The segments dependence and consumers groups of a certain type of consumption leads to the facilitation of leading companies apparition and oligopolies. At the same time, all the usage forms and usage variants begin to be used and the existence of a new potential request is not possible anymore, as it is replaced by an available one. The perspectives of economic increase and technologic development are gradually decreasing, showing a certain economic capping of these markets on medium term and the development of a direct competition between powerful competitors on the market.

A company that manages to transform a market from its own portfolio into a completely integrated market will pass to direct investments in that market and portfolio in target areas and that can support the main activity. As strategic markets, the companies tend to allocate more and more of their own capital and the capital of strategic partners on the respective market. These markets are often regionally integrated and products are made through the participation of several neighbour markets. These completely integrated markets allow export towards third states situated in the region with weekly integrated markets.

Promotion is gradually achieved in an independent way on these markets and supplementary capitals are allocated in order to advertise on every available channel for a powerful support of extremely diversified portfolios in areas of the same market. Beside advertisement forms, the aspect connected to the sale force that tends to represent the main market penetration form are very well organized. The more and more elaborate forms of merchandising and commercial negotiation become the strong point providing lower costs / product unit for commercial type activities. Also, the research – development and market studies allow a more intense adaptation of lower costs products as a consequence of acquiring a great experience through a long time activity in the respective market.

Bigger problems may arise regarding the product that tends to become voluminous and aged and in time allowing the success of derived products that can integrate new utilities. At the same time, there are aspects

connected to production costs that may go beyond control in the situation when the production volume is increasing as a consequence of the request on the external market and third export markets.

**Critical markets** are the maximum development level of a market from the markets portfolio of a company. These markets are considered to be national markets being placed under the direct management of the company's headquarters. These markets supply maximum of the company's profit and income as they are markets that may provide the success but the company's survival also. The falls of some critical markets may generate the bankruptcy of some global companies.

All the critical markets from the company's portfolio are integrated in the so called ground market or central market. They are made up as a unitary whole, as a unique market on which unitary marketing strategies and politics develop.

The company's output is accomplished integrated as its specialization on products and markets. Therefore, in order to divide risks, every activity may be separately managed and at the same time identically for every perfectly integrated external market. There are therefore created production points that support the supply for several markets, the model being close to the classic support forms at the same time, with the difference of some identical price and quality products for every portfolio markets and with distribution networks of selective type. In order to accomplish production, there will be chosen those markets that provide cheap raw materials and power sources but also cheap but qualified work force. At the same time, these markets will have to provide easy access to technology at lower costs.

A second risk division form may be accomplished through market specialization and through allocating a certain part of the company's whole activity to every market. Therefore, Japanese companies from the machine industry make different subassemblies on different markets avoiding to allocate complete capitals towards a sole market. This implies a maximum supply and sale sector development in which a very strict control upon costs will have to be made.

Disregarding of the capital allocation form, the strong points of the companies on such markets will be made up of forms of distribution and post sale services integration on every market and also the reduced costs levels obtained by allocating the capital on the markets and obtaining low costs but also through scale economies resulted from product specialization and standardization.

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# COMPANIES' MARKET PENETRATION AND ACTIVITY PATTERNS IN EUROPEAN MARKET

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*Abstract: The strategy type at the company level has an impact upon the selection and implementation of the strategy at the business level. The international strategy at the company level is different from the international strategy at the business level through the diversification extension degree (both under the products aspect and under the geographic area aspect). The need to adopt an international strategy at the company level appears when the products or services level increases in the sense of incorporating products that belong to several activity branches and that address to multiple markets. In this case, the company's strategy is conducted by the managers from its headquarters and not by the area managers or business managers.*

*Keywords: international strategy, company's international objectives, internationalization forms, markets, operation methods.*

The adoption of an international strategy is based on the incentives that the perspectives offered by international markets represent for the companies, as well as on the complex problems generated by such companies management (taking international strategic decisions, choosing the way to enter the international markets, approximating the influence that the economic and political risk has upon the performance level and innovating power of the respective companies, etc.).

While adopting an international strategy, companies must proceed as follows:

- identify the international perspectives regarding increasing the market position, dimensional economies, location generated advantages;
- elaborate international strategies based on available resources and competences;
- establish the penetration pattern on the international markets in order to take advantage of the own essential competences;
- try to acquire strategic competitiveness based on the managers' ability to efficiently manage complex companies with subunits location in several countries, taking into consideration that the economic and politic is very increased.

The issuing the internationalization strategy is based upon the results of the opportunities or risks analysis and diagnosis analysis previously made.

Its issuing includes four stages:

1. Defining the company's international objectives;
2. Establishing the internationalization;
3. Selecting the markets and partners;
4. Establishing operating methods.

## **1. Defining the company's international objectives**

These objectives come from the base operations of the internationalization strategy which reflect the company's finality. The concrete internationalization objectives may be formulated under the form of indicators:

- profitability of the invested capital and expected profit level;
- collected turnover and reachable market quotas on the whole and for every country;
- predicted development rhythm;
- the share of goods and services made abroad in report with the internal production;
- the level of internationalization of the capital structures and financial resources;
- human resources internationalization degree.

## 2. Establishing the internationalization forms

The international strategy at the company's level has the following forms:

a) *Multinational strategies* consists in that strategic decisions and operational ones are decentralized at the level of strategic business units of the company in every country, with the purpose of adapting the products and services to the local markets needs.

The characteristics of this strategy are the following:

- the business strategic units from different countries are considered independent;
- markets are supposed to be different, being able to be differentiated by national borders;
- the accent is on the competition in every country;
- products and services may be adapted to the need of every market;
- because of product adaptation to specific needs, obtaining dimensional economies is not possible.

Among these strategies we can include:

- *The strategy of the source subsidiary (classic strategy)* – proposes to development of the advantages offered by the resources endowments in the host country or by reducing costs categories.
- *The strategy of the functional autonomy subsidiary* – implies creating productive structures in implanting countries, having the same nature as the nature company, the subsidiaries are autonomous, and control is exercised both through property relations and through supplying technology or production factors by the mother company.

b) *The global strategy* consists of the fact that the offered products are standardized disregarding the market they address to, and the decisions regarding adopting business level strategies are centralized at the company's headquarters with a global sight, a world vision upon the market and competition. This type of strategy is specific to the companies from the fields based on peak techniques where obtaining added value is accomplished by locating activities in countries where they are most profitable.

Among these strategies we can include:

- *The technical-financial strategy* – it overcomes the horizon of the initial strategy and pursuits the valorization of technical trumps and some financial possibilities of the conglomerate type. They are characterized by several aspects: passing from direct investments to subcontracting; increasing the implication in the research-development filed; seeking speculative profits out of operations on the globalizing financial market.
- *Strategic alliances* – licensing, subcontracting, industrial cooperation, joint companies, all of them give birth to multinational networks (alliances between mother companies). Within this multinational framework, transnational companies may be, at the same time, competing for some activities and partners for other activities (research-development, for example).

The characteristics of this strategy are the following:

- the business strategic units from every country the company is are considered independent;
- the company's headquarters tries to accomplish integration among different businesses and national markets;
- it gives the possibility of obtaining some dimensional economies;
- it creates bigger perspectives for the innovations from a country to be used in other countries also;
- management difficulties appear due to the necessity of coordinating strategies and decisions regarding the company's functioning in several countries;
- it requires a higher degree of centralization and a control exercised at the company's headquarters.

c) *Transnational strategy* seeks to accomplish both a global efficiency and a national markets requirements adaptation.

Among these strategies we may include:

- *complex integration strategies* – have the defining element the production internationalization and of the other functions of the company, any subsidiary being able to fulfill a certain function (the research-development function, personnel function, financial-accountant function)
- *production international integration* – a process that has been growing in the developed countries for the last 15 years, based on matrix-type connections (vertical and horizontal connections), implying not just reports within multinational between mother company and subsidiaries, but also strategic alliances and cooperation with the companies that belong to another multinational, creating the so-called *network companies*.

The main characteristics are:

- implementation difficulties due to simultaneous requirements for a powerful central control at the company's headquarters and an efficient coordination (specific aspects to a global strategy), respectively a flexibility and a decentralization that could answer to the national markets needs (specific aspects to multinational strategy);
- the coordination mechanisms must be flexible in order to implement this strategy.

### 3. Selecting the markets and partners

This stage is accomplished in report with the opportunities that they offer for the companies that want to internationalize:

a) *Market selection* – supposes locating different geographical areas. This locating is accomplished by taking into consideration several criteria:

- the activity character (international, transnational, global);
- economic considerations (the market potential and its favourable evolution, advantageous conditions of business development (good and cheap human resources, well defined distribution network, acceptable infrastructure), access to financial sources);
- judicial, administrative and fiscal considerations (respecting the ownership right, regulating the services and goods free circulation, rate of exchange, fiscal administration operation mode, fiscal facilities);
- considerations connected to the business risk (country rating, the respective country's debt level, commercial risks (connected to price, rate of exchange, the instability of the financial-banking system)).

b) *Partners selection* – when making this selection there are taken into consideration business criteria like:

- their experience in international businesses;
- the existence or inexistence of some previous business relations with the company that internationalizes itself;
- the technologic level and the commercial potential of the company;
- their economic-financial system;
- the risk degree (insolvability risk, technologic risk).

### 4. Establishing operation methods:

This stage represents the choosing of different forms of business internationalization. In this sense, the company may choose different forms of commercial operations, for abroad implantation actions, in order to accomplish strategic alliances, cooperation.

The main modalities for the companies to penetrate external markets are:

1. *Export* which is a commune penetration form on external markets and consists of the sale of the products from a country to other countries' markets. The main elements that characterize it are:

- the companies that export must not create production facilities in other countries;
- exporters must have distribution channels, which supposes establishing some contractual relations with companies from the countries they export to in order for them to distribute and sale their products;
- transportation costs are high;
- the exporters have a reduced control upon marketing and product distribution;
- the distributors need to be paid a tax or have the possibility to increase the products price in order to cover the costs and obtain a profit;
- it is difficult to satisfy the requirements of the local markets from different markets.

2. *Countertrade* is an operation group where import is conditioned by export, or other way round. It has several forms:

- compensation between companies (barter – price payment is done in nature and not with money);
- parallel operations – they are a transaction packet where two opposed commercial operations are contractually and economically connected, the export is conditioned by import;
- product countertrade – the export payment of some equipment goods, whether partially or totally, is done by goods delivering as a consequence of equipment productive use by the importer.

3. *Technologic transfer operations* in report with international sale (requests) – they suppose not the finished product export but also the development by commercializing a company's strategic advantage, under the form of patents, marks, technical survey. The reports between the parties are not placed only within commercialization, but they also imply the partners' production systems:

a) *License granting* consists in that a company authorizes a company from another country to produce and sale its products on an external market. This is possible by selling the usage right of the technical knowledge patented by an exporter to a foreign beneficiary in exchange of a price that will be paid through a lump sum (previously established) or royalties (periodical payments).

- the company that authorizes asks for a sum (fidelity tax) for every unit of finished and sold product;
- the company that received the authorization takes all the risks, makes investments within the production range, pays the marketing and distribution costs;
- it is the cheapest international expansion form, because the company that authorizes must not invest in different countries;
- the company that authorizes has a reduced control upon the products production and distribution on external markets;
- it has the least profit potential because the profits must be split among the two parts involved (the company that authorizes and the company that receives the authorization);
- it has the highest potential risk, in the sense that the company that receives authorization will acquire the fabrication technology, so that after the expiration of the license period it will be able to become a powerful competitor of the company that authorized it.

b) *The franchise* represents the commercial technology transfer right to the beneficiaries, through the right to develop economic activities (production and services) under a well known mark belonging to the exporter.

c) *Subproduction or subcontracting* – it mainly leaves from the requirements of creating competitive advantages by valuing partners complementarities: the exporter transfers production of a finished product (quality subproduction or subcontracting) or of components and subassemblies (specialty subproduction or subcontracting), towards the importing company which benefits from more favourable production conditions (cheaper work labour, cheaper material resources, investment facilities). The importer has access to the exporter's fabrication technology (technical documentation, managerial structures, managerial strategies), being able to value its production factors.

4. *Industrial objectives export* is the most complex form of the internationalization strategy. Even if the ground contractual relation is one of creditor-debtor type, these operations have features that differentiate them from the proper exports. Therefore, the contracting method is a specific one, it is often used the import auction system, with the direct implication of the state organs from the importing countries, and international organizations (mainly BIRD). The contractual ground is more extended, and reports are established between:

- the different export participants (product suppliers, services suppliers, specialized construction-assembling companies)
- exporter-beneficiary reports, under the form of separate contracts (providing assembly equipment, functioning equipment, industrial constructions), and a contract is signed with the general entrepreneur. The financing form is complex, implying the participation of several banks (banking syndicates), guarantees and assurances from the private banks and state;

5. *Strategic alliances*, also named joint ventures give the participating companies the possibility to share the risks and necessary resources in order to penetrate the external markets.

Most of the strategic alliances are formed between a foreign company which offers access to products and new technologies on the one hand, and a company from the country where the products are to be sold (and which knows the market requirements and the socio-legal rules), on the other hand.

6. *International companies acquisitions*, a method that gives companies the possibility to penetrate the external markets in the fastest way. In comparison with the acquisition of the companies from the same country, this form as several disadvantages like:

- the negotiations are more difficult and more complex due to the legal regulations from different countries and the difficulty to gather information;
- there are significant differences between the cultures and the practices of the companies in different countries.

7. *Direct implantation abroad* – it is a way of the company external increase, in comparison with the internal increase (which is done by capital accumulation). It is done directly through direct investments abroad and leads to the apparition of different organizational structures (overseas branches and subsidiaries).

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# THE MARKETING IN THE ROMANIAN PUBLIC ADMINISTRATION AND EUROPEAN INTEGRATION

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*Abstract: The promotion of the marketing is a new problem for the Romanian public administration. We see that there are slight attempts to use the managerial aptitudes of marketing in this field of activity. The putting into practice of the marketing programs in administration depends on the conception of the executive authorities, that can guide the marketing activity towards the quality of the public services from the perspective of the citizens' requests, or towards the social field.*

*All the institutions from the public administration from our country must have as purpose the satisfaction of the population's need for public services, but not all of them are oriented towards this carrying out and does not put the citizen/client in the center of their preoccupation. A policy of reconstruction of the trust in the Romanian public administration can lead to the increase of the officials' efficiency and efficacy, and to the increase of the degree of clients' satisfaction, of the civil society and of the media in which concerns the public services*

*Key words: marketing in the Romanian public administration, European integration*

At the same time with the increase of the importance of the public services in the development of the citizens' lives from our country, appears the need to put into practice and for the development of marketing in the public administration, where it is noticed "an inexplicable remaining behind".

The concept of marketing in the public administration of Romania implies the followings:

- it represents a conception concerning the organization and development of the public administration activity from our country
- it implies that the process of public administration to be always adapted to the present and future requests of the citizens.
- the carrying out of all these with a maximum of efficiency
- it means a new view over the relationships between the public administration and its environment
- the activities, the methods and techniques that are used must be orientated towards the study of the beneficiary and the satisfaction of all their requests
- the marketing of the public administration must be revised in the planning at the level of the institution
- the concept must be the responsibility of the leader of the administrative departments and his team and considered as a main principle in the practical activity of the public officials, and that is equivalent to the idea that the institution has acquired the marketing orientation.
- it implies dynamism, given by the movement and transformation of the public administration reform from Romania, treated not only from the point of view of the present but also of the future, and that leads to the previsions and organization of the future strategy.

In the case of Romania, and in the case of the other ex socialist countries, it implies the carrying out of a reform on democratic basis of the public administration, and the insuring of the necessary premises for the European integration in this field. The orientation towards a client belongs to the future of the public services (at a certain extent this thing is true even for the private field of Romania), but things change in a pretty good rhythm.

After the events from December 1989, Romania registered major changes in the political and economic field. Important progresses took place in the process putting into practice the legislative and administrative reform, for aligning the national legislation to the norms of the European Union. The new settlements concerning the local autonomy and decentralization of the public services in the context of the permanent dialogue of our country with the institutions of the European Union lead to the reconsideration of some reports made by the local communities and other public institutions.

The local authorities must not put into practice only a significant part of the community structure, but also, to face some challenges from the social, economic and environmental field. The transition to the market economy implied lots of economic, social and political changes in Romania. In this case, a special place is owned by the changes of substance in the actual plan of the organization and functioning of the public administration, based on principles of modernity and efficacy, of getting closer to the citizens, of

approaching the European norms in order to be able to satisfy certain requests. In this way, the public administration acquires a new philosophy, a new identity and produce a special configuration.

The promotion of the marketing is a new problem for the Romanian public administration. We see that there are slight attempts to use the managerial aptitudes of marketing in this field of activity. The putting into practice of the marketing programs in administration depends on the conception of the executive authorities, that can guide the marketing activity towards the quality of the public services from the perspective of the citizens' requests, or towards the social field. All the institutions from the public administration from our country must have as purpose the satisfaction of the population's need for public services, but not all of them are oriented towards this carrying out and does not put the citizen/client in the center of their preoccupation.

In the present, the institutions of public administration from Romania (example The Government) are obliged to face new pressures in order to satisfy the citizens' needs and requests. We can notice:

- the amplification of the pressure over the public budgets and the necessity to find new solutions for the increase of the efficiency and performances of the central and local institutions of public administrations.
- a continuous reorganization of the functions and services of the public structure
- the tendency for passing into private property and externalizing certain services through outsourcing ("reinventing government")
- the need to legitimacy of the public administration in proportion to the citizens /taxpayers.

In the last years, one of the objectives on the agenda of the politicians that have the right to take decisions, no matter their political origin, was that of increase of the transparency of the administrative structure and the promotion of the idea of getting closer to the citizens. The progress registered was notable, in the sense of completing the legislative structure with normative acts that establish the free access to the information of public interest or the obligation for a decisional transparency.

The contemporary modern administration implies that the Romanian public authorities watch over the good functioning of the market of public services and guarantee the general interest, especially the satisfaction of the most important needs of the citizens, when the market does not succeed. The borings made at the level of the public opinion from Romania show that there is deficit of trust of the population concerning the public administration. One of the most obvious explanations is found in the weak credibility of the administrative system from Romania.

For this, IRSOP made a boring entitled "the perception of the public function by the citizens". The study was made in Bucharest, the counties of Bacau, Prahova, Timis, in the period 5-25 November 2005, on 500 adult persons. In which concerns the degree of satisfaction of the subjects concerning the relationship with the public officials, it was established that 47% of the citizens were satisfied by the way in which they were treated at the level of the central institutions of public administration(ministries and agencies). The degree of satisfaction decreases in which concerns the other institutions, starting from the social insuring agencies and scholar inspectorates or the prefect's office. The degree of satisfaction is higher in which concerns the qualities proved by the public officials with which the subjects interacted (honesty, professionalism, competence, kindness) and lower concerning the working conditions or the atmosphere from that institution. 46% of the subjects think that the public official is named after a political criterion, 49% that he is corrupted, 44% that he is involved in business, 44% that he uses his position for his personal interest. The citizens' level of satisfaction towards the way in which they are treated in the public institutions is relatively low. The main aspects that produce dissatisfactions concerning the atmosphere in the public institutions, the way in which it is organized the activity with the public and the public officials' inefficiency.

The media and the civil society, in the quality of image formers, send a series of images with negative connotations concerning the officials, that produce a negative perception of the public opinion concerning the public officials. Unfortunately, this image is taken, assimilated and transformed by the public officials.

The public official from Romania is seen, through the image sent by the media or directly, as inefficient, slightly motivated, bureaucrat, obedient, politicized, lacking of imagination, corrupted and arrogant. All these deficiencies are associated with the public administrations as a whole. The public system appears as different from the private one, based on professionalism, open competition, objectivity and ability. A renewal of the official's image in Romania should be the starting point, from the change of mentality of the public structure to a special mentality of the private structure. A solution is the putting into practice of a new marketing program with all the services for satisfying the customers' needs. The public administration, whose aim is to satisfy the citizens' needs through offering quality services should be orientated towards this way of thinking in order to increase the productivity and getting closer to citizens.

The reality from the Romanian system of public administration shows us that the public officials from the state institutions, lots of times have an inadequate behavior. One of the causes of these deficiencies is connected to the fact that from this field, they have a position of exclusivity. As a consequence, there appears a lack of flexibility of the public structures in which concerns their adaptation to the citizens'/clients' needs and desires. For this, it is noticed that some public institutions establish the time they want for solving the requests made by the citizens (for example, the approval of the plans of expansion /change that they want to do to the buildings/personal property).

We mention that the settlements establish that the answers to these requests must be given in 8 weeks, but in many cases (this differs according to the local authorities), the final answers are given by far over the legal term. Besides that, the administrative system from our country does not seem to do anything for carrying out new forms(materials ), more "friendly" with the citizens. So, the general image of the public administration in the view of the population is that the activity of the state institutions is entailed by a complicated bureaucracy that makes difficult the satisfaction of the citizens' needs, desires and requests.

Even in Romania, there is a development and perfecting of the rural and urban administrations, of the police and other public institutions, at the same time with their transformation in institutions of services, more and more modern and efficient, where the citizens are in the center of attention. Unfortunately, there is still a number of citizens that see the public officials with critical eyes in the quality of representatives of the public authority (at the level of the state, county or village ). A modification, in a positive way of the perception of the institutions of public administration from the part of the citizens is more difficult to carry out than its deterioration. This thing happens because the citizens are not always objective when it comes to appreciating the state activity, under the conditions in which, in the not so far past of Romania(in fact even in the present), the state, through its institutions neglected the individual interests, insisting on the general interest of the community, that, in fact, transformed in a restricted, group interest of those who came into power.

A policy of reconstruction of the trust in the Romanian public administration can lead to the increase of the officials' efficiency and efficacy, and to the increase of the degree of clients' satisfaction, of the civil society and of the media in which concerns the public services. The carrying out of a reform in the Romanian public administration means not only the replacement, elimination or the creation of some institutions, the adaptation to the new conditions of management and marketing, but also the change of the official's mentality . The marketing orientation of the activity must be adopted as a basic principle, and after that it has to be adopted by the leaders of the institutions of public administration from our country, and by the officials that serve the citizens. So, it is imposed the starting of some training programs for the officials that are in charge with the area of the citizens' receiving from the offices of the public organizations, a clear and precise structure of the forms and using instructions.

It must be taken into consideration the fact that, in the marketing perspective, the citizens of a village or a city are at the same time choosers and beneficiaries of the services of administration, if they are the clients of the public institutions. If in the past they were rather "petitioners" or "solicitors", or even worse, "recipients of some orders", nowadays they consider themselves more than clients, partners with legal rights of the administration.

The authorities from the public administration have an exclusive position. The citizens of Romania appeal to these public services offered by the state institutions because they have no choice and they prefer using what they are offered (even if they are not satisfied), rather than managing without them.

The orientation and development of the activities of the institutions of public administration from our country, in a marketing vision, need the integration of the marketing concept at all the levels of the structure of a certain organization. For this, the following measures are imposed:

- the organization of some activities that contribute to the understanding and recognition of the need of adaptation of the public administration preoccupation to the requests of the market and of the environment.
- The orientation of a practical activity towards satisfying these requests through insuring a proper organizational structure.
- The integration of the main flux of communication in the Romanian marketing of public administration.
- The development of the labor abilities with the citizens at the officials who have such obligations, taking into consideration that they represent the connection between administration and citizens.
- The reduction of the pressure made by the citizens over the institutions of the public administration
- The reduction of the bureaucracy
- The carrying out of some informational extra institutional points for a better orientation of the citizens

- Educating the population for using, in their relationship with the public institutions of some meanings of communication at distance: telephone, mail, internet
- The carrying out of some inside areas from the public institutions and insuring a comfortable atmosphere
- Advertising the activity of the public administration

The scientific, logical and comparative approach of the marketing concept concerning the public administration, along with the putting into practice, may represent an important start for perfecting the activities of the public-administrative institutions, at the same time with obtaining social profit (social prosperity), under the conditions of an efficient marketing organization, on the basis of the modern marketing in the Romanian institutions of the public administration.

For applying such marketing principles in the public administration of our country will have to be taken into consideration the followings:

- the marketing to intervene at all the hierarchical and functional levels of the institutions of public administration, insuring the increase of cohesion and efficacy.
- The marketing will have to contribute to promoting modern organizational structures in the Romanian administration
- The informational systems for running the marketing activity will allow that the marketing in the public administration to represent a source of information for developing local and lasting strategies and policies.

There is a series of proposals for applying the principles of marketing in the Romanian public administration:

1. The citizen must be requested for his opinion concerning the services offered by the institution of public administration in order to establish if it is according to his expectations. For this, it is recommended the encouraging of the system of suggestions and complaints, which allows the citizens that are not satisfied with the services offered by the services of public administration to express their opinion and the use of questionnaires and inquests for evaluating the image of the institutions of public administration in the citizens' view.
2. The attitude of those who are in direct contact with the citizens is characterized by: politeness and solicitude, high knowledge and the desire to share them, interest towards satisfying the citizens/clients' needs
3. In the relationship with the institutions of public administration, the citizen must ascertain that he receives services of good quality. If he receives a service that is better and faster than he expected, and the mistakes are recognized and fixed by the officials immediately, these transformations will count a lot over the image that the citizen will have over the public administration.
4. The citizen must not be disturbed and bored with the problems that the institution of public administration has. The lack of personnel, the troubles with the computers, the lack of electrical power, all these are administrative problems and must not affect the client.
5. The institutions of public administration must find out which are the exact benefits that the citizens expect. The expectations and the requests of the citizens are: the quality of the service, confidentiality, competitiveness and simplicity, punctuality, politeness, trust.

In conclusion, the reform of the public administration must concern the problem of the officials, to keep as officials only those who have calling for this profession or whose calling can be cultivated in time, through intensive courses of professional improvement.

The reform in the public administration does not assume only the reform of the organizational system, but it is necessary to be carried out at the same time with the most important changes at a level of attitude and behavior / the adopting of a marketing perspective concerning the officials. This thing is possible because, as John Naisbit said in his work "Mega tendencies", "the young generation transforms any institutions it passes through".

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# STUDY ABOUT HOTEL INDUSTRY DEVELOPMENT FROM TIMISOARA, ROMANIA

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*Abstract: The present paper investigates the evolution of tourism and hotel industry from Timisoara and the starting point was the explosion in the number of the lodging capacities. With a total of 1277 rooms (2530 bed places) in 33 hotels, most of them developed in the last 10 years, Timisoara is situated in the second place, after Bucharest, in a national top done based on two criterias: number of hotels and number of rooms.*

*We use for our study personal interview based on a questionnaire and empirical research analysing statistical data and other available information about the destination. Using this data we analysed the evolution of hotels structure and we tried to identify if the hotel management teams do have a strategy from positioning point of view.*

*Analyzing the year of starting the business resulted that the boom period could be considered the last 5 years. The positioning map shows that the correlation exist between prices, number of services and hotel category.*

*The findings of the present study reflect that the majority of Timisoara hoteliers keep on concentrate their attention on business tourists. The situation is almost normal since the number of foreign company located in Timisoara is high and correlated with the foreign tourists travelling for business.*

*Keywords: hotel industry, positioning map, tourism potential*

## A short presentation of Timis county economy

The economy of Timis is mainly oriented to manufacturing industry, wholesale and retail activities. In the last 8 years, the number of active local units increasing, as well as their turnover, transforming this area in most attractive one for investors, after Bucharest.

**Table no. 1. Evolution of Timis' number of active enterprises based on types of economic activity**

Activity	1998	1999	2000	2002	2003	2004	%
<b>Total</b>	<b>9968</b>	<b>10213</b>	<b>10662</b>	<b>12148</b>	<b>14029</b>	<b>16159</b>	<b>43</b>
Manufacturing	1309	1498	1782	1925	2084	2197	38
Construction	359	434	610	786	999	1236	47
Wholesale and retail	6509	6412	5608	5808	6379	6972	45
Hospitality	396	419	541	667	723	785	38
Services activities mainly rendered to enterprises	455	645	1203	1860	2459	3355	56

% - the ponder from the total number of West National Region

Source: Romanian Statistical Yearbook from 2004, 2005

Timisoara, the municipality of Timis county, is an important economic center for our country, representing more than 30% from West Region economy and more than 4% from national economy. Being the major city from the west region of Romania, accounted in 2005 307265 citizens, Timisoara is a multicultural city with influential minorities, primarily Hungarians, Germans and Serbs, as well as Italians, Bulgarians and Greeks. In recent years, Timișoara has enjoyed a significant economic boom as the number of foreign investments, especially in high-tech sectors, has risen constantly. It is frequently considered the second most prosperous city in Romania (following Bucharest) and there have been frequent debates on whether the so-called "Timișoara Model" could be applied to other cities. In an article in late 2005, French

magazine *L'Expansion* called Timișoara "Romania's economic showcase", and referred to the increased number of foreign investments as a "second revolution". Strong and diversity, Timișoara's economic activity is sustained by the location of the town, and also by the high level of qualification of its human resources.

From touristy point of view, Timis county is interesting for business tourism as well as transit tourism. It enjoys of a favorable geographical position, being considered an access gate from and towards European countries. But the area has also a great touristy potential due to the beautiful landscapes, to its art and architectural monuments, the picturesque villages, the geological phenomena and precious flora.

The lodging capacities for Timis county represent almost 30% from the West National Region of Development. Analyzing the Timis county's lodging capacity, based on official data base from 30 November 2005, resulted a wide range of offer's types, where the hotels are predominant, with 34% from the total.

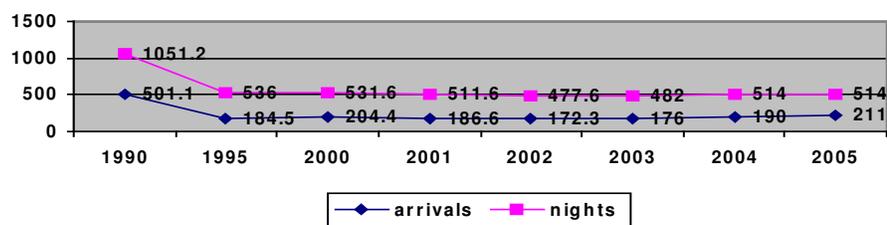
**Tabel no.2 . Lodging structure for Timis county**

Type of lodging capacity	Number	Percent
<b>Hotels</b>	<b>46</b>	<b>34</b>
Hostels	4	2.9
Motels	4	2.9
Urban pesions	40	29.7
Rural pensions	28*	20.8
Stop dwellings	2	1.5
Villas	9	6.7
Tourist campsites	2	1.5
<i>Total</i>	<i>135</i>	<i>100</i>

\* from which 25 are included in agrotourism.

Regarding to the tourism volum in Timis county resulted that the number of arrivals registered from 1990 to 1995 a huge decreasing, more then half, and from 2000 remain almost stable. Calculating the average number of nights resulted 2.7, with a pick of 2,9 in 1995.

Being the farthest among the urban centers in the west of Romania, Timisoara has always been a place for favorable contacts and interferences with European civilization, a city distinctively cut out for a modern architecture, culture and conceptions. All historical epochs have left their own mark upon Timisoara. It is their joint influences that have lent it a remarkable unity and equilibrium.



**Figure no.1 . Tourism evolution in Timis**

Like very many other medieval towns of Europe, Timisoara was born under the protection of fortress and around it. That is why, the centre and the oldest part of the town bears the suggestive name: "The Citadel".

This was the nucleus from which the development of the town started. The Citadel underwent important changes, especially under the Hasburg domination, its complete registration being accomplished around the year 1765. At that time, it was considered one of the four important citadels of the Hasburg Monarchy. Having in mind these features of Timisoara we was interested to investigate the hotel industry from this city and identify its potential for tourism development.

### Methods of research

For this research we used a personal interview, based on short questionnaire with structured questions, with the front office managers or hotel managers. We applied the interview for a representative group of 30 hotels, which represent 90% from lodging units from Timisoara. In this study, visiting the capacities we had the opportunity to observe also the surrounding and the physical aspects of the hotels, which help us to make some assuming. We made some observation also by studying the promotional materials delivered by the hotels or using their websites.

### Results and discussions

With a total of 1292 rooms in 33 hotels, most of them developed in the last 10 years, Timisoara is situated in the second place, after Bucharest, in a national top done based on two criterias: number of hotels and number of rooms. From the total 46 hotels of Timis county almost 73% are situated in Timisoara. Analysing the hotel industry of Timisoara based on National Stars' Classification System resulted that is predominant the comfort of 3 stars :

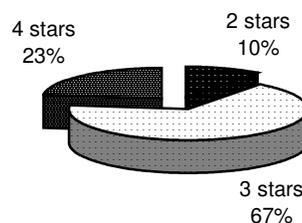


Figure no .2 . The classification hotel's structure

Like in the rest of the cities it is obvious that the preferred classifications chose by the entrepreneurs for the hotels is a medium one, 3 stars in the Romanian classification systems, due to the opportunities of the market and the less investments needed.

We studied also the capacities of hotels, using the number of rooms and revealed that Timisoara has a small operational lodging capacity, because more then 80% from the total hotels have less then 50 rooms.

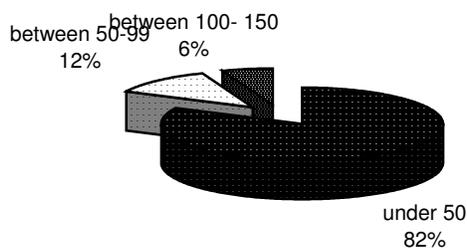


Figure no.3 . Hotels' structure based on number of rooms

We made our further research on a sample of 30 hotels, representative for the Timisoara hotel industry. Analyzing the year of starting the business resulted that the boom period could be considered the last 5 years.

Based on these results we assume that 1998 was a key point for the development of hotels industry in Timisoara. In these 8 years the entrepreneurs identify a huge gap between the demand and the offer in hospitality industry and started to invest in this domain. The attractively of this domain is certified also by the high ponder of enterprises, which applied a diversification strategy. Almost 40% from the units questioned declare that the hotel is not the only business activity for the firm. We also analyse the firms

which own hotels in Timisoara, using the official financial date, and resulted a 25% of them operate in another domain of business unrelated with hospitality. This means that the firms applied an uncorrelated diversification strategy.

An important aspect for our research was the location of the hotels related to the types of clients targeted by the hotels. Based on their responds resulted that 46% from the managers believed that the hotel benefits of a convenient location and the average score, on a Likert scale, is 3.9.

The information gathered through our research, was used for the construction of a positioning map. This positioning map uses 2 dimensions: the price (axis Oy) and the number of services (axis Ox) offered by Timisoara hotels. The maximum price is 450 RON and minimum 140 RON for double room, resulting an average for our sample at 218,13 and the number of services varies between 6 and 25, resulting an average of 18.

The map has 4 quadrants:

- in the high-high quadrant there are 8 hotels;
- in the high-low quadrant there are 2 hotels;
- in the low-high quadrant there are 8 hotels;
- in the low-low quadrant there are 12 hotels.

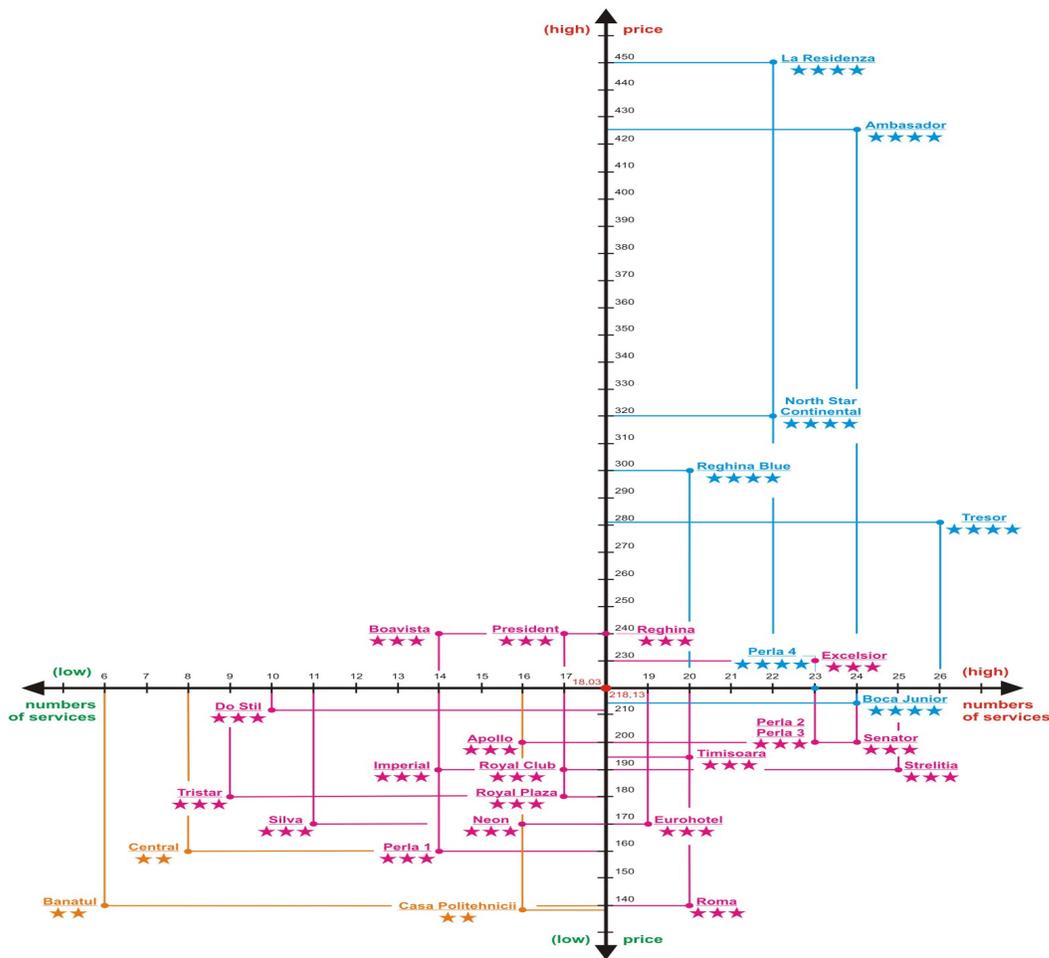
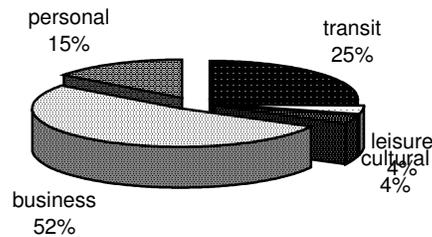


Figure no. 4. Positioning map

In general resulted a strong correlation between prices, number of services and hotel classification. The low-low quadrant is the most crowded, with hotels of 2 and 3 stars classification showing that the managers identified here the potential for their businesses development. In general in the high-high

quadrant was identified the hotels of 4 stars which applied differentiation strategies. Only one hotel of 4 stars was situated in the low-high quadrant (Boca Junior). Being unit of an international chain it comes into the Romanian market with the services package which respect the chain standard and for the beginning try to create a stable market share. There are two examples of hotels that are situated in the high-low quadrant and the main reasons for their strategy could be the competitive advantage of localization.

The most important segment of clients targeted by hotels is business clients. Also the second segment of transit tourists plays an important role for the hotels, from economic point of view.



**Figure no. 5. Clients segments**

From the elements presented above, a general conclusion could be highlighted: the growing business tourist segment triggered a development of hotels on all the 3 markets. The delay in privatisation of the existing hotels, which were not flexible enough, encouraged new hotels to enter the market. Thus, this trend became similar to a herd behaviour after 2000 when it became trendy to open a small hotel of 3 stars, if possible of 4 stars.

The hoteliers from Timisoara are oriented toward business tourist segment, the most obvious one, and almost ignore anything else. Among the things ignored is the fact that there are a high concentration of monuments and building included in the Romanian national patrimony which could help for development of cultural and leisure tourism as well in Timisoara.

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# THE REALISTIC ASSESSMENT OF THE TIME NECESSARY FOR LEARNING - A DUTY OF THE HIGHER EDUCATION MANAGERS -

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*Abstract. The influence of the time allotted for learning upon the quality of this process is unanimously recognized. In the context of the Romanian higher education integration into the framework of the European Space for Higher Education, this problem isn't approached anymore only at the level of some discussions of principles, but a realistic assignment of the time necessary for learning is strongly needed. This fact has come under attention by the introduction of the ECTS system. Starting from the observations of a study which the authors made about the way the ECTS system is understood and applied in the Romanian universities, the present paper presents a method in which these credits could be allotted in a realistic manner. The importance of the suggestions made in this paper comes from the observation that the way in which the time is used effectively can thoroughly influence the social, economic and pedagogical efficiency of the higher education institutions.*

*Key-words: ECTS; Learning outcomes; Student workload*

Time is one of the most important resources within the knowledge-based organizations. Basically, the intellectual work consists of thinking, writing, reading, resolving certain problems, cooperating and exchanging ideas between the partners. The most important actions of the intellectual work take place in the mind of the person who carries it out, and this individual needs time for thinking. One can say about universities that they represent the archetype of the knowledge-based organizations and, therefore, time needs to be appropriately analyzed and used. This paper studies the principles according to which the time necessary for learning has to be allotted, starting from the statement that if, irrationally, an infinite quantity of time were allotted, this wouldn't ensure the learning, but a main condition for learning is the existence of a sufficient quantity of time.

The approach of this topic proves to be very important for the managers of the higher education institutions (irrespective of their hierarchical level) with the purpose of achieving those social, economic and pedagogical performances at which they are aiming. The necessity of studying this problem is also sustained by the European requirements in the field, which are materialized by the introduction of the obligatory European Credit Transfer and Accumulation System (ECTS). These credits measure "the working volume an average student needs to reach the objectives stipulated by the study program of each subject". The necessary working volume has two components: *the direct contact teacher – student* during classes, seminars etc. and *the didactic independent working activities*. The bachelor studies university year is allotted 60 credits, and the semester is assigned 30 credits. At the same time, the law stipulates the fact that every higher education institution and even all the faculties from the same higher education institution can assign a different number of credits to the same subject.

The purpose of using these credits is to stress the students' professional results, to use them as a defining element for the studies accomplished in every national or international university. These credits should be transferable between the faculties within the same higher education institution or between universities, a fact which would facilitate the mobility of the students between the Romanian universities, and between the Romanian and the European ones. To simply allocate a numerical value to each subject without a scientific basis in accordance with the European requirements means to condemn the university to failure in the European competitive struggle, as the assignment of credits doesn't necessarily mean they are recognized by the other national or European higher education institutions. Every higher education institution has the right to accept or deny the credits allocated to students by other universities and one of the acceptance conditions is, of course, the relevance of these credits. After studying the way in which these study credits are being allotted in the Romanian universities I noticed the fact that, at least until now, these have only had a formal relevance. Practically, the students and even a major part of the teachers cannot justify the importance of the credits which are assigned to each subject. At this moment, the system is confused, approached disinterestedly and applied arbitrarily at many times.

We consider that it is very useful to elaborate a national model for the allocation of the necessary credits, and this paper tries to be a suggestion in this sense.

A correct and justified assignment of the time necessary for learning might imply the following stages:

### Organizing the lectures in a manner that would sustain this approach

This refers to the fact that each lecture should have certain finalities, learning objectives, according to which the necessary time will be estimated. As an orientation in this direction, one can use a model suggested at the European level, namely *The Dublin Descriptors*.

Also at this stage every teacher has to set for every learning objective three categories of knowledge, abilities of the student, called from now on skills, namely P1 – the student **has to know**; P2 – **it would be good** for the student to know; P3 – **it would be remarkable** for the student to know.

Thus, one can design a matrix which shows the level of performance vertically and the learning objectives horizontally. This matrix might look like the following:

**Fig.1. The Matrix Performance / Learning outcomes**

	<b>Theoretical knowledge</b>	<b>Applying of the knowledge</b>	<b>Nature of the stipulated concepts</b>	<b>Communication ability</b>	<b>Learning ability</b>
<b>P1</b>	<i>At this level</i>	<i>there are</i>	<i>allocated 75%</i>	<i>of the teacher's</i>	<i>resources</i>
<b>P2</b>	<i>At this level</i>	<i>there are</i>	<i>allocated 15%</i>	<i>of the teacher's</i>	<i>resources</i>
<b>P3</b>	<i>At this level</i>	<i>there are</i>	<i>allocated 10%</i>	<i>of the teacher's</i>	<i>resources</i>

This approach is useful as it helps the teacher distribute the resources differently according to the performance levels during the direct contact with the students and estimate which is the level of knowledge that an average student should acquire.

A final approach of this stage is to establish the teaching methods by which the teacher considers he will be able to transmit the intended objectives to the students. An important remark at this level is that according to which every teaching method has to include the individual study, too.

Establishing, on statistic bases, the quantity of work necessary to acquire the learning objectives

Starting from the teaching methods which are applied, the necessary working time will be assigned. At the international level, there is a classification of these methods and of the quantity of time necessary to each of them. Therefore, these are grouped in five categories:

A) *Teaching methods based on transmitting information* – within these, the teacher explains, demonstrates, presents information to the students, and they watch him and sometimes take notes. These methods can be of various types:

A.1. Traditional readings – have an average ratio direct contact student – teacher : necessary individual study hours of 1 : 3. This means that an hour of direct contact needs 3 hours of individual study before and after class in order to achieve proper learning.

A.2. Passive demonstrations – when the teacher demonstrates the way in which certain processes function, without the students' participation. The ratio is 1 : 2.

B) *Teaching methods based on the student's activity* - they involve the active participation of the student during classes. They can be classified as:

B.1. Learning through cooperation (discussions) – also called the *workshop* method; students have to prepare effectively for the meeting with the teacher, but the learning process also takes place during the meeting. The ratio is estimated to be 1 : 2;

B.2. Guided exercises – the active agent is the student; this method is also called “*learning by doing*” and it is necessary that the students have prepared thoroughly before the being in class. The ratio is estimated to be 1 : 3;

B.3. Active demonstration – consists of simulations, trips, visits etc, and the ratio is considered to be 1 : 2;

B.4. Learning by working – refers to the practical activities carried out in a realistic working environment. The quantity of time depends on the learning objectives, the prior knowledge of the student etc., and it is estimated differently, according to the situation;

B.5. Learning based on discussing certain topics – the students elaborate, alone or under supervision, a written paper which they have to present in front of the others in order to discuss it, being guided by the teacher. Time is needed for documentation, for writing the paper and for preparing the presentation, and the ratio is appreciated to be 1 : 2 – 4;

C) *Teaching based on task assignment* – in this case there aren't any meetings between teacher and student. The teacher sends the tasks to the student who carries them out by studying individually; afterwards, the teacher checks them. The allotted time depends on the finalization type, in the following way:

- written paper – 100 words / hour (writing and checking the text);
- short presentation in the form of a speech – difficult to estimate, as it can highly differ from case to case, but an informal rule says that the ratio is 1 hour presentation : 3 hours preparation for the experienced students and 1 hour presentation : 6 hours preparation for beginners;
- obtaining a licence, elaborating a software, a design etc. – a longer period of time which can only be identified for each particular case.

D) *Learning by reading literature*

D.1. *Reading the bibliography which sustains the issues taught* – doesn't need the assignment of extra time compared with the time allocated according to the chosen teaching methods;

D.2. Reading literature which includes information which is supplementary to the issues that were taught – depending on the nature of the text which has to be read, the international models have set the following equivalences:

- text which is reasonable to read – 100 pages : 20 hours;
- difficult text or text in a foreign language – 100 pages : 30 hours.

The model used by the British Open University is:

- easy text – 100 words / minute;
- difficult text – 70 words / minute;
- very difficult text – 40 words / minute;

All these refer to a single reading of a text, but, in order to learn it, three readings of the text are considered to be necessary.

The pages criterion is usually accepted.

D.3. Reading for writing essays, papers etc. - the necessary time for reading and the necessary time for writing coincide within this method. The necessary time is estimated to be the one considered in D2 for a reading.

D.4. Literature used as reference bibliography in the research papers – reading is done in this case by skimming books, thus the necessary time is considered to be the one in D2 for a reading, and the accepted equivalences are: in order to write 64 pages of a research paper, 30 books are needed, an average of 200 pages.

E) *Virtual learning* – refers to using the VLE (Virtual Learning Environment) which can be accessed on-line, from the university or from home, only by those students and teachers who have registered in the study program which used this instrument, by using a password. This offers the students access to the lectures presentations made by teachers, access to auto-evaluation tests, it offers the possibility of discussions with the teachers etc. The research done in the field is still at its beginning and there is not enough experience to evaluate properly the necessary time as in the case of the other methods – this systems have only been used for 20 years.

The international research regarding the ratio between the hours of direct contact teacher – student and the individual study hours shows the fact that the balance should be in favour of the individual study.

### **III. Checking the way in which the allotted time is realistic according to the students' opinions**

It is essential to know the way in which the students perceive and accept the time allotted by the teachers. Depending on this, they will approach the tasks given in an appropriate manner, this being a fact which affects the quality of their learning. Giving the students too complex tasks is a decisive factor for determining their learning customs, in the sense that this will make them focus the study on memorization.

The presented equivalences are only for orientation, but they can differ depending on the real situation, and for this reason it is very important to know the students' opinions. Giving them questionnaires will also attempt to notice the manner in which elements such as: the learning motivation, the quantity and the quality of the students' prior knowledge, the quality of teaching; the relationship teacher – student influence the necessary time for learning.

This intention will be carried out with the help of some quizzes addressed to the students and it is very important. The quizzes aren't supposed to analyze only the proportion in which the students

agree with the time allotted by the teachers, but also to stress the possibilities of reducing the initially estimated time.

#### **IV. Adjustment according to the results of the previous stage**

This stage implies a joint effort of all teachers as there are at least two problems which are likely to appear:

- disaccord with the students' perception;
- disaccord with the total quantity the time allocated by law to a study year / semester which has to be distributed to all the subjects of the year, according to scientifically realized criteria.

An immediate measure will be reducing the difficulty of the teachers' requirements, even to the P1 performance level. But this is not a long-term solution as it strongly affects the quality of the educational services offered by the institution. For the long-term period, one has to eliminate those causes which determine the increase of the time necessary for study, namely, the lack of motivation, the absence of prior knowledge, unattractive teaching methods, redundant information transmitted during lectures, unimportant information etc.

#### **V. Converting the necessary quantity of time into ECTS**

Starting from the working time needed by an average student in order to reach the learning objectives stipulated for every subject, a certain number of credits will be assigned, using the formula:

$$SWQ_x / STWQ \times 60 = ECTS, \text{ where:}$$

SWQ<sub>x</sub> – the quantity of working time necessary to an average student in order to reach the objectives of the "x" subject, expressed in hours;

STWQ – the quantity of work assigned by law to an average student to study during an academic year. The European norms stipulate that these should have values between 1500 – 1800 hours / year. In Romania this quantity is of 1500 hours.

60 – the number of credits allotted to a year of study.

We consider that the issues presented so far represent a very useful instrument in order to organize and to raise the efficiency of the higher education study. Applying this method implies, of course, a high volume of work and time. But the starting of this process, the acceptance of the inevitable errors which might occur, the overcoming of the difficulties and the constant bringing of improvement suggestions is a responsibility for all the managers within the higher education, starting from the ministry, institution, student classes and even more a way to understand the fact that a modern learning process doesn't have the purpose of collecting credits, but encouraging and sustaining the process of learning.

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# THE OPTIMIZATION OF THE OBJECTIVES IN MARKETING AND MANAGEMENT USING THE MATHEMATICAL PROGRAMMING

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*Establishing the objectives of the enterprise in the market is the first problem the specialists in marketing and management confront with after having studied the market. For an enterprise to optimize the portofolium and the objectives in the market it should take into account as many factors as possible: demand in the market/ segment/ nice, the contracts with the customers, the restrictions due to the available resources and the performances imposed by the competitiveness. The method which is often used to optimize the objectives is the mathematical programming, especially the deterministic linear mathematical programming.*

*Keywords: objective optimization, restriction, the condition imposed to variables*

Establishing the objectives of the enterprise in the market is the first problem the specialists in marketing and management confront with after having studied the market. Generally, this problem is very complex it can be solved only if it is correlated with the enterprise strategy.

The method which is often used to optimize the objectives is the mathematical programming, especially the deterministic linear mathematical programming. To create the mathematical models of linear programming used for optimizing the plan and, in general, for the mathematical model elaboration necessary for the mono or multiobjective\_deterministic optimization of a system, first of all we have to identify the decisional situation:

- the variables  $x_i$  on which one can decide (the unknowns of the mathematic model): the characteristics of the product, the parameters of technological procedure, the production and selling volume of the ranges  $i$ , etc. of products
- the essential restrictions ( $u, y, \dots$ ) imposed on the system: quantities of raw materials available, limited templates, limited values of the technological regimes parameters for the available equipment and workforce, charging degree of the existing production capacities, the volume of the ranges of products specified in the contracts signed by the clients, etc.
- the criteria  $c_i$  of choosing the best solution, criteria which define the mathematic model function  $f(x_1, x_2, \dots, x_p)$  according to which the optimization takes place (the efficiency of a product or a process, the typical consumption of raw materials or energy, the production costs, the volume of the production, the enterprise profit, the production capacities charging, etc) and which are, in fact,  $y_p$  performance variables of the system;
- the optimization objective: the maximization or minimization of the function  $f(x_1, x_2, \dots, x_p)$  according to which the optimization takes place.

The optimization of the production plan and physical sell of the production systems is utilizing mathematical programming, especially linear programming. Usually the mathematical model for optimizing the production plan and physical sell has as components:

- the restrictions (1),
- the condition of no negativity of variables (2), imposed by the fact that it cannot plan making and selling negative quantities of products,
- the function to optimize (3):

$$\left\{ \begin{array}{l} \sum_{i=1}^p a_{ji} \cdot x_i \leq u_j \\ x_i \geq Q_i \\ x_i \geq 0 \end{array} \right. \quad \begin{array}{l} (1) \\ (2) \\ (3) \end{array}$$

$$\left. \begin{array}{l} (\max) \\ (\min) \end{array} \right\} f(x_1, x_2, \dots, x_p) = \sum_{i=1}^p c_i \cdot x_i$$

for which

$i = 1, 2, \dots, p$  are indices for physical production sorts which must be produced and sold in the quantities  $x_i$ , unknown, such as they should satisfied the optimum function (3);

$a_{ji}$  [u.m./ pcs] is the quantity of the resource  $j$  necessary to manufactured one item of product (service)  $i$ ;

$u_j$  [u.m./u.t.p.] (u.t.p. is the established time unit) is the quantity of the resource  $j$  available for the production system considered in the planning period (materials, components, production capacities, labor, etc.) or another indicator which represents an imposed performance (for example a certain utilization degree of the production capacities);

$Q_i$  [pcs/ u.t.p.] is the quantity of the product (service)  $i$  imposed to be delivered to customers conforming to the existing contracts and the commands received by the producer during the plan period;

$c_i$  [u.m./ pcs] is the category of the economic result (sell price, benefit, complete cost) which is calculated on the product unit (service)  $i$ ;

$f(x_1, x_2, \dots, x_p)$  is the objective of the optimum function which can be: maximization (max) of the turnover, of the benefit, of the utilization degree of the capacities, etc.; the minimization (min) of the production costs, of the resource consumption, etc.

After working out the mathematical model (1), (2), (3), concretely the solving of the linear programs is done with seldom iteration methods (Simplex algorithm, etc.) which in general are running through the same steps:

- a) the determination of one or more possible solutions (feasible, admissible) which satisfied the restriction system (1) and the non negativity conditions of the variables (2),
- b) the successive determinations of as much as possible base solutions which represents extremes for a particular point of view closer and closer to the optimum solution,
- c) the determination of the optimum solution as the base solution which satisfies the optimum function (3).

If  $i \leq 3$  one can use the geometrical solving method which has the advantage of intuitive graphic representation of the tree steps mentioned above. For example for  $i=2$  the working steps are:

a) in the rectangular coordinates systems  $(x_1, x_2)$  one can graphic represent the lines (1) and if it is the case the lines (2) making conventionally (through arrows or hachure) the semiplan corresponding to inequality direction (for "less than"  $<$  the semiplan is towards the origin of axes  $OX_1 OX_2$ , for "grater than"  $>$  the semiplan is oriented in the opposite part of the axes origins  $OX_1 OX_2$ ). Hence the possible solutions polygon, the points coordinates values from the segments and from the interior of the polygon are exactly the possible solutions.

b) the vertex of the possible solutions polygon are denoted with letters, the coordinates values of these vertexes being exactly the base solutions. In order to determined which one of the base solutions is the optimal solutions one can draw the line  $f(x_1, x_2) = 0$  and one can translate these lines through the possible solutions polygon. The first polygon vertex encountered by the line (the closest to  $f(x_1, x_2) = 0$ ) will define through its coordinates the optimum solution which minimize (3) and the last polygon vertex encountered (the farthest of  $f(x_1, x_2) = 0$ ) will define through its coordinates the optimum solution which maximize (3). The coordinates value calculus is done by solving the equation system corresponding to the lines (1), (2). The intersection of those two lines defines the respective vertex of the polygon.

### Application for the case $i \leq 3$

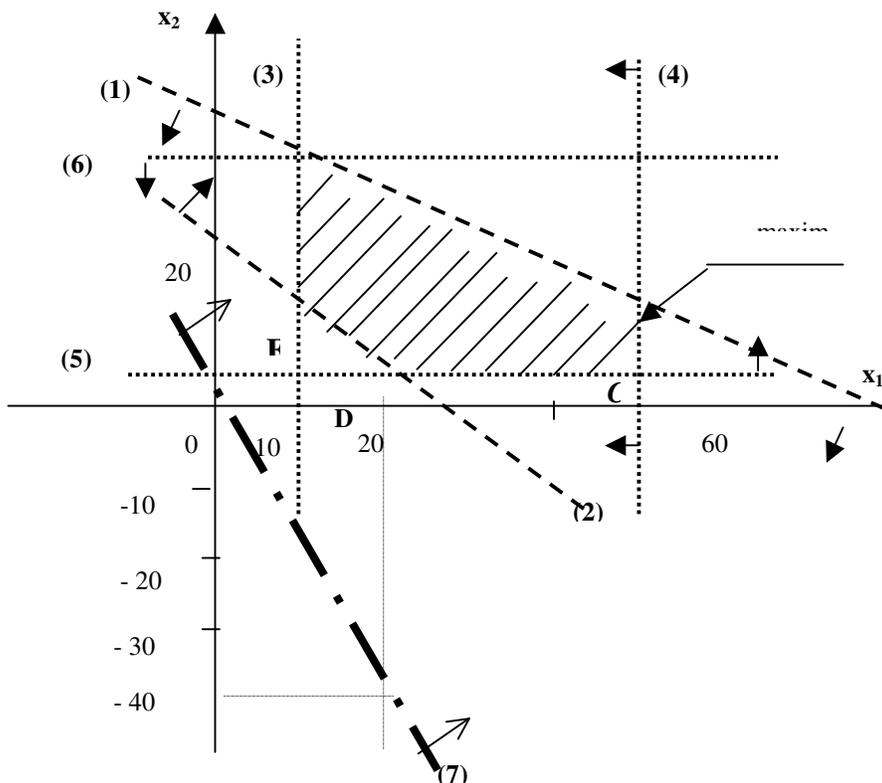
A food store has a warehouse which the surface for use of  $140 \text{ m}^2$ . the marketing study for the season says that: during week, the demand for  $i=1$  sort is at least 10 pieces and at most 15 pieces and for sort  $i=2$  is at least 5 pieces and at most 35 pieces, being correlated with the offer made by the competing stores from the zone area and the fluctuation of the customer behavior. It is known that the sort  $i=1$  needs  $2 \text{ m}^2/\text{piece}$  for deposit and brings a unitary profit of 4 ron/piece and the sort  $i=2$  need for deposit  $3,5 \text{ m}^2/\text{piece}$  and brings an unitary profit of 2 ron/piece. The sell of the entire share of merchandise delivered weekly to the store can not be done in a less than 50 hours. By the statistic the medium time interval necessary to sell one of unit of merchandises  $i=1$  is of 2 h/piece and for  $i=2$  is 2 h/piece. How can be optimized the selling program of the store such as the profit should be maxim?

The mathematical mode built for this problem is:

$$\begin{cases} 2x_1 + 3,5x_2 \leq 140 & (1) \\ 2x_1 + 2x_2 \geq 50 & (2) \\ \{2\} \begin{cases} 10 \leq x_1 \leq 50 & (3), (4) \\ 5 \leq x_2 \leq 35 & (5), (6) \end{cases} \\ \max f = 40.000 \cdot x_1 + 20.000 \cdot x_2 & (7) \end{cases}$$

Solving the problem through geometrical method, very intuitive, is presented below:

- one can represent graphically the lines (1), (2), (3), (4), (5), (6),
- the intersection of the lines (1), (2), (3), (4), (5), (6) determines the possible solutions set given by the points coordinates inside the polygon ABCDE,
- after translating the line (7)  $f(x_1, x_2) = 0$  and intersecting it with the farthest point of the polygon it results the solutions which ensures the maximization of the profit: the point B of coordinates  $(x_{1B}, x_{2B})$ .



**Fig1. The geometrical method for solving linear programs**

ABCDE – possible solutions space; A,B,C,D,E – the vertex coordinates for the base solutions; B – the coordinates of the vertex for the maxim of the optimum function (7)

On can notice that  $x_{1B} = 50$ , and  $x_{2B}$  is obtained by intersecting the lines (1) and  $x_1 = 50$ . It implies that  $x_{2B} = 400/35 = 11,42$ . The maximum profit we have the value:

$$(\max)f = 4 \cdot 50 + 2 \cdot 11,42 = 222,84 \text{ [ron]}$$

**Application for the case  $i > 3$**

An enterprises produces four sorts of agriculture products  $i = 1, 2, 3, 4$  which need five categories of resources (prime agricol materials, material components)  $j = 1, \dots, 5$  limited as follows:  $u_1 \leq 200$  [u.m./utp],  $u_2 \leq 240$  [u.m./utp],  $u_3 \leq 150$  [u.m./utp],  $u_4 \leq 150$  [u.m./utp],  $u_5 \leq 50$  [u.m./utp]. Specific

consumptions of these resources are respectively  $a_{11} = a_{12} = a_{21} = a_{23} = a_{42} = 1$  [u.m./pcs],  $a_{13} = a_{14} = a_{22} = a_{31} = 2$  [u.m./pcs],  $a_{24} = a_{32} = a_{41} = 3$  [u.m./pcs].

Which is the optimization of the production and sell plan after the maxim criteria and benefit, knowing that the unitary benefits for the four sorts are:  $c_1 = c_3 = 2$  [u.m./pcs],  $c_2 = 4$  [u.m./pcs],  $c_4 = 3$  [u.m./pcs].

The solution of the problem assisted by the computer is presented bellow:

The production and sell optimization plan by the mathematical model is:

$$\begin{cases} x_1 + x_2 + 2x_3 + 2x_4 \leq 200 & (1) \\ x_1 + 2x_2 + x_3 + 3x_4 \leq 240 & (2) \\ 2x_1 + 3x_2 \leq 150 & (3) \\ \{3\} \begin{cases} 3x_1 + x_2 \leq 150 & (4) \\ x_3 + x_4 \leq 50 & (5) \\ x_i \geq 0; (i = 1, \dots, 4) & (6) \end{cases} \\ (\max) f = 2x_1 + 4x_2 + 2x_3 + 3x_4 & (7) \end{cases}$$

The coefficients  $a_{ji}$ ,  $u_j$ , and  $c_i$  can be expressed in a matriceal form as follows:

$$\{4\} A = \begin{bmatrix} 1 & 1 & 2 & 2 \\ 1 & 2 & 1 & 3 \\ 2 & 3 & 0 & 0 \\ 3 & 1 & 0 & 0 \\ 0 & 0 & 1 & 1 \end{bmatrix}; U = \begin{bmatrix} 200 \\ 240 \\ 150 \\ 150 \\ 50 \end{bmatrix}; C = [2 \quad 4 \quad 2 \quad 3]$$

After the data inputs and the problems solution the results are displayed which can be printed. In this case the solution is of values:  $x_1=0$  [pcs],  $x_2=50$  [pcs],  $x_3=5$  [pcs];  $x_4=45$  [pcs], and the maxim benefit has the value  $B_{\max} = 345$  [u.m./utp].

### Conclusions

For an enterprise to optimize the portofolium and the objectives in the market it should take into account as many factors as possible: demand in the market/ segment/ nice, the contracts with the customers, the restrictions due to the available resources and the performances imposed by the competitiveness.

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# ROMANIAN BUDGET POLICY IN THE CONTEXT OF THE EU INTEGRATION

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***Abstract:** The accession to EU represents a great achievement for all of us while the effective integration represents a real opportunity and a challenge on the same time. The real convergence of the country is not an automatic process and there are needed a certain number of prerequisites for securing a sustainable path in this regard. The implementation of the right mix of economic policies is crucial to safeguard the macroeconomic stability and to foster private sector development.*

*Keywords:* Budget Policy, EU Integration

## 1. INTRODUCTION

In a small country with a liberalized capital account, the budget and income policies and the continuation of the structural reforms will play a key role in attaining a low and sustainable level of inflation while on the same time creating the right infrastructure to improve the international competitiveness of the country in attracting domestic and foreign investment.

In this context we have to ask ourselves what is the right strategy for the budget policy given both the internal characteristics and needs of the country and the European institutional context and trends. We have to acknowledge that the welfare state, developed through decades in the Western Europe, and which implies a very high involvement of the government in the economy (with an average expenditure/GDP ratio around 45%) leads to a comparative disadvantage in terms of economic growth vis-à-vis other areas, with much lower expenditure/GDP ratios, such as the United States or Japan. The virtuous example of Scandinavian states, where high state intervention and social equity are combined with high efficiency and competitiveness, is unlikely to be replicated easily elsewhere in Europe, because of specific social, cultural and historical factors. Thus, our anticipation is that, sooner or later, the EU member states will have to cut down their budgets (getting to ratios of expenditure/GDP around 40%), which will allow them to gain efficiency and competitiveness on the international markets.

Our budget policy has to create sufficient fiscal space to absorb the EU grants and to pay national contribution to EU budget. Moreover, there have to be accommodated also the quasi - mandatory increases in expenditures related to human capital: education, research & development, health, environment and pensions. It must be clearly understood that, from a comparative perspective, Romania lags in these fields. Significant increases in these expenditures are necessary, if Romania is to reap the benefits of accession. From a comparative perspective, our total public expenditures are estimated at around 32-33 percent of GDP due to both lower revenue and deficit ratios. It is clear that we have to increase this ratio by a set of measures aiming at consolidating our revenue base and increasing in a cautious way our budget deficit.

The implementation of the flat tax and the improvement of the tax collection led to a positive Laffer curve effect with an estimated 1.5 percent of GDP additional revenues evident in each of the years 2005 and 2006. The continuation of the collection improvement process correlated with the sustainable enlargement of the tax base in the environment area and the improvement of the asset management of the state-owned companies, would guarantee an increasing trend of the budget revenues as percent of GDP. Moreover, the reform of the agricultural sector by increasing the efficiency through land consolidation and rural development represents an additional opportunity for budget revenues on the medium and long term.

Given the strong economic fundamentals, including the lower and diminishing trend in the public debt, strong and well-capitalized banking system and high reserve ratio, Romania could benefit from additional resources by increasing in a cautious and moderate way the budget deficit. If real convergence is the crucial macroeconomic goal, then the Romanian state cannot shy away from providing much needed public services. This should happen even in the context of the massive reduction of state involvement in Western European countries, which have a problem of global competitiveness. The implementation of cautious wage policies (in both the public sector and the state-owned enterprises) and the continuation of the structural reforms will be the key to the success of the strategy, in securing the disinflation trend and for preserving the external sustainability while on the same time investing in the infrastructure of the country, including here rural development. On the medium and long term, Romania should have a neutral budget policy and should observe the stability and growth pact requirements of a structural deficit of up to 1 percent of GDP

(given the low debt and the higher rate of potential output growth) necessary for entering in the ERM 2 and finally adopting the euro.

On the expenditure side, the main priorities should be related to the consolidation of the financing commitment of the Lisbon agenda reform process, including education, research and development, health and environment protection. The allocation of additional resources in these fields should be accompanied also by sectoral reforms required to increase the accountability and improve efficiency. In this regard, the implementation of the per-capita financing in the education sector and the continuation of the decentralization process correlated with the increase of the resources allocated to primary and preventive medicine in the health sector would be key to the success of the strategy. Moreover, the reform of the first pension pillar and the implementation of the second pillar will be crucial for ensuring long term sustainability of the public finances given the negative demographic developments.

## **2. THE BUDGET PROCESS REFORM**

The first is the impact of the technical assistance provided by the World Bank on Budget Process Reform, which has significantly influenced the preparation of the 2007 budget. The second is the presentation to the European Commission on the agreed date in April of the draft operational programmer for the EU Structural Funds for the period 2007- 2013. The third development, which relates closely to the first, is the input, analysis and inter-ministerial consultation on the reports being produced by the World Bank project consultants working in the General Secretariat of Government and the Ministry of Public Finance, and in the line ministries of Education, Environment and Water, Health and Transport. It is hoped that these initiatives and developments together with the publicity given to them in these two Evaluation Reports and in the definitive Strategic Development Plan which are published on the website of the MoPF, and the continuing work of the IMC will improve all aspects of budget management in the Romanian system. The features of the management and execution of the 2005 budget summarized in Section 4 illustrate some of the problems, with initial bids from line ministries remaining unrealistic - at over 30% higher than the amount finally allocated - and 20% of expenditure being concentrated in the last two months of the year. The quantitative performance indicators in the May 2006 evaluation will be as follows:

- No of managers having received Public Finance Management Reform Training by types of training.
- Evaluation Reports for each Public Finance Management Reform Training Session
- No of internal auditors trained indicating types of training.
- No of internal auditors with CIA or "continued professional development" qualification
- No of ministries/agencies which have assumed sole responsibility for internal financial management and control
- No of regional offices linked up to Transfond
- State of link up of Treasury Cash Management Department to Transfond.
- Evaluation reports for each PFM Reform management training session.

## **3. THE PROGRESS OF PROGRAMMER BUDGETING IN ROMANIA**

The preparation of the 2006 budget reflected the progress that has been made since the introduction of programmer budgeting in Romania which goes back to technical assistance provided for selected line ministries in 2000 and on a more limited basis in earlier years.

The First Evaluation Report drew attention to the following points:

- LM submissions and proposals for the 2006 Budget continued to be variable in quality with frequent changes in legislation and excessive legal documentation for small projects providing further complication
- Budget earmarking (e.g. 4% of GDP for Education) was not extended or increased
- Continuing reluctance or inability to fix priorities and distinguish between types of expenditure
- Continuing tendency for LMs to present inflated initial proposals knowing that they will have to accept substantial reductions.
- The concentration of 20% of expenditure in the last two months of the budget year
- The slow uptake of EU Pre-Accession funds
- The need to prepare for the increased volume of EU funds and co-financing from 2007
- The high quality of the work produced by the Managing Authority for the Community Support Framework and completion of the National Development Plan on schedule in December 2005.

- The problem of ensuring a consistent approach at all levels of government
- The problem of motivation of budget department staff in the face of higher remuneration levels for EU funding staff, PMUs and PIUs.

The second development since the First Evaluation Report has been the completion of work on the draft operational programmes for the EU Structural Funds which were sent to the European Commission by the agreed date in April. They will now be the subject of discussion with the services of the Commission.

The third development, which relates closely to the first, is the input, analysis and inter-ministerial consultation on the reports being produced by the World Bank project consultants working in the General Secretariat of Government and the Ministry of Public Finance, and in the line ministries of Education, Environment and Water, Health and Transport. These LM consultants will be discussing with the Budget Department, the PMU and other relevant departments of the LM exactly how Programme Budgeting can and should be applied in these LMs - and others. The LMs concerned will then organize, under the aegis of the Inter-Ministerial Committee for the Strategic Development Plan for Public Financial Management Reform the ongoing application of the results of the consultants' findings and recommendations within the budget preparation and execution process - as already happened with the adjustment of the instructions for the beginning of the budget preparation process. Each LM will adjust where necessary and possible its budget proposal for the 2007 budget, and discuss the adjustments - in the first instance with the MPF and subsequently in joint session with the MPF, the SGS and the four other LMs. A summary of the results of the changes in each ministry will be distributed to all LMs and public entities directly concerned by the budget, and on the MPF and other websites.

In parallel with the completion of the budget preparation process the MPF will prepare a succinct document drawing the conclusions relevant to the overall budget preparation process, issue it to all budget users and display it on the website(s), together with the timetable - adjusted as necessary - for the preparation of the 2008 budget.

It will be essential to keep all this documentation as succinct as possible, and to reinforce its impact with appropriate seminars at top management, as well as the other operational levels in each ministry/public entity. There should also be appropriate briefing of ministers. The work of the IMC-PFMR links up with the strategic planning legislation introduced by the GSG in 2005 and the policy choices which it can make possible. The IMC-PFMR has the task of ensuring that the MoPF can give a lead to LMs on resource planning and design concepts. During 2006 the World Bank programmer budgeting consultant for the MoPF, will design the concepts in more detail. The basis of the approach is that line ministries are responsible for allocating money to policies. The fact that there are obligations for expenditure in legislation does not mean that budget allocation to the line ministry must cover all such obligations as well as all the other expenditure that the line ministry is responsible for.

Choices have to be made and legislation provisions changed if necessary or other statutory obligations scaled down. Priorities have to be made within the LM's ceiling. If existing or pending legislation requires amount Y, then amount X is what remains for the LM's other obligations. Policy provisions may have to be revised. Strategic Planning must cover both policy choice and resource choice.

In order to enable Romania to make rapid progress in this area it is proposed that advantage should be taken of the existing technical assistance in program budgeting in the MoPF and in the line ministries Education, Environment and Water, Health, and Transport to provide clear-cut examples of what is required. Preparation of the 2007 Budget will follow through on the basis of the modified preliminary procedures already introduced through the TA programmer.

Between November 2006 and the end of the year the MoPF, in close collaboration with the program budgeting pilot project LM's and their consultants, will analyze the results of the changes introduced during the 2007 budget exercise, paying particular attention to the effectiveness of the modified procedures.

The MoPF will then in the light of their conclusions, finalize the timetable, instructions and requirements for the 2008 Budget exercise to be launched in January 2007. During the period November-December 2006 seminars will be organized for groups of line ministries by the MoPF and with one or more of the consultants. It should be noted that a similar exercise will need to be organized at the end of 2007 and 2008.

It will be particularly important to link up the measures outlined above with work on the National Development Plan and the preparation and management of the Operational Programmes for the Structural Funds in the period 2007-2013. The Managing Authority for the Community Support Framework together with other departments concerned with EU financing and projects will need to be closely associated with the inter-ministry consultation. In the context of Romania's integration with the European Union and the reform of the public finance management, all the efforts are now focused on strengthening the capacity of the public institutions to formulate public policies based on stated objectives, transposed into specific sectoral

programs to be financed either from national public funds or funds received from the European Union. Therefore it is necessary, as soon as early 2006, that the main spending units define and quantify those sectoral policies to be included in the budget drafts for 2007 and the projections for 2008-2010. As you are aware, the budget process starts by setting the objectives of the budget policy for the relevant time frame, relying on the identification of the priority policies and sectoral programs, the assessment of the implementation costs with a view to the correlation with the budget resource estimates on a medium term.

From this perspective, the Ministry of Public Finance launches the budget process for 2007 and the estimates for 2008-2010 as a repetitive process and calls for your participation, together with the other main spending units, in all the stages of the budget project for 2007.

Under the circumstances, it is compulsory to perform a realistic analysis of the sectoral policies so far promoted by your institution, the programs through which these policies are implemented, the execution of these programs, including the performance indicators recorded and formulation of proposals for 2007 and further 2008-2010.

## CONCLUSIONS

The construction of the public policy budgeting seeks at a management channeled towards objectives, outputs and performance, aimed at linking the three basic elements of the budget process, namely the sectoral policies, the programs/projects/actions, and the measurable objectives and budgetary resources. Therefore:

- The public policies proposed for financing from budget funds must be clearly defined, assessed and established on solid, reliable, predictable and realistic justifying elements. To this purpose, it is important that the organizational structure in your institution in charge with elaborating the annual budget draft cooperate with the Public Policy Unit established within the institution in accordance with the GD nr. 775/2005 for approving the Regulations regarding the procedures for the elaboration, monitoring and evaluation of the public policies at the central level.
- The necessity and opportunity will be analyzed for the public policies financed in the previous years to be continued and other new policies will be promoted, consistently with the commitments made by Romania in the process of integration with the European Union.
- The formulation of the public policies will take into account:
  - o The provisions in the Ruling Program and the priorities stated by the GoR;
  - o The programmatic documents regarding the integration with the European Union, including the National Development Plan for 2007-2013;
  - o The consistency with EU rules and mechanisms;
- The public policy proposals will be quantified taking into account, in a realistic manner, the available resources which can be mobilized and the objectives to be achieved.

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# THE COMMUNICATION IN MARKETING

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***Abstract:** Communication represents a system of transmission of some messages. People receives messages from persons objects or events surrounding them and process to be able to understand them, going over this process through many stages.*

*Key words: communication, marketing, advertising, resort.*

First man's spiritual tool, in the socialization process, is constituted by communication.

In any social system communication appear as an act of affirmation of individual or of the group.

Communications between humans constitute a study subject with an importance lot bigger than studying other spheres of the human behaviour.

Human / people has at their disposal communication ways so fast, slivers and persuasive, that their potential has not yet been entirely understood.

First of all, they will classify and store the received information's for a subsequent use. After that the person will pass to conceptualize the information. Once the conceptualization process finished, the person pass to represent the senses/meanings through symbols. Very important is the fact that the symbolisation is not only about words it is also behaviour, gestures, ambient environment, at everything that may have a symbolic implication.

Next stage /step refers at organization of symbols, more exactly to adapt these to social context, the arrangement and ordinate of the information in the time and space, related to the adjacent fenomens. The last step of the process is represented by operating or sending the message.

The communication term gets a scientifically value in the middle of XXth century. The preoccupations regarding the communication appeared from necessity to increase its efficiency in a variety fields, as: education, telecommunications, publicity/advertising, public relations and relations between people.

The **communication** may be definite as a process that allows the change of informations (messages) between two sides, where one of them offers and the other asks for the informations. The communication can be **personal**, when the one that offers the offerer appeals only to one person, for example in the case of personal sale or **massive, of mass**, when the tenderer appeal to an ensemble of persons, in case of advertising, for example.

They may say that, a communication process manifests when a person influence another one, that brings about a certain type of reaction from its side.

The realizing the communication process doesn't suppose, compulsory the two persons to stand one in front of the other one. Communication can be established between a seller that discuss on the phone with his client, between a seller that sends an offer to his client, a.s.o.

The communication process that manifests inside the industrial unit represent **internal communication**, and the communication process that starts from industrial unit and are pointed toward its outside carry the name of **external communication**. At it's turn, the internal communication act under two shapes, as: **formal communication** and **unformal communication**. The formal communication suppose transmission of the information between different decisional levels, inside the industrial unit, the informations been sent, usually, from one person to another, along the hierarchical lines. The unformal communication is based on social relations born inside the industrial unit, without counting the hierarchical subordination relations.

The main declared goal of the marketing being clients' satisfaction, this can be done better through communication. But, even in these conditions, in which the seller or the producer company entered in the perception field of the potential buyer, communications will not effectively take place only if the last one will listen what the seller transmits. So, if the client won't memorize, conceptualize, symbolise, organise and won't take over/assume the message received from seller on the way he desire, marketing communication's goal will not be realised anymore.

Numerous/many companies resort to activities of marketing communication at the moment they lose clients, selling are declining or the sellings are not the ones expected by the managers.

To sell the product the company has to present it to the potential consumer for these to find out about its existence and of its distinct characteristics. The companies are dawned into a complex communication system, communicating with: the distributors, consumers, own staff and with the other components of the

external environment. For this goal, the managers of the companies have to appeal to marketing communication.

Marketing communication, was, in Romania last decade, an activity that carried the stamp/fingerprint of the improvisation, intuition, lack of professionalism and of preparation, this situation been similar to the one passed by the industry of marketing communication on markets with a greater tradition, at the end of XIXth century and beginning of XXth century.

An effective communication is not possible without the availability to make efforts for consumer's communication knowledge. Understanding the consumer's behaviour, hinted by the producer or distributor companies, or public offices by their acts, is useful to establish the targets, choosing the communication means, choose of communication channels, conceiving creative strategies, evaluation of the communication campaign's effective.

Marketing communication became, in our country too, an industry of considerable dimensions. At the moment, in the world, marketing communication is an industry that realise a affair's number of hundred billiards dollar, and in Romania it got that on this market to obtain an affair's number of over one billiard dollars.

**Marketing communication represent** an ensemble of signals sent/transmitted by the company on its public's direction - clients, distributors, suppliers, shareholders, public's power establishments, own staff, in order to influence their attitude and behaviour.

May be said for certain that, for now, more and more companies are convinced of marketing communication necessity. The challenge that all the companies has to face with, even in the conditions of aware of these activity's roles/parts, is about the difficulty of conception and realise an effective communication. Effective communication is not possible without taking in consideration the structure of the communication process and of the theories communication is based on.

Understanding the communication process is not possible without taking in consideration the theories regarding the consumer's behaviour. **The main theories** explaining the consumer reaction in front of marketing communication are classified in four categories.

**Economical theories** consider that any consumer is a rational being and by its acts of buying/consuming follows to satisfy objectively needs, in the conditions of optimum allocation of available resources.

In this case, communication works after the following **scheme/draft**:

"you (the consumers) need product X... we (the transmitter) propose you the trade mark Y... that is exactly according to your needs (the promise) because it has the following characteristics (reasons or proofs sustaining the promise).

**Example:** This type of communication is used in computer's case. "One company's needs are stocking the informations and increasing their circulation speed... for this, the computer X (Pentium 4, trade mark IBM) is the most suited... because, has the following characteristics (speed operation, stocking capacity, operation's facility)".

In this situation, is been given to communication, with preponderance, the **informative function**, but the messages are not less creatively. In marketing communication's practice, to informative messages is added an imaginary dimension in which the artistically parts are ment to attract the attention of the target segments and to increase the attraction of the message.

**The stimulus-answer theories** consider the consumer as been passive and without critical spirit. To the consumer is creating favourable reflexes to the company's products, following to its repeated exposure to informations sent by this. **The determinative factor** of the effective is the frequency of the message repetition, the size of the budget earmarked allocated to communication been more important than the creative dimension of the message.

These theories are applicable in communications performed for the following categories of products:

- Products who's buying request a minimum implication from consumer's side,
- Products that need a minimal infomatization,
- Common products bought with a big/great frequency by the consumers,
- The products that has not a symbolic content and for which the psychological or psychosocial theories are unoperatively.

**The psychological or affective theories.** The efforts of the psychologist's, first of all, leded to the elaboration of some theories founded on other variables of consumer's behaviour, as\*\*\* motivations, personality and attitude.

According to these theories, buying takes place only when the pressure of the positive motivations exceeds the one exerted by the negative motivations. Communication is of **suggestive** nature and has the role to remove the negative motivations and to consolidate the positive motivations.

**The psychosocial theories** start from the principle that the people living within the frame of some groups that propose them or even impose/require them, to respect their own norms or values. This fact leads to adopting by consumers of some behaviours that imitate the other persons behaviour, allows them explanatory/specification of the social position and to evidence the adopted life style.

The communication, in this case, is of **integrative** nature, having the role to facilitate the integration of the consumer in a group or in a life style. It is recommended in the case of the following category of products:

- products whose consume is visible, and have an "ostentatious" function,
- the products with a social significance, as those submissive, to the fashion's influence, the automobiles, trips, a.s.o.
- the products positioned starting from their psychosocial function, because they can not be differentiated by technical attributes of rival/competitor products.

**Example:** An example of communication founded on these theories is the one of advertising's campaign realised for a cooling drink (Pepsi) which is presented as a drink for young, modern, dynamic, simpatic persons, a.s.o.

The activity of marketing for modern industrial unit involve a permanent communication with external environment, that suppose an attentive information of the potential consumers, specific acts of/to influence the buyer and consumer's behaviour, to support the selling process.

The most used symbols in communication are words.

Even if the transmitter and the receiver speak the same language and leave in the same country, the efficiency of communication depend on factors as education, social class, regional differences, nationality and culture.

The five senses: **sight, hearing, smell, touch and taste** - have a vital role/part in the communication process. The television, movies or video-cassettes are the most efficient instruments from mass-media category because the audience's senses - sight, hearing - are involved. Beside these, there is the attraction of movement and colours. The radio, on the other side, is based only on a single sense, the hearing. The printed press, although/even if it has the great capacity to transmit a big quantity of informtions, is based only on sight.

Any communication strategy should, if possible, include the communication ways to combine sound and image. Because of this, it's a good idea that the speakers to use graphics, scheme/draft/chart, film slides, a.s.o. Also, it means that a variety of communication instruments - news broadcast, video cassettes, informative letters, advertising panels, radio announcements, TV, a.s.o. - has to be used to communicate a message to a selected audience.

Although in communication is more emphasised the structure and transmission of the message, the entire effort is lost if the message has no effect under the audience's target.

Walt Seifert, professor of public relations, recognize that the majority of the audience - at any moment - is passive and not particularly interested on the message or on the accepting the idea.

Another specialist, Elmo Roper, maintain that people are based in taking decisions and accepting new ideas on interpersonal communication with friends and opinion leaders. That's why the messages on mass-media have a limited influence in changing the attitude and people's opinion.

All the researches made shows that the ideas and accepting them penetrate the public very slowly.

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# HARNESSING BLOGS FOR MARKETING INFORMATION: A QUANTITATIVE APPROACH TO IDENTIFY ATTITUDE TOWARD BRANDS

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**Abstract:** Starting as personal journals maintained online, blogs evolved and gradually transformed into genuine media channels. As a digital, centered version of word-of-mouth, they have become a major topic in both academic and industry. Weblogs and message boards provide online forums for discussion that record the voice of the public. Woven into this mass of discussion is a wide range of opinion and commentary about consumer products. This presents an opportunity for companies to understand and respond to the consumer by analyzing this unsolicited feedback. Given the volume, format and content of the data, the appropriate approach to understand this data is to use large-scale web and text data mining technologies. We present a system that learns to recognize emotions based on textual resources and test it on a large number of blog entries where we used human expertise to determine the attitude of the authors towards the discussion topic.

**Keywords:** blog, marketing, Internet, text analysis, information retrieval

The Internet has enabled many online forms of conversation and communication, such as e-mail, chat groups, newsgroups, message boards, and, more recently, weblogs. Some channels are private, some public, some mixed. In many areas, there is a wealth of consumer information to be gained from online public communications. For example, there are message boards devoted to a specific product, newsgroups centered on a particular make and model of motorcycle, and weblogs devoted to a new drug on the market.

A blog is a web application that contains periodic entries on a common webpage. The vast majority of blogs can be viewed as personal diaries, where bloggers write about their experiences, opinions, and emotions<sup>125</sup>. As a result, blogs provide naturally occurring windows into people's thoughts and feelings<sup>126</sup>. Both the consumer and the corporation can benefit if online consumer sentiment is attended to. The consumer has a voice to which the corporation can respond, both on the personal level and on the product design level.

The weblogging microcosmos has evolved into a distinct form, into a community of publishers. The strong sense of community amongst bloggers distinguishes weblogs from the various forms of online publications such as online journals, e-zines and newsletters that flourished in the early days of the web and from traditional media such as newspapers, magazines and television<sup>127</sup>. The use of weblogs primarily for publishing, as opposed to discussion, differentiates blogs from other online community forums, such as newsgroups and message boards. Often referred to as the blogosphere, the network of bloggers is a thriving medium, with its own internally driven dynamics.

Even in Romania this type of online community has known a significant blooming in the last couple of years. For instance, BlogSport ([www.blogsport.ro](http://www.blogsport.ro)) has over 124000 unique weekly users, each topic with an average of 300 comments, and Traffic.ro portal has over 800 registered websites under this category, attracting hundreds of thousands of visitors each week.

Thus marketing groups are becoming aware of the strong influence that highly networked bloggers can have over their readers. Even more interesting to marketers is the middle segment of bloggers who have managed to attract audiences of readers with specific interests<sup>128</sup>. For instance, in Romania the sportive community is especially active in the blogosphere, with 5 of the top 10 (including the first 3) most visited blogs following in these domain.

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<sup>126</sup> Cohn, M. A., Mehl, M. R., and Pennebaker, J. W., *Linguistic Markers of Psychological Change Surrounding*, Psychology Science Vol.15, 2001.

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Automated recognition of human emotion has long been a goal of information science, not only providing a richer understanding of cognitive processes, but also assisting in creating computers that better react to human input. Existing research on human emotion recognition has mainly looked at sources of facial expressions<sup>129</sup>, vocal intonation<sup>130</sup>, and physiological signals that vary with affective states<sup>131</sup>. Surprisingly, although language is an important way to convey emotions, little work has been conducted on detecting emotions based on the contents of verbal expressions.

Academic literature recognizes two primary approaches of automatic emotion recognition: linguistic analysis and machine learning text categorization. The linguistic analysis approach attempts to understand peoples' psychological states based on linguistic characteristics of their spoken or written expressions. Research shows it is possible to identify linguistic cues for writers' emotional states<sup>132</sup>. However, these approaches rely on the researcher's interpretations regarding linguistic representation, which may not correspond to the authors' conscious or unconscious intentions.

A second approach that can be applied is automated text categorization, which represents a type of artificial intelligence class computer programs that employ machine learning techniques to automatically learn text classifiers from examples<sup>133</sup>. In this case, for each document (blog entry), we identified, out of a set of possible emotions, the ones that most closely characterizes the document text. An inductive process, called the *learner*, observes a formerly classified set of documents (called a *training set*), and estimates the typical characteristics of classified documents. This assembly is the basis for the *classifier* program (algorithm), which in turn receives new documents (called the *test set*), and does the actual categorization. Among a large variety of machine-learning techniques for text categorization, we chose Support Vector Machines (SVMs) for our study<sup>134</sup>. Studies have shown that SVMs perform best among several machine learning methodologies using large training sets<sup>135</sup>.

For our study we used a blog called Zoso.ro (www.zoso.ro), one of the most active blogs in Romania, dedicated to everyday experiences of Romanian public (with an emphasis on their customer experience). We randomly selected 100 Zoso blog posts and downloaded their contents. About 15% of them contained no comments at all, about 10% contained only one comment, and about 20% contained over 25 comments. We have analyzed their content in order to determine their attitude towards the topic discussed, using three general categories: positive (affective), indifferent, and negative (repulsive).

We then used the *SVMLight* artificial intelligent agent (available online at svmlight.joachims.org) on these blog comments, generating a training set. The results were used by the *SVMLight classifier* to classify the test set that included a separate sample of 100 blog comments. We then compared its decisions with the actual meaning of the blog comments (established by human evaluators) in order to measure the performance of the algorithm.

Our first result provided by *SVM* is lists of words that characterize the attitudes. In Table 1, we show the ten words rated by the train *SVM* program (called a *SVM learner*) as most characteristic for our 3 states.

**Table 1. Three examples of attitudes and the words most associated with them**

	<i>Negative</i>	<i>Indifferent</i>	<i>Positive</i>
1	urat (ugly)	proiect (project)	misto (cool)
2	naspa (bad)	chestii (stuff)	intreb (ask)
3	injur (badmouth)	pasa (care)	faza (context)
4	gresit (wrong)	nimic (nothing)	curios (curious)

<sup>129</sup> Ekman, P., *Facial expressions of emotion*, American Psychologist, 48, 2004, p.384.

<sup>130</sup> Cowie, R., Douglas-Cowie, E., Tsapatsoulis, N., Votsis, G., Kollias, S., and Taylor, J. G., *Emotion Recognition in Human-Computer Interaction*, IEEE Signal Processing Magazine, Jan 2001, pg.37

<sup>131</sup> Picard, R. W., "Affective Computing". Ed. MIT Press, Cambridge, 2002.

<sup>132</sup> Cohn, M. A., Mehl, M. R., and Pennebaker, J. W., *Linguistic Markers of Psychological Change Surrounding*, Psychological Science Vol.15, No.10, 2003, pg.687.

<sup>133</sup> Joachims, T., "Learning to Classify Text using Support Vector Machines", Ed. Kluwer Academic Publishers, New York, 2002, p.4.

<sup>134</sup> Joachims, T., Text categorization with support vector machines: learning with many relevant features. Proceedings of 10th ECML-98 Conference, 1998, p.137.

<sup>135</sup> Sebastiani, F., Machine Learning in Automated Text Categorization. ACM Computer, Vol.34 (1), 2002.

5	bani (money)	gust (taste)	adevarat (true)
6	subiect (subject)	proiect (project)	interesant (interesting)
7	draci (devils)	piata (market)	problema (problem)
8	zero (zero)	public (public)	magazin (store)
9	inselati (wrong)	rol (part)	civilizat (civilized)
10	vest (west)	apa (water)	reclama (ad)

So, a blog entry categorized (by human evaluators) as positive typically includes words like cool, context or curious. As we might expect, some of these words are directly associated with positive thinking: true, interesting and civilized are all close in meaning to “positive”. However, the words ad and store indicate rather the blog main topic (advertising) than emotional and affective states. These collections of words provide insight into what words typify attitude from the point of view of the author, rather than terms predetermined by the researcher<sup>136</sup>. This list could also be of interest to other researchers looking for a rapid method to extract affective information from blog and diary entries, as well as other forms of written communication.

However, in our text analysis we have excluded common speech parts, such as articles, prepositions and pronouns. We have also ignored context specific words, such as company names or names of the bloggers.

The *SVM classifier* looked at each attitude category separately, and decided if a blog comment belongs to that attitude or not. We considered a correct decision to be the identity between the computer prediction and our human evaluation. An incorrect prediction was one where the computer and human evaluations differed. The system’s accuracy, in terms of correctly guessing an entry to be or not to be an example of a attitude, was 78%.

The results show that, to some degree, we can predict emotional states of bloggers from their writings. Affect recognition to date has often relied on classifying physiological measures such as facial expressions into a predetermined set of emotions. In contrast, our use of textual expressions emphasizes the lived experience of attitude by the writer. A key element is the harvesting and use of a very large pre-existing texts generated by many Internet users.

Our study is somehow limited by the small number of categories used in this study (this can increase in subsequent studies, but even human evaluations might be misleading when we use a large and somehow fuzzy set of attributes). Also, even recognizing group blogs and multiple blogs written by single individuals, our sample is still limited. Despite these shortcomings, we believe that the resulting dataset of attitude/word associations has significant utility for those aiming to automatically extract and analyze affective information from blogs and diaries, and potentially other informal writing such as email and newsgroups.

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# CONTROLLING ELEMENTS IN THE COMMUNICATION POLICY OF A COMPANY

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*Resume: In a permanent changing environment, characterized by intensification of competition and fast developing technologies, only those companies can survive which have the ability to adapt to these conditions. Controlling is a „helping hand“ of the management, which sets the informational basis for the management decisions and alarms the management in case of negative developments of the company. In fast developing markets, where products become more and more comparable, it is important for the companies to find a way to differentiate from their competitors. Creating a good image for a product is essential, that is why marketing communication instruments become more and more important for a company. Also the efficacy and efficiency of these instruments is essential for a company. This communication concentrates on controlling elements used in the marketing department, in the communication politics.*

*Key Words: controlling, marketing controlling, communication politics.*

## **1. Introduction**

In the business world, similar to nature, only those companies can survive and have a long term succes, which have the capability to adapt to the business environment. This statement relays on the theory „survival of the fittest“, of the socio-darwinist philosopher Herbert Spencer. Especially in the present situation, with a dynamic, permanent changing business environment and because of the intensification of competition, it is important for a company to have this capacity of adapting. The controlling department in a company, as a sub-function of the management, has the task to increase the capacity of adaptability of the company.

Controlling can be applied on a company level as well as in different departments of the company as marketing, production, human resources, financial department and others. Even though in some departments there is no controlling position, some other persons of the department can use controlling instruments in order to measure the efficacy and the efficiency of the activity. This paper deals with marketing-controlling instruments which measure the efficacy, efficiency and success of the marketing communication instruments.

## **2. The concept of controlling**

Controlling has the function to sustain the management of a company through activities of planning, information, analyze, control and coordination (Ehrmann, 2004, pg. 18.). More exactly, controlling has the task to gather information about the company and its environment in order to analyze and prepare them for the decisions of the management. Besides this, the controller by the help of a good informational system has to observe negative developments and critical aspects of the company and prevent the manager. So, one can say that the controller is responsible with the analyse and control of the data and indicators of a company.

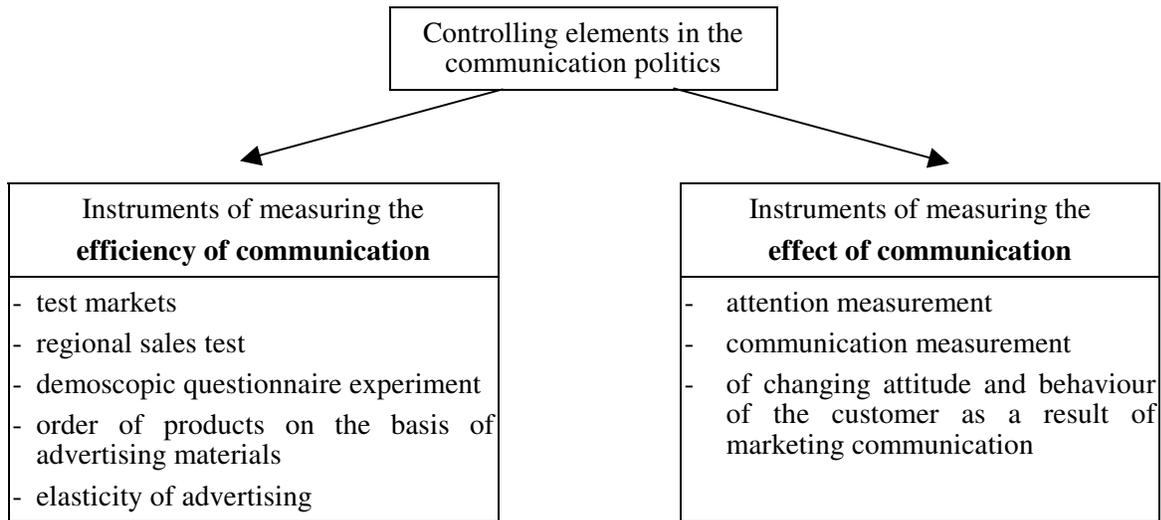
The difference between the manager and the controller is that the manager is the one who takes the decisions, while the controller has only to consult the manager and sustain these decisions with information and data (Peemöller, 1992, pg. 50.). The controller doesn't take any strategic decisions for the company, but he gathers information and prepares the informational system of the company for the decisions of the manager.

## **3. Instruments of controlling in the communication policy of a company**

### **3.1. Controlling in the communication policy**

The marketing-controller has the task to sustain the marketing manager by gathering and preparing the necessar information for the planning, the analysis, the control and the coordination of the marketing activities. So the main functions of the marketing controller are to work out controlling activities in the marketing department as well as to communicate with the other departments (Franke, Kötze, 1995, pg. 22.).

**Fig 1. Elements of controlling in the communication politics**



(Source: Adapted after: Schnapka, S.: Werbeeffizienzkontrolle, in: Zerres, M. (Hrsg.): Handbuch Marketing-Controlling, Editura Springer, Berlin, 2000, pg. 321-349.)

Some of the main elements which contribute to the succes of the marketing activities are the customers and the marketing mix. So the marketing controller has to gather information about the customers and the marketing-mix and prepare these information so that the marketing activities are optimized. There are several methods for the evaluation of customers, by which it is determined which are the „good“ customers and which are the „less good“ customers. All these evaluations are done with the purpose of improving the relationship with the customer. For all of the four politics of the marketing mix: the product politics, the price politics, the communication politics and the distribution politics, there are several controlling methods and models by which the efficacy and efficiency of the marketing activity is measured. Some of these methods are „classic“ controlling as for instance target costing, portfolio methods, benchmarking and others.

The controlling in the communication politics refers mainly to the measurement of the efficiency of marketing communication instruments and to the effect that the communication has upon the customers. Because of its complexity this kind of controlling is often made by specialized institutions. The instruments used to measure the efficiency of marketing communication focuses on measuring its influence on financial indicators of the company such as the turnover or the profit. The methods of measuring the effects of communication instruments of marketing concentrate on the impact the communication has on the customers and the perception the customer gets about the product. Examples for the controlling methods used in the communication politics of marketing can be seen in fig. 1.

**3.2. Instruments of measuring the efficiency of marketing communication**

Test markets are certain regions or offices of stores or chains, in which the reaction of customers at some certain advertising campaigns is measured, before starting a national campaign. The gathering of data is usually done with the help of a panel and the data are prepared by a specialized market research institution. When choosing a test market, one has to check if the analyzed persons or group of persons are representative for the whole group. The succes of a campaign can be measured by comparing the revenues of that company during the campaign with the revenues when there is no campaign. That’s way best suited for this method is the panel, because in this case information can be gathered from the same representative group of persons (Schnapka, 2000, pg. 321-349.). A special kind of test markets, are the electronic ones, which are mainly organized by specialized institutions as GfK or Nielsen. In this case electric equipment is introduced in order to gather data, as for instance scanner, TV cable, microcomputers and others. Sales test refers to the comparison of different isolated markets. So the sales volume of the markets in which marketing communication instruments are applied is compared with the ones, where there are no campaigns. Of course in order to obtain a representative analysis the compared markets have to have similar structures. This difference between the two results shows the efficiency of the applied communication campaign (Schnapka, 2000, pg. 321-349.).

The demoscopic questionnaire experiment determines the relationship between marketing communication and the success of a company, by comparing two groups of persons on the tested market. One of the groups is a test group, who gets in contact with the advertising materials and the other one a control group, who

doesn't get in contact with the advertising materials (Schnapka, 2000, pg. 321-349). The success is measured in three steps: the effect on the development determined by the buying degree of the control group, the effect on the turnover given by the difference between the buying degree of the test group and the control group and the relation of the turnover increase determined by marketing communication, and the total turnover (Huth, Pflaum, 1996, pg. 259.).

Another way of determining the influence of advertising and other marketing communication instruments is the survey. With the help of a questionnaire, the respondents can be asked if a certain buying behaviour was determined by advertising. This method is quite simple, but it is not very representative because the questioned persons give subjective, relative answers.

The method order of products on the basis of advertising materials is a quite easy method. On basis of the order it can be determined which type of communication type determined the buying behaviour. This method relies on several types of advertising materials such as coupons, magazine advertisements, advertising letters and others. By comparing the relation between the sent materials and the number of orders the success of the campaign can be easily determined. A problem appears, if besides the order materials there are other means of advertising. These other means of advertising, it is difficult to measure which type really determined the buy (Schnapka, 2000, pg. 321-349.).

The elasticity of advertising is determined by the relation between the relative increase of the turnover and the relative increase of advertising and marketing communication costs. In this case it can be determined how the increase or decrease of the budget allocated to marketing communication influences the success of a company (Schnapka, 2000, pg. 321-349.).

### ***3.3. Instruments of measuring the effects of marketing communication***

The methods of determining the effects of marketing communication upon the consumers are those which analyze the psychological effects on the consumers. Generally, advertising or marketing communication can have three kinds of effects on the consumer. These phases are: the attention, the communication and the change of attitude and behaviour (Schnapka, 2000, pg. 321-349.). The methods of measuring the effects of marketing communication analyses the consumer in all the three phases.

For the first phase, there is the assumption that advertising or marketing communication can influence a customer only if it attracts its attention. There are several kinds of test as the recognition test and the recall test. A special kind of test is the following of the view of a consumer. This method relies on the fact, that each consumer is attracted by a different part of one advertising material. With the help of special equipment in this method it is determined the way the view of a customer goes along a certain advertising material. So it can be determined which are the main parts of an advertising which attract the customer (Huth, Pflaum, 1996, pg. 248.).

The methods of measuring the communication concentrate on the perception of a customer about an advertising material. So it is measured if the objective of the communication campaign was reached. It is important that the message perceived by the customer should be similar to the one communicated by the company. For that reason companies organize explorative and group surveys. A specialized interviewer asks the respondents questions so that their perception about the advertised product should be outlined (Schnapka, 2000, pg. 321-349.).

The methods which measure the change of attitude and behaviour try to figure out if and how the contact with a certain communication campaign or advertising material influences the buying behaviour of the tested person. In order to measure the change of attitude and behaviour the tested persons take part on different simulations. Usually these simulations compare the behaviour of the respondents before being in contact with the advertising materials and after that moment. These kinds of methods are very complex as for instance the studio tests, the theatre tests and the laboratory simulation (Pepels, 1996; Schnapka, 2000, pg. 321-349.).

## **4. Conclusions**

By the intensification of competition and the fast technological developments, controlling has become a necessary department in the company. Until now, many controlling tasks have been done by the managers of the company, but because of the more and more difficult situation of the business environment and the increasing complexity of the processes in the company, the need of having a controlling department has become necessary. Besides the controlling department at the corporate level, it is also important to have controlling activities in the other departments of the company. In a world where „the customer is king“ it is important for a company to know, which are the good and the less good customers in order to invest in the good customers and reduce the costs with the less good customers.

The marketing mix is also an important tool for a company. That is why it is important to have controlling instruments for all the parts of the mix. As seen in this paper there are several instruments which test and measure the efficacy, the efficiency and the success of marketing communication and advertising

campaigns. This is important for knowing which campaigns should be continued or repeated and which ones to be stopped. In a situation with limited resources it is very important to know where or in what to invest and where to disinvest.

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# ÉTUDE RELATIVE À L'OFFRE DE CARTES BANCAIRES EXISTANTE SUR LE MARCHÉ

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**Abstract:** *Even if dont looking, in last years, to a explosion of cards on the bank products market, and all were us usual by now with the concepts of credit cards, debit cards, co-branded cards or others; and this because somehow or other, these cards do us the life easy or help us to feel more secure when have a such card in pocket. We try to present just several of the great number of cards present today on market, each with his features, in desire to help on who are interested, to choose the right one.*

*Mots clé: carte de crédit, carte de débit, carte cobranded, overdraft, franco.*

Sur le territoire de la Roumanie opèrent à présent approximativement 38 banques commerciales, la plupart d'elles ayant des affaires avec les cartes.

Le nombre des cartes bancaires en circulation à la fin de l'année 2006 est arrivé à 8,76 millions, en conformité avec les données centralisées par BNR<sup>137</sup>, et cette situation a généré un volume transactionnel de plus de 9 milliards euro (à part celles-ci il y a encore approximativement 600.000 cartes émises par les institutions financières non bancaires).

Parmi ces cartes, les plus répandues sont les cartes de débit, tandis que les cartes de crédit circulent en proportion d'approximativement 10%. Pourtant, ces dernières ont une tendance de développement accentuée. Dans ce sens, les émetteurs de cartes de crédit offrent des cartes à double marque (ou cobranded) en partenariat avec les magasins de retail (BRD Finance – Real, Carrefour, Praktiker, Diverta; BCR – Altex; Estima Finance – Domo; etc.). Celles-ci jouissent d'un grand succès parce que, même si l'intérêt effectif soit plus grand qu'au cas d'un crédit pour les besoins personnels, les coûts de la carte sont plus bas que ceux du crédit de consommation.

En partant de ces aspects, nous avons essayé d'analyser les offres des banques de Roumanie en ce qui concerne les cartes. L'analyse est structurée sur les cartes de débit, respectivement les cartes de crédit.

Les caractéristiques principales de l'offre émise par les joueurs les plus importants sur le marché des cartes bancaires sont présentées dans le tableau 1.1.

De l'analyse comparative des données présentées dans le tableau 1.1., on peut tirer les suivantes conclusions:

**Tableau 1.1.**

**L'offre de cartes de débit des banques roumaines**

Banque/produit	Taxe d'émission	Taxe d'administration annuelle	Interrogation du solde	Prélèvement d'espèces		Intérêt à overdraft
				ATM propre	ATM autre banque	
<b>ABN AMRO</b> Mastercard Euro	11 euro	17 euro	Franco	Non pas disponible	0,5%+0,7 euro	Non pas permis
<b>ALPHA BANK</b> Visa Clasic Euro	10 euro	15 euro	1,2 lei	0	0,5%+2,5 lei	Non pas permis
<b>BCR</b> Maestro lei	Franco	6 lei	0,2 lei	0,1 %	0,5%+2,5 lei	21%

<sup>137</sup> www.banknews.ro

Visa Clasic lei	0	6 lei	0,2 lei	0,1 %	0,5%+2,5 lei	21%
Visa clasic euro	5 euro	10 euro	0,2 lei	1,75 euro	1,75 euro	Non pas permis
<b>BANC POST</b> Visa ultra electron	Franco	Franco	0,2lei	0,2%	0,5%+2,5 lei	30%
Milenium maestro	3 lei	Franco	0,2 lei	0,2%	0,5%+2,5 lei	30%
Taifun mastercard	3 lei	Franco	0,2 lei	0,2%	0,5%+2,5 lei	30%
<b>BRD</b> Visa electron	0	7 lei	0,3 lei	0,2%	0,5%+2,5 lei	33%
Visa clasic USD	6 usd	12 usd	0.1 usd	0,5%	1%+3usd	Non pas permis
Maestro lei	5,5 lei	7 lei	Franco	0,5%	0,5%+2,5 lei	32 %
Mastercard euro	5 euro	10 euro	Franco	0,5%	1%+3euro	9,5%
<b>Raiffeisen Bank</b> Mastercard euro	10 euro	2,4 euro	0,10 euro	0,5%	0,75%+1euro	Non pas permis
Mastrecard lei	Franco	6 lei	0,2 lei	0,5%	0,5%+2,5 lei	25%
Visa clasic lei	Franco	6 lei	0,2 lei	0,5%	0,5%+2,5 lei	25%
Visa electron	Franco	6 lei	0,2 lei	0,5%	0,5%+2,5 lei	25%
<b>B.C. Carpatica</b> Maestro Partener	Franco	Franco	Franco	0,2%	0,5%+2,5 lei	25%
<b>CEC</b> Visa Electron	Franco	8,4 lei	0,30 lei	0	0,5%+2,5 lei	14%
<b>Romextera Bank</b> Maestro	Franco	6 lei	Franco	0,2 %	0,5%+2,5 lei	22%
Visa Electron	Franco	6 lei	Franco	0,2 %	0,5%+2,5 lei	22%
Mastercard	Franco	12 lei	Franco	0,2 %	0,5%+2,5 lei	22%
<b>Banca Românească</b> Visa Gold lei/usd	50 lei	75 lei	Franco	0,2 %	0,5%+2,5 lei	Non pas permis
Visa Electron	3,5 lei	1 leu	0,5 lei	0,2 %	0,5%+2,5 lei	25%
<b>Banca Transilvania</b> Visa Global	Franco	Franco	Franco	0	0,5%+2,5 lei	19%
Mastercard mondo	Franco	Franco	Franco	0.1%	0,5%+2,5 lei	Non pas permis
Maestro direct	Franco	2 euro	Franco	0	0,5%+2,5 lei	Non pas permis

- En ce qui concerne les cartes de débit en euro, nous pouvons apprécier que celles offertes par BCR, respectivement BRD, ont la taxe d'émission la plus basse et la commission d'interrogation

du solde la plus réduite ; Alpha Bank n'a pas de commission pour le prélèvement d'espèces (ATM propre); d'autre part, les cartes offertes par BRD offrent la possibilité d'overdraft;

- En ce qui concerne les cartes de débit en lei, l'analyse nous montre que la majorité des banques qui offrent de telles cartes perçoivent approximativement les mêmes commissions pour : interrogation du solde, prélèvement d'espèces ATM propre (0,2%), respectivement ATM autre banque (0,5%+2,5 lei) et taxe d'administration annuelle. En même temps, ces cartes ont un degré d'utilisation élevé tant dans notre pays, qu'à l'étranger. Cependant, parmi les banques analysées, Banca Transilvania et CEC se remarquent par le fait qu'elles ne perçoivent pas de commission au prélèvement d'espèces (ATM propre) et qu'elles ont les intérêts les plus bas à overdraft (19%, respectivement 14%).

Les cartes de crédit se différencient de celles de débit par le fait que l'institution émettrice accorde un crédit au sollicitant, dans un compte attaché à la carte, en fonction de la capacité de remboursement de celui-ci. Les cartes de crédit ont une caractéristique spécifique, c'est-à-dire : la période de grâce, qui est différente à toutes les banques, est située entre 30 et 55 jours. À la fois, le solde des comptes auxquels sont attachées les cartes de crédit permet seulement une position débitrice envers la banque.

Les conditions générales de concession de crédits au cas des cartes de crédit sont les suivantes: *Alpha Bank* - trois mois à l'endroit de travail actuel, l'âge minimum de concession – 18 ans, garantie – la cession des revenus, on prend en calcul les revenus des salaires et des pensions, les revenus des personnes ayant des professions libérales/personnes physiques autorisées, droits d'auteur, dividendes (pour les entreprises ayant une activité qui dure depuis plus de trois ans), dividendes (pour les entreprises ayant une activité qui dure depuis moins de trois ans) – 75%, loyers – 75%; *Bancpost* - demande – contrat de crédit pour l'émission de la carte, copie de l'acte d'identité, copie de la dernière facture des utilités, certificat des revenus, copie certifiée du livret de travail; *Banca Românească* - certificat de salaire émis 30 jours au maximum avant la date de la demande (original)/état de paiement des salaires (copie „conforme à l'original”, signé et cacheté par l'employeur)/la dernière feuille de salaire (original/copie „ conforme à l'original”), signée et cachetée par l'employeur, talon de pension pour le mois précédent /en cours ou extrait de compte – original/copie „conforme à l'original”, revenus des activités indépendantes et autres revenus; *BCR* - demande d'émission de la carte, copie de l'acte d'identité BI/CI, contrat de crédit pour l'émission de la carte de crédit, documents qui attestent la réalisation de revenus par le sollicitant et/ou par le mari/la femme, le cas échéant; *Raiffeisen* - acte d'identité, original et copie, pour la concession de crédit, certificat de revenus standard; *Banca Transilvania* - ancienneté dans le travail de trois mois au minimum, 18-63 ans, actes justificatifs du revenu, actes d'identité, cession des revenus, les salaires, les pensions, les rentes viagères sont acceptés à 100%; les revenus de l'agriculture à 70%, les œuvres littéraires à 90%; au cas où l'on garantit un numéraire collatéral, sa valeur doit être à 110% de la valeur du crédit accordé; *UniCredit* - l'âge minimum 18 ans, domicile stable en Roumanie; revenus des salaires, revenus des loyers, revenus des professions libérales et droits d'auteur; le revenu mensuel net minimum par famille doit être de 700 RON ou équivalent en euro.

En analysant les principales conditions de concession des crédits, on observe qu'elles ne diffèrent pas significativement d'une banque à l'autre (la majorité des banques demandent en général un certificat de salaire, une copie du livret de travail conforme à l'original, une copie de l'acte d'identité, l'ancienneté de travail de trois mois au minimum, etc.). Les différences importantes apparaissent aux taxes d'émission, aux commissions d'administration et de prélèvement d'espèces, à l'intérêt perçu, à la période de grâce, etc.

Les caractéristiques principales de l'offre des plus importants joueurs sur le marché des cartes bancaires de crédit sont présentées dans le tableau 1.2, respectivement le tableau 1.3.

**Tableau 1.2.**

**L'offre de cartes de crédit des banques roumaines**

Banque/produit	Taxe d'émission	Taxe d'administration annuelle	Somme minimale	Somme maximale	Intérêt annuel au crédit
<b>ALPHA BANK</b> Visa Credit	20 lei	25 lei	-	5000 euro (équivalent en lei)	21%
<b>BCR</b> Mastercard Lei	12,5 lei	25 lei	500 lei	5000 euro (équivalent en lei)	23%
Mastercard Gold Euro	40 euro	25 euro	2500 euro	10000 euro	10%
<b>BANC POST</b>	20 lei	40 lei	1800 lei	20000 lei	26,9%

American Express Green					
American Express Gold	75lei	360lei	9000 lei	54000 lei	24,9%
Euroline	30 lei	3 lei	205 lei	10000 lei	26,9%
<b>BRD</b> VivereMastercard	800 lei	3 lei	20000 lei	N	23%
Visa Clasic	12,5 lei	22,5 lei	N	N	30%
Mastercard Gold	20 lei	60 lei	3000 euro	10000 euro	26%
<b>Raiffeisen Bank</b> Mastercard Standard	Franco	40 lei	N	20000 lei	28%
Mastercard Gold	Franco	100 euro	N	40000 lei	28%
<b>Finansbank</b> Mastercard Gold	100 lei	240 lei	N	N	25%
Mastercard Standard	20 lei	30 lei	N	N	25%
Visa Clasic	5 lei	4 lei	N	N	30%
<b>Unicredit</b> Mastercard lei/euro	3 euro	12 euro	225 euro	3750 euro	10%euro 21% lei
Mastercard Gold Lei/euro	5 euro	42 euro	225 euro	7500 euro	10%euro 21% lei
<b>Banca Românească</b> Mastercard	25 lei	35 lei	150 euro (équiv. en lei)	5000 euro (équiv. en lei)	28%
<b>Banca Transilvania</b> Visa Gold	100 lei	200 lei	5000 euro (équiv. en lei)	10000 euro (équiv. en lei)	25%
Mastercard Forte	10 lei	10 lei	500 euro	5000 euro	25%

**Tableau 1.3.**

**L'offre de cartes de crédit des banques roumaines**

Banque/produit	Prélèvement d'espèces			Période de grâce maximale
	Étranger	ATM propre	ATM autre banque	
<b>ALPHA BANK</b> Visa Credit	1%+4 euro	0,5%	0,5%+2,5 lei	45 jours
<b>BCR</b> Mastercard Lei	3%	1 %	1%	50 jours
Mastercard Gold Euro	8%	6 %	6%	20 jours
<b>BANC POST</b> American Express Green	3,5%	2,5%	3,5%	55 jours
American Express Gold	3,5%	2,5%	3,5%	55 jours

Euroline	N	2,5% min. 9 lei	N	50 jours
<b>BRD</b> Viviere Mastercard	15 lei	2 lei	4 lei	55 jours
Visa Clasic	1%+3 usd	0,5%	0,5%+3 lei	50 jours
Mastercard Gold	1%+3 usd	0,5%	0,5%+3 lei	50 jours
<b>Raiffeisen Bank</b> Mastercard Standard	2% au minimum 3 euro	1%	1%+2,5 lei	50 jours
Mastercard Gold	2% au minimum 3 euro	1%	1%+2,5 lei	50 jours
<b>Finansbank</b> Mastercard Gold	3%	0,5%	2%+2,5 lei	30 jours
Mastercard Standard	2%	0,5%	1%+2,5 lei	40 jours
Visa Clasic	2% au minimum 3euro	0.5%	1%+2,5 lei	40 jours
<b>Unicredit</b> Mastercard lei/euro	1%+3,5 euro	1%	1%+3 euro	50 jours
<b>Banca Românească</b> Mastercard Maestro	1%+2 euro	1% min. 1 lei	1%+2,5 lei	45 jours
<b>Banca Transilvania</b> Visa Gold	2% min. 10 lei	1%	1%+2,5 lei	55 jours
Mastercard Forte	1%+2,5 euro	1%	1%+2,5 lei	55 jours

En vertu de l'analyse des informations présentées dans les tableaux 1.2 et 1.3., on peut remarquer les suivants aspects:

- La majorité des banques ont une taxe d'émission des cartes de crédit encadrée entre 12,5 et 30 lei (celles de 20 lei prédominent), Banca Transilvania ayant l'une des taxes d'émission les plus basses (10 lei);
- Au cas des commissions d'administration annuelle, les différences sont plus importantes, les plus basses commissions étant pratiquées par Banc Post (Euroline) et Finansbank (Visa Clasic);
- En ce qui concerne les intérêts pratiqués, la grande partie des banques analysées est encadrée dans l'intervalle 21-25%; parmi celles-ci, Alpha Bank (Visa Credit) et UniCredit (MasterCard) perçoivent les intérêts les plus bas;
- En ce qui concerne les commissions de prélèvement en espèces, la majorité sont de: 0,5% ou 1% (ATM propre), 1%+2,5 lei (ATM autre banque) et elles sont assez différenciées au cas des prélèvements effectués de l'étranger;
- Les cartes de crédit offertes par Banca Transilvania ont une période de grâce jusqu'à 55 jours pour les prélèvements en espèces des automates bancaires également, tandis qu'au cas des autres banques la même période de grâce est prévue seulement pour les sommes dépensées aux achats chez les commerçants. Cette période de grâce pour les prélèvements en espèces est offerte par Banc Post aussi, à travers les cartes American Express, mais dans ce cas un autre problème intervient : en Roumanie il y a peu d'automates bancaires affiliés au réseau American Express. Au cas des autres banques analysées, la période de grâce est prévue jusqu'à 50 jours.

Les cartes de crédit pour la classe moyenne peuvent être utilisées à l'étranger aussi, mais dans ce cas, tout comme pour les cartes cobranded, l'utilisateur doit faire beaucoup d'attention aux commissions de prélèvement des automates bancaires et aux commissions de paiement à l'étranger chez les commerçants<sup>138</sup>.

Nous sommes conscients des limites de notre étude, dues à l'impossibilité d'avoir accès à toutes les informations nécessaires. À la fois, à cause de la forte concurrence, de la situation du marché ou de la législation, certaines informations de l'étude, liées aux aspects présentés, pourraient être probablement périmées au moment de la publication du présent matériel. Malgré cela, nous espérons avoir réussi à présenter des aspects importants de l'offre de cartes bancaires, que chacun de nous peut valoriser.

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<sup>138</sup> Supplément La semaine financière, L'argent en mouvement. Le guide des produits bancaires et d'assurances 2006.

# KNOWING THE MOTIVATION OF BUYING – PREMISE TO CUSTOMER LOYALTY

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*The process of making loyal the customers of a company is one of the most important strategic objectives of the management of a company. Knowing the mechanism of the behavior of the customers allows the manager to allocate in an efficient way his effort towards the achievement of the attachment of customers on a long term.*

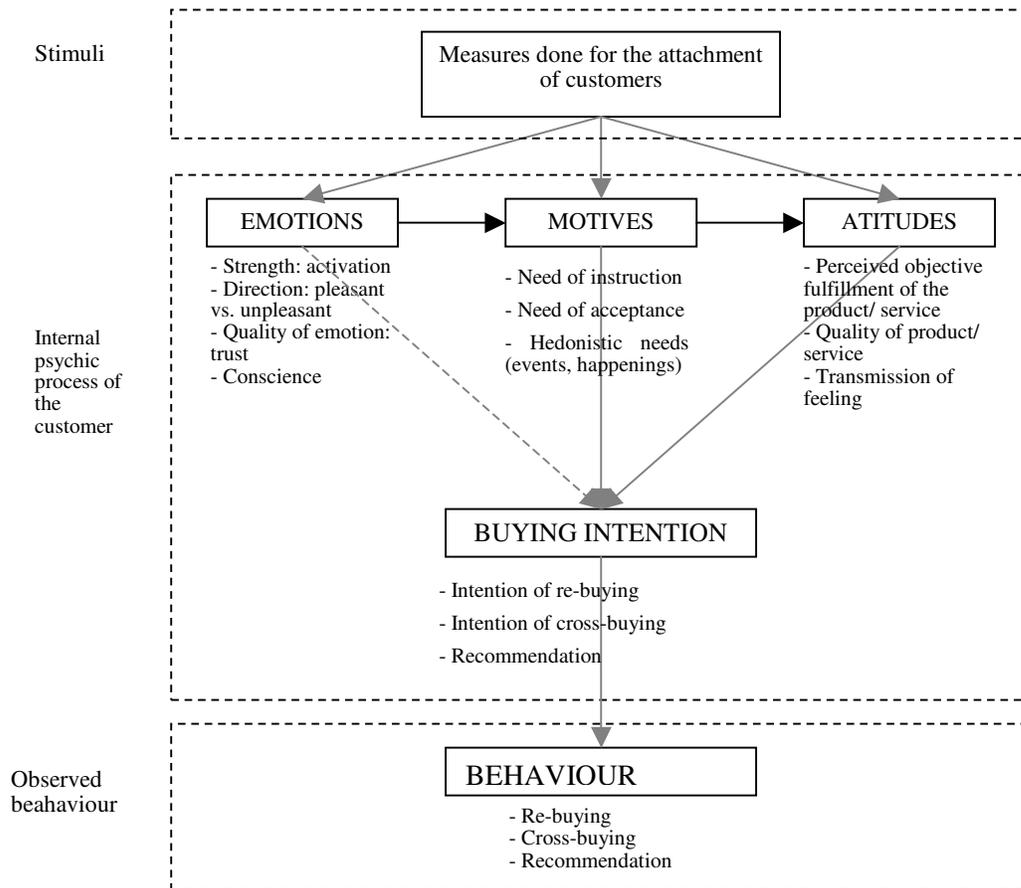
*The communication relays on the results of a market research, which has been done within the customers of the market of food-products in Bucharest and which contains the main dimensions of the buying behavior which is related to motivation. The results of the research are worked out with the help of SPSS so that there are outlined the main reasons for going shopping. The motivational mechanism is used in order to create the marketing-mix instruments used by the retail companies in the process of customer retention. There are taken in consideration many elements of the relationship marketing, in an unique perspective which forms the system of customer relationship management. The research relays on a shortly presented methodological system, in a comparative way, because it was validated on several external markets from three continents.*

*Key Words: selective market research, food products, buying/ shopping motivation, relationship marketing, customer loyalty/ retention.*

## **1. Introduction**

The study of motives and motivational process represents a real milestone of the relationship marketing. A complex cognitive as well as affective process, the motivation sustains the creation, the maintenance and the renunciation of the relations with the market subjects, which the companies try to improve by relationship marketing. Considered as an interior state which determines the organism towards the achievement of an objective [Teodorescu, N., 2003, pg. 479f.], the motivation leads to the knowledge and explanation of the attachment of clients or the loss of clients, of a company [Lendrevie, J.; Levy, J.; Lindon, D., 2003, pg. 152f.].

From the perspective of behavioural sciences, the process of attachment of customers, by making them loyal, is determined by an activation mechanism [Weinberg, T.; Terlluter, R., 2003, pg. 41-64] like emotions (global, intense, short reactions of the organism to unexpected situations), motivations (dynamic factor which determines the behaviour of a person) and attitudes (behavioural manners in given situations). The basis of the attachment is assured by the positive feelings of a client towards a certain company, which determines the first to continue its business relationship with the other one [Terllutter, R., 2006, pg. 278]. The conceptualization of the attachment of the client, from the point of view of the behavioural sciences is presented in figure 1.



**Figure 1. Conceptualization of the attachment of customers from the point of view of the behavioural theory (Source: Terlutter, R., 2006, pg. 280)**

The interaction of emotions, motives and attitudes create a certain intention, which by the behaviour of the customers, determines a long or a short term attachment of the client towards a product, a service, a trademark or a company.

## **2. The importance of buying motivation for the relationship marketing**

The process of a customer attachment to a company is nowadays one of the strategic objectives of the management of each organization [Stăncioiu, A.F.; Pop, N. Al., 2006, pg. 455-461]. The motives which lead to the buying process can create some typological structures (clusters) of customers and their capacity of attachment towards a product. The capacity of being loyal of certain clusters can create for a company the premise to retain these customers.

The creation of clusters on basis of motivational items was done with the help of multivariate analyse techniques [Cătoiu, I., 2002, pg. 533-543; Lefter, C., 2004, pg. 353-396; Someșan, C., 2002, pg. 437-534]. In this paper the cluster with the highest attachment potential will be determined.

## **3. Typologies of buying behaviour at Romanian consumers**

### **3.1. The study about the buying motivation**

The objective of this research was to determine the buying motivation of the Romanian consumers. In a permanent changing society, the buying behaviour of the consumer and their habits also change. This research analyzes the actual trends of the buying motivation and the buying habits and the reason why Romanians go shopping.

This research has been done in the parking spaces of the malls, commercial galleries and other big stores from the big cities in Romania. These locations were chosen because in the neighbourhood of the big shopping centres, potential shoppers can be found. The time frame for this study was December 2006 –

February 2007. In this period the interviewers questioned randomly chosen persons about their buying motivation. The interviews have been done with the help of a questionnaire, which contained 45 open, multiple choice and Likert-scale questions. Besides the buying motivation, there were also asked questions about demographic data. In the end 520 randomly chosen persons have been questioned about their buying motivation.

### **3.2. Factor analysis**

In order to characterize better the buying behaviour and buying motivation of the Romanians, the 35 Likert-scale questions were grouped with the help of the SPSS factor analysis in 9 main factors. With the help of these factors the main typologies of buying behaviour were characterized and analysed.

**Factor 1** describes the shopping as **pleasant relaxing spare time activity**. More and more shopping became lately a pleasant activity, what people do in their free time to relax or as a replacement of a hobby. This factor was characterized by questions like „shopping is one of the most pleasant activities I know“, „I go shopping because it relaxes me“, „I go shopping for buying me something special“, „I forget my worries when I go shopping“, „I feel well when I go shopping“.

**Factor 2** refers to **special offers**. This factor characterizes in the best way, persons who know very well their budget and who always try to get the best quality at the best price. Persons characterized by this factor agreed most with questions like „Discount shops offer me the products I want“, „I like to buy special offers“, „I like to go shopping when there are special offers“. They are also persons who take care very much about their budget by agreeing with questions like „I always compare prices“ and „I take care how much money I spent“. Another aspect which defines this factor is the difficulty of choice.

**Factor 3** is characterised by the **preference for trademarks**. Persons characterized by this factor are buying certain trademarks, with added value again and again. They are loyal customers, who are willing to pay more for certain trademarks, because these trademarks can improve their image. This factor is sustained by statements like „I prefer expensive trademarks“, „The higher the price, the better the quality“, „Good promoted trademarks are the best“, „Nice stores are the best“ and „I buy repeatedly the same trademarks“.

**Factor 4** is represented by the **quality**. Each consumers look for quality, when going shopping. One aspect which has to be taken in consideration at this factor is the subjectivity of the perception of quality. Each person has different expectations from the products, that's why quality is for each person something different. Anyway, persons who appreciate quality agree with items like „for me it is important to get good quality“, „I usually try to get the best quality“, „I make an effort to get the best quality“, „I am very attentive when trying new products“ and „I like to get the best present for somebody“.

**Factor 5** is characterized by a **constant buying behaviour**. The persons, who can be defined by this factor, buy again and again in the same stores. These are the persons who responded positively at the items „I go again and again at the same stores“, „Shopping in more stores is a waste of time“.

**Factor 6** is defined as **new buying experiences**. Persons characterized by this factor, agreed best with items like „I like to try new products“, „I like to visit new shops“. These persons are curious, but not necessarily loyal customers.

**Factor 7** refers to **socialization**. Persons characterized by this factor, are the ones who find in the shopping activity the possibility to meet other people. The lack of time may determine some persons to combine the utility with the pleasure and go shopping with relatives, friends or acquaintances. They answered positive to the questions „I like to go shopping with my family and friends“, „Going shopping improves the relationship with others“.

**Factor 8** is characterized by the **utility**. More exactly these persons are the ones who go shopping mainly to get the products they need, and for no other reason. They agreed with items like „I hurry up while going shopping“ and „I try to get what I need as soon as possible“.

**Factor 9** is defined by the **wrong decision**. Persons characterized by this factor regret the previous shopping they took. They agreed with the question „I often buy things, which I later regret“.

### **3.3. Clusters of the buying behavior**

In order to determine their target groups, companies try to divide the group of heterogeneous consumers in homogeneous segments of consumers with similar buying behaviour. With the help of the cluster analysis the shoppers of Romania were divided in five clusters with similar behaviour, depending on the nine factors described before.

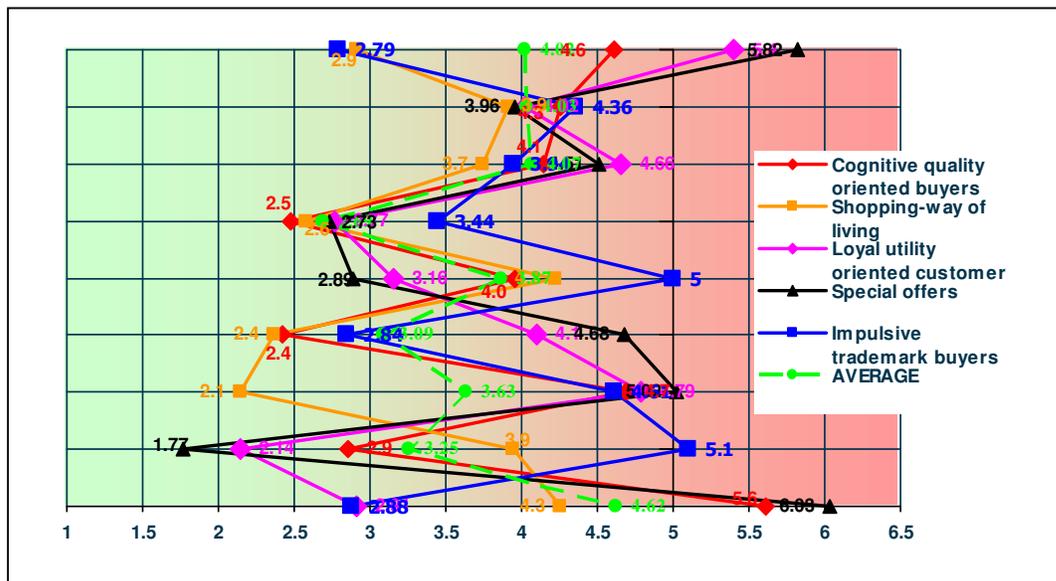


Figure 2. The characteristics of the 5 buying behaviour clusters

In **cluster 1**, there are the **cognitive quality oriented buyers**. These shoppers have as main characteristics new experiences, quality and utility orientation. This is the clusters, which appreciates quality most. Still they check attentively their utility, so that one can say that they check in the best way the relation between quality and price. They like to try new products, but they can also be loyal to some products, explained by the factor „constant buying“ on the fourth place of their priorities.

**Cluster 2** contains the consumers who see **shopping as a way of living**. The consumers of this group combine best shopping with their spare time activity. While going shopping, they appreciate most the socialization, the new experiences, the quality and the relaxing spare time activity. This is also the group, who has the highest score for shopping as socialization method and the second highest score for relaxing spare time activity. Besides this, they are the ones who appreciate most the trademarks.

**Cluster 3** is formed by persons who are **loyal utility oriented customer**. These consumers are best characterized by the factors utility, quality and constant buying behaviour. They are also seeking for the best relation between quality and price, but in comparison with the cluster cognitive quality oriented buyers, the persons from this cluster are more attentive at the utility and the prices and less at the quality. That is why the factor wrong decision has the highest score in this group. The loyalty (constant buying behaviour) is mainly explained by the price, so they go to the same shops and buy the same products because of low prices.

In **cluster 4**, there are customers who seek for **special offers**. This is the cluster who appreciates most utility and low prices. They are also characterized by the quality, constant buying and special offers. Actually the consumers try to get the best quality at low prices by running after special offers. The loyalty is also explained by the low prices. In comparison to the loyal utility oriented buyers, these consumers don't regret their decision.

**Cluster 5** is formed by the **impulsive trademark buyers**. They are best characterized by the factors new experiences, spare time activity, wrong decision and quality. From all the clusters, this is the one who appreciate most the trademarks. Similar to the cluster shopping as a way of living, these consumers also see shopping as a relaxing spare time activity, but not as much as a socialization possibility. They like to experiment new things, which they often regret afterwards.

#### 4. Conclusions

In order to retain the customers, companies have to adapt their instruments depending on the characteristics of the target group and the clusters contained by it. As seen above the loyal utility oriented buyers and the special offers buyer can be retained by the low prices. Cognitive quality oriented buyers can be attached by providing them extra utility. Consumers who have shopping as a way of living and the impulsive trademark buyers can be made loyal by offering them more attractions and experiences. By knowing the motivation of buying of its consumer, a company can create a loyalty program which corresponds to the expectations of the customer. Only an instrument which full fills the expectations of customers can be successful.

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# CUSTOMER VALUE IN RELATIONSHIP MARKETING

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*The approach by which the client is regarded as an essential company asset represents an important conceptual evolution in relationship marketing. Being the convergence point of organizational activity, the client is perceived in a constantly growing measure, not only as the bearer of demand the company seeks to satisfy, but as an asset, a measurable value needing a correct determination.*

*The present communication intends to build up a bridge between marketing and financial management. Starting from simple evaluation models it tries to focus the attention of decision makers onto procedures and instruments meant to measure the effort of gaining and retaining an important client over a specific period of time. The results of these efforts are compared with the effects by using organizational performance indicators. The proposed models are accompanied by numerical applications, thus obtaining an operational character. After presenting the concept of customer lifetime value, the communication seeks to establish its relevant phases. The goal is to identify influence factors for the importance attributed to a client by the company and the relationship between the customer lifetime value and the company's market strategy. Finally, this communication aims to establish a connection between the customer lifetime value and the value of a company. The bibliographic support is insured by an up-to-date specialty literature.*

*Key words: relationship marketing; customer value; customer lifetime value; customer equity; customer retention.*

## **1. Introduction**

Nowadays customers are considered in the scientific literature as a company asset (Lawis, 2005, pg. 230-238; Ryalds, 2005, pg. 252-261; Gupta/Lehmann, 2006, pg. 15-16). According to this point of view customers should be regarded as economical values. Such an approach would lead to a differentiated treatment towards distinctive categories of customers according with their long term level of profitability for the company (Haenlein/Kaplan/Schoder, 2006, pg. 5-20). In consequence, the marketing activity should be differentiated by the performance brought by each customer. It is obvious that such an approach is not specific to mass marketing, but only to a personalized marketing, characteristic for the relationship marketing approach (Pop, 2006, pg. 33-44).

The preoccupation for the individualized customer knowledge is given by the importance each customer has for the company. Such a preoccupation represents a domination in contemporary marketing and evolved together with the shift from market orientation to the customer orientation of organizational activities. The intensification and broadening of direct communication with customers, which evolved jointly with the evolution of the direct marketing methods and instruments, obtained in Romania too an institutionalized contour (Pop/Mihoc, 2007, pg. 59-60). The advantages given by this direct communication significantly modified the problem hierarchy economic agents are confronted with in their effort of collecting information about the market they are addressing and want to serve.

Big scale companies invest millions of Dollars or Euros for customer research, especially for determining satisfaction levels and identifying loyalization possibilities. Still some question remain: "Which is the value of a customer?"; "Is it sufficient to analyze the value of customer purchases or should the frequency taken into consideration?"; "What does the switch of a customer to the competitor really mean? What effects does it have?". Scientific literature estimates that the effort needed in order to gain a new customer implies marketing costs up to five or six times bigger than the effort needed to re-gain a customer back from the competition (Meffert, 2000, pg. 873). The value of each customer is conditioned by the loyalization over a long period of time. Thus, the management of the customer's relationship with the company becomes essential for the success on the market (Moisand, 2002, pg. 18).

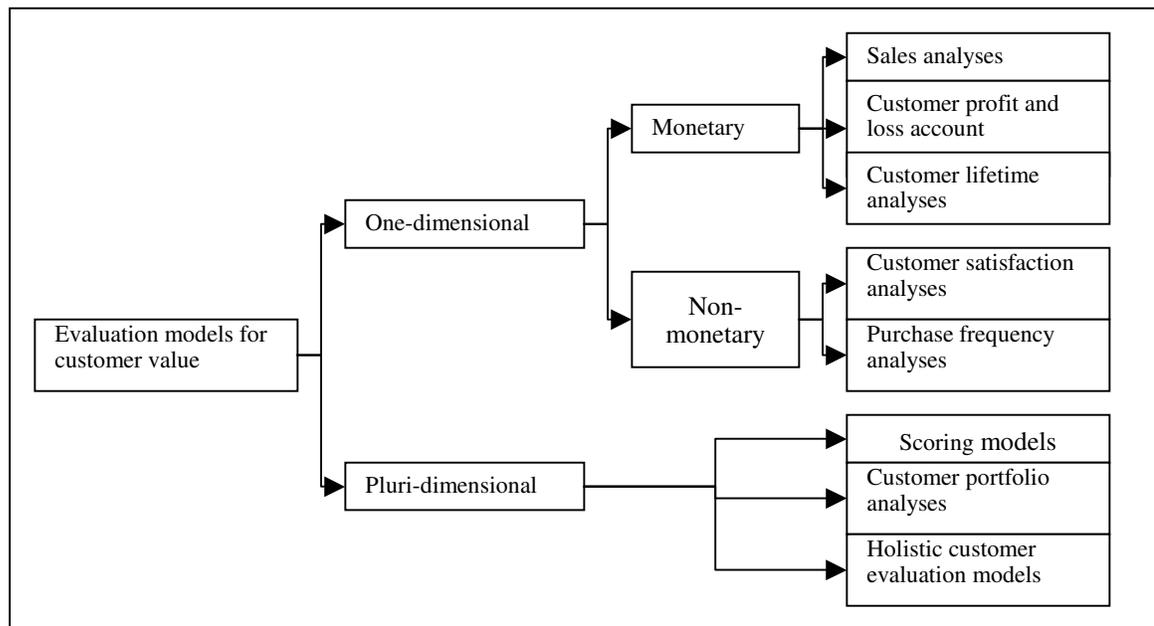
## **2. Evaluation models for customer value**

The interest on the subject of customer value is directly linked with the evolution of relationship marketing. As gaining and retaining customers becomes a vital preoccupation for companies, evaluating the attractiveness and profitability of customers becomes a must. (Eggert, 2001, pg. 42). By building up lasting relationships with customers, companies can achieve their ultimate objective: profitability. In order to

ensure overall profitability any resources invested in creating those bonds have to be linked to customer profitability (Kumar/Shah, 2004, pg. 322).

The concept of customer profitability reflects the companies' perspective on customer value. In the scientific literature customer value has a two sided meaning (Eggert, 2001, pg. 42, 46): On one hand, customer value reflects the contribution customers make to achieving the company's monetary and non-monetary goals. On the other hand, authors search for the way customers perceive the offer of companies – customer perceived value. Customers evaluate the relationship with a company and decide upon its continuity based on the perceived net utility. The focus of the present paper is the company's perspective. First an overview of the evaluation models is presented – monetary ones in particular. Further, the paper offers a specific numerical example for one of the most common models based on financial calculations.

The scientific literature comprises presentations of a large variety of evaluation models for customer value. Basically these models can be divided into two main categories (Helm/Günter, 2001, pg. 14-21; Eggert, 2001, pg. 42-46; Cornelsen, 2000, pg. 91): one-dimensional and pluri-dimensional. For the first category the models are partially analytical and focus on the determination of customer value based on one dimension regarded as the most significant one. Pluri-dimensional models try to encompass the complex contribution of different factors.



**Fig. 1: Evaluation models for customer value**

Source: Cornelsen, 2000, pg. 91.

One-dimensional models can be in turn divided into monetary and non-monetary models. The best known monetary model and the one widely used in praxis is the *ABC Card* based on the so called “80:20 Rule”: 80% of the sales are generated by only 20% of the customers (Bartl, 1992, pg. 42). Still, some of the sales producing A-customers can be on a closer look also loss creators due to their high negotiation power and the special offers they receive.

Rust et al. propose (Rust/Zeithaml/Lemon, 2001, pg. 191) propose the *Customer pyramid* with the following four levels:

- platinum customers: heavy users, less price sensitive, ready to try new products out;
- gold customers which demand sales discounts for their loyalty;
- iron customers which build up the mass of the demand but do not manifest stability and have a low profitability;
- lead customers: the costs exceed the incomes.

*Customer profit and loss accounts* imply a rigorous financial data management for each customer or group of customers. The company has to be able to identify and attribute costs and revenues to customers in order to compute the contribution surplus (cash) generated during a specific period of time (Bayon/Gutsche/Bauer, 2002, pg. 217).

*Customer lifetime value (CLV)* represents a more sophisticated monetary approach to compute not only past but also future customer profitability. It may be defined as the “measure of expected value of profit to a business derived from customer relationships from the current time to some future point of time” (Kumar/Shah, 2004, pg. 322). It is thus a forward looking metric that incorporates into one, all the elements of revenue, expense and customer behavior that drive profitability.

The CLV analysis views customer relationships as investment decisions and customers as generators of future costs and revenue streams (Stahl/Matzler/Hinterhuber, 2003, pg. 268). Accordingly, CLV follows the formula of the financial metric “Net Present Value (NPV)” and represents the sum of all future, discounted net cash flows attributed to customers.

### 3. Customer lifetime value. Computing example

Starting from the NPV approach authors have proposed different formulas for computing CLV (Bayon/Gutsche/Bauer, 2002, pg. 216; Stahl/Matzler/Hinterhuber, 2003, pg. 276; Günter/Helm, 2006, pg. 373; Pfaff/Simon, 2002, pg. 8). The differentiation comes from the effort to include in the calculations several aspects of a long term relationship: word of mouth, derived demand, retention rate or learning potential.

In the approach of Pfaff and Simon (Pfaff/Simon, 2002, pg. 8) the weight falls on the customer retention rate. This rate is used as a measure for customer loyalty and helps to defining the upper margins of a company’s investment in the relationship.

$$(1) \quad CLV_i = \left[ GC_i \times \sum_{t=0}^T \frac{r_t}{(1+r)^t} d_t \right] - \left[ M_i \times \sum_{t=0}^T \frac{r_{t-1}}{(1+r)^t} d_t \right]$$

$GC_i$  is the amount of coverage per customer  $i$ , while  $M_i$  represents the relevant acquisition and marketing costs per customer  $i$ .  $T$  stands for the planning horizon usually set between three and five years. The customer retention rate is noted with  $r$ ,  $d$  is the discount rate and  $t$  the time index.

The starting point is given by the 20.000 new customers in year 1 (Fig. 2). This example follows the evolution of this customer group over a period of two years (year 2 and year 3). The retention rate in each year shows the percentage of customers who remain loyal to the company also for the next year. For instance: 60% of the 20.000 customers from year 1 still buy in year 2, meaning that the number of customers in year 2 is 12.000. Using two different averages, orders per year and value per order, the total annual revenue may be computed.

The second part of the example addresses the costs. The direct cost for dealing with the specific number of customers is calculated as a percentage from the total revenue. An important aspect in this example is represented by the acquisition cost. The amount of money for acquiring the 20.000 initial customers must reflect all the company’s efforts in this sense and is spent only in the first year of the relationship.

The premise for each CLV calculation is a clear delimitation and determination of costs and revenues for each customer or at least a specific group of customers. While this requirement may be easily fulfilled in case of a correct and detailed accounting basis, acquisition costs are rarely directly measurable. Because accuracy is imperative for each CLV analysis, the thoroughness of using the acquisition costs in the calculations may come on the second place. Thus, if not exactly determinable, the computation should be done by excluding the acquisition costs.

	Year 1	Year 2	Year 3
Customers	20.000	12.000	7.800
Retention Rate	60%	65%	70%
Orders/year	1,8	2,6	3,6
Average Order Size	\$2.980	\$5.589	\$9.106
Total Revenue	\$107.280.000	\$174.376.800	\$244.696.480
Direct Cost	70%	65%	63%
Costs	\$75.096.000	\$113.344.920	\$161.088.782
Acquisition Cost \$630	\$12.600.000	\$0	\$0
Total Costs	\$87.696.000	\$113.344.920	\$161.088.782
Gross Profit	\$19.584.000	\$61.031.880	\$94.607.698
Discount Rate	1,13	1,81	2,53
Net Present Value Profit	\$17.330.973	\$33.719.271	\$37.394.347
Cumulative NPV Profit	\$17.330.973	\$51.050.244	\$88.444.591
CLV	\$867	\$2.553	\$4.422

**Fig. 2: Computing example for customer lifetime value**

Source: Pfaff/Simon, 2002, pg. 10.

As a difference between the total revenue and the total costs results the gross profit. In order to establish a comparison bases all profit values must be brought to the level of the first year. For this purpose a discount rate is used, which reflects an average between the annual inflation rate and interest rate for money deposits.

$$(2) \quad NPV_t = \frac{GR}{1 + r_t}$$

By using the formula (2) the NPV corresponding to each year is computed for the entire group of customers. The cumulative NPV reflects the level to which the profit amounts with each year that passes. CLV per customer is calculated by dividing the cumulative NPV to the number of customers. The rising CLV per customer for year 1 to 3 shows a growing profitability of the relationship with the group of customers in question. Consequently, the company should focus on maintaining a high retention rate, but the investment for this goal should not exceed the level of the CLV for each customer.

#### 4. Conclusion

The presented models for customer value determination are tools for companies to use in order to ensure profitability. From them all, CLV includes the most representative aspects of the customer-company relationship and also offers a time dynamic. We propose CLV as a decision making tool to locate the maximum marketing investment on a loyal customer without running the risk of spending more than the revenues.

Regardless of the approach, monetary or non-monetary, the relatively new concept of CV should be repositioned among the management preoccupations of companies. Such a repositioning imposes as a premise certain changes. First, the mentality of decision makers has to adapt to the new perspective. Second, distinctive and concrete attributions and responsibilities related to the entire mechanism of the relationship with customers have to be established.

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# CREATIVITE ET INNOVATION – DES CARACTERISTIQUES QUI DONNENT LA DEFINITION DE PRESENT POUR LE MANAGEMENT DES FIRMES

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*In the context of globalisation and with the opportunity resulted after Romania's integration within EU, for Romanian companies it arise a new challenge: competitiveness. This competitiveness could be achieved only by the innovative firms. For this each company need to explore and use its human potential in terms of research and development.*

*créativité, innovation, l'adaptation, le changement technologique, compétence*

## 1. Introduction

Le changement radical et continu est une nécessité de nos jours. C'est d'une grande importance déterminer les homes à penser créativement ainsi que l'effort déposé dans le processus d'échange avoir justification.

Voilà quelques éléments communs des problèmes concernant la créativité ainsi comme on les retrouve dans la littérature de spécialité:

- c'est la capacité potentielle de l'être humain d'établir de nouvelles relations entre les éléments connus, d'offrir de nouvelles solutions aux problèmes insolubles par d'autres modalités;
- on l'exerce dans le cadre du processus de création, en se concrétisant dans l'art, la technique, le management etc.;
- la création est tant remarquable et la créativité tant développée que les éléments entre lesquels on établit des relations est plus éloignée.

Généralement, on considère que être créatif c'est quelque chose de "donné", une sorte de talent. En commençant par la définition même du terme "innovation", on constate qu'il se concentre non seulement sur l'idée, sur la nouveauté mais aussi, sur la capacité de mettre en pratique, d'appliquer l'idée. En conclusion, être innovatrice c'est apprendre.

Dans le contexte du phénomène de la globalisation et avec les opportunités liées de l'intégration à UE pour les firmes roumaines on va mettre impérieusement le problème de la compétence. Cette compétence peut être touchée seulement par les firmes innovatrices.

D'autre côté, le changement technologique a son origine dans la recherche scientifique, et dans le développement, des activités qui répondent aux stimulants économiques. L'innovation est un processus complexe qui se déroule non seulement dans la direction de la recherche – le développement vers ceux qui les mettent en application, mais aussi comme un processus "d'apprendre par la pratique", un feed-back qui commence des pas pratiques chez les chercheurs scientifiques et des utilisateurs chez les personnes qui effectuent des projets.

On souligne, en reprenant l'idée que la réalité sociale et économique nous met dans la situation d'analyser le concept de "personne créative". Ainsi, on considère ceux qui signifie le niveau de la créativité (Combien de créatif êtes-vous?) et le style de la créativité (Dans quelle manière êtes-vous créatif? Comment se manifeste votre créativité?) (2)

On spécifie (cf. Kirton, 1989, apud 2) qu'on peut identifier deux styles préférés de la créativité: l'adaptation et l'innovation. Voilà qui sont, en synthèse, les caractéristiques qui les définissent:

**Tableau 1. *Adaptors / Innovators***

Les personnes qui s'adaptent (adaptors)	Les innovateurs (innovators)
- on préfère à faire les choses mieux; - on aspire vers des professions qui encouragent la stabilité et l'ordre (par exemple la comptabilité,	- on préfère à faire les choses autrement; - on est trouvé plutôt dans les départements comme marketing, qui sollicite l'interaction avec

la production);	les moyens en changement (qui implique l'incertitude);
- on préfère formuler les idées conformément au paradigme de la conservation du modèle, mais on est capable aussi à produire des idées spécifiques pour la modification du modèle	- on va produire plutôt des idées par la modification du modèle, mais dans des certaines circonstances, on peut produire aussi des idées par la conservation du modèle.

On ne peut pas affirmer que l'un de ceux deux styles est supérieur, l'un à l'autre. L'organisation et les groupes sont normalement composés par des personnes innovatrices mais aussi par des personnes qui s'adaptent dans des proportions variées (2).

La productions des idées conformément à la paradigme de la modification du modèle peut être réaliser par:

- l'introduction de nouveaux éléments dans le contexte d'un problème (*Extend*);
- les modifications des relations entre les éléments d'un problème (*Redesign*);
- tant que par l'introduction de nouveaux éléments dans le contexte d'un problème que par la modification des relations entre les éléments d'un problème (*Transform*);
- sans introduire de nouveaux éléments on de nouvelles relations entre les éléments d'un problème (*Refine*).

On présente, en continuation, les résultants d'une micro recherche réalisé dans le cadre d'un projet dont l'objectif général vise le développement, la stimulation du potentiel innovateur du personnel engagé dans les entreprises petites et moyennes. On mentionne que nos analyses considèrent 41 firmes représentatives pour la région Sud – Muntenia.

## 2. Méthodologie d'évaluation des suggestions de thèmes concernant le développement des compétences innovatrices au niveau des engagés de PME

On présente une variante de méthodologie que se propose l'évaluation de la capacité des firmes à développer des compétences innovatrices pour les engagés. Cette méthodologie se rend compte sur la distinction des aspects relevant et valorificables concernant la possibilité du développement des compétences innovatrices au niveau des engagés des PME (de Petites et Moyennes Entreprises).

C'est normal que la méthodologie surprendre quelques éléments importants et pour cela on a suivi spécialement:

- l'opportunité du thème;
- le caractère innovateur de l'idée;
- les coûts appréciés pour le déroulement de la suggestion, en même temps avec la distinction des sources du financement (par des propres sources ou par du financement externe) quel poids;
- le contenu objectif et, parfaitement réalisable de la stratégie d'implémenter la suggestion;
- le réalisme et la rationalité des méthodes d'innovation, proposées;
- l'existence des suggestions concrètes pour améliorer la plate-forme proposée par le programme.

L'analyse d'ensemble des suggestions peut tenez compte de plusieurs scénarios:

- considérer un petit nombre d'éléments;
- considère les aspects déjà mentionnés d'une égale importance;
- accorder des coefficients de poids différents (K) pour les éléments considéré.

À la suite d'un étude antérieur et de discussions avec les experts dans le domaine, pour l'évaluation des suggestions on considérera comme éléments vitales:

- le caractère innovateur de l'idée;
- les prix appréciés pour le déroulement de la suggestion concomitant avec la distinction des sources de financement (par de propres sources, ou par de financement externe) quelle poids le réalisme et la rationalité des methods d'innovation proposes;
- l'opportunité du thème.

Pour apprécier en ensemble, on considérera les suivantes valeurs (ces valeurs experiment aussi l'hierarchie des critères soulignés):

- le caractère innovateur de l'idée: K = 0,4;
- les prix appréciés pour le déroulement de la suggestion en même temps avec l'évidence des sources de financement (par de propres sources ou par de financement externe) quelle poids: K=0,3;
- le réalisme et la rationalité des méthodes d'innovation, proposes: K=0,2;
- l'opportunité du thème: K=0,1.

Le pointage pour chaque aspect analysé se situe entre 1 et 10, ainsi que, en ensemble du thème existe pour chaque thème un pointage cumulé situé aussi entre 1 et 10 (à l'aide de coefficients pondérés). A cet égard, on peut réaliser inclusivement une hiérarchie des suggestions. Pour faire des appréciations objectives, on considérera l'évaluation des suggestions dans les deux situations:

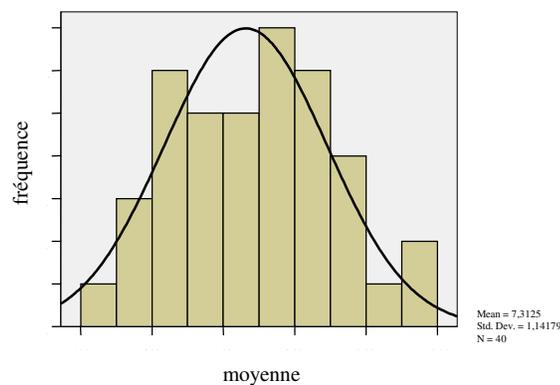
- les critères de l'évaluation ont la même importance;
- les critères ont une importance différente.

### 3. Analyse des résultants; succincte présentation

En suivant les repères méthodologiques déjà mentionnés, les projets de l'innovation proposés par les équipes d'engagés qui représentent les firmes considérées en échantillon ont été notés et la répartition des notes se présente ainsi:

C'est très utile à augmenter l'efficacité de notre présentation en admettant aussi d'autres critères d'analyse.

- La correspondance entre le domaine d'activité de la firme et le domaine d'application du projet de l'innovation;
- Les techniques et les méthodes de l'innovation présentée dans le matériel qui ont été utilisées dans l'élaboration du projet proposé.
- Le degré de l'implémentation du projet.



**Fig.1. La répartition des moyennes arithmétiques**

Ainsi, entre le 40 thèmes proposés par les membres de l'échantillon de recherche:

- 17 prouvent la correspondance entre le domaine d'innovation pris en considération et le spécifique/domaine d'activité de la firme;
- 23 équipes ont réalisé des projets qui ne se trouvent pas en relation directe avec le domaine d'activité de la firme, le centre de l'intérêt étant orienté presque exclusivement sur le domaine de l'informatisation. On présente graphiquement ce critère d'analyse (fig.2).

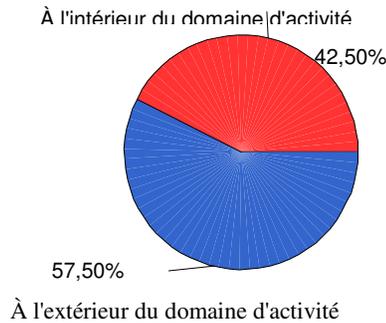


Fig.2. Le domaine d'innovation des projets

Concernant les techniques et les méthodes d'innovation, utilisées dans l'élaboration du projet d'innovation, la situation se présente ainsi:

- le brainstorming a été choisi comme méthode de stimulation de la créativité par 32 équipes;
- sur la deuxième place, comme fréquence est située la méthode 6 – 3 – 5 proposé par 10 équipes;
- la troisième place est occupée par de l'analyse SWOT, choisie par 9 équipes;
- ensuite, il y a l'analyse de système et processus (8 équipes) l'énumération des attributés (7 équipes), Phillips 6 – 6 et la méthode des chapeaux (6 équipes);
- le reste des méthodes mentionnées ont été choisies de moins de 5 équipes de travail (le raisonnement analytique, la synectique, le carnet collectives etc.).

C'est utile à souligner le fait que beaucoup d'équipes ont choisi d'autres méthodes de stimulation innovation. Il s'agit de techniques comme: l'analyse PEST, l'analyse des indicateurs, la méthode SMART, l'analyse de la valeur, des discussions de groupe, le tableau de bord.

Note: 6 équipes n'ont mentionné aucune méthode/technique de la stimulation de la créativité. En diagramme, ces critères se présente ainsi (fig.3):

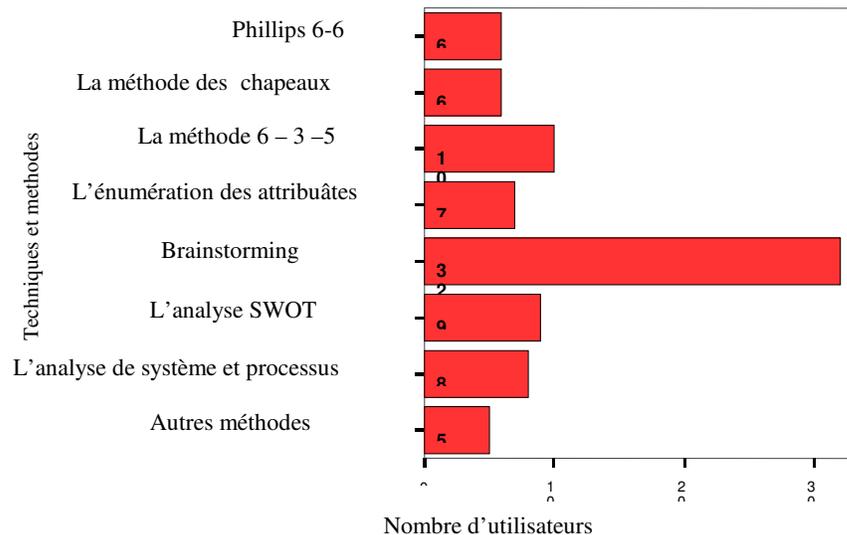
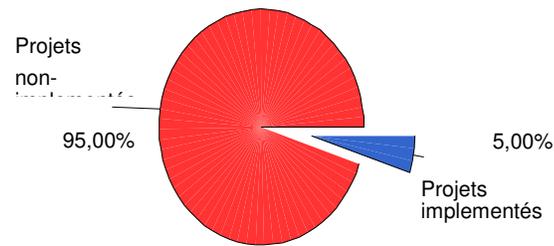


Fig. 3. Méthodes et techniques d'innovation utilisée

Concernant l'implémentation du projet, seulement 2 équipes de 40, ont accompli ce critère le este de 38, préférant tester dans le stade de projection (projet qui suivie, probablement, être implémenté). En diagramme la situation se présente ainsi:



**Fig.4. Le stade d'implémentation des projets**

#### **4. En guise de conclusion...**

Pour la société de demain, "les machines réaliseront de plus en plus les travaux à caractère de routine et les hommes - les travaux intellectuels et de création"(...). On a besoin des hommes qui peuvent se frayer un chemin par le nouveau moyen ambiant, qui doivent être préparés à identifier de nouvelles relations dans une réalité qui change rapidement" ([5], p.340).

Pour pouvoir résister aux provocations du futur, l'individu, à l'école encore doit être habitué à devancer, voir les choses en perspective, à produire des idées, être capable faire les choses *autrement*.

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## THE IDENTITY AND THE PERSONALITY – INGREDIENTS OF A SUCCESSFUL BRAND

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*Abstract: In a world in which competition is becoming increasingly fierce and the products increasingly similar, building and maintaining powerful brands ensures an important competitive advantage for the companies. A brand's power is given by its brand equity, which has two components: the value of the brand and the image features which give it relevance and differentiate it from its competitors. In order to be successful, the brand needs to possess two essential ingredients – identity and personality – developed and maintained through an intensive marketing activity. A powerful brand which possesses both identity and personality has a significant added value compared to a generic product. Thus, it will be able to better satisfy the consumers' needs and they will be willing to pay more in order to obtain it.*

*Key words: brand equity, marketing communication, brand, successful brand, brand value.*

In our days, the decisions related to brands represent an important part of the communication strategy and implicitly of the marketing strategy of any organization. Using brands is necessary due to at least two reasons: on one hand, the brand is the element which confers identity to the item it designates (this item can be a product/ service, a range of products/ services, an organization or, according to the latest trends, a place or even a country) and it has a direct contribution to the differentiation process, by creating a specific image; on the other hand, the brand fulfills a series of fundamental functions both for the consumer and for the producer and supplier.

Due to its important contribution to the achievement of superior economic results, the brand is perceived by many managers as an *intangible asset* of the organization. Even if they are not recorded in the companies' balance sheets, successful brands often have a higher value than the tangible assets. There is a serious concern for determining the value of brands, a report issued by the Interbrand company being annually published by the BusinessWeek magazine. Already at its sixth edition, the report called "Best Global Brands" identifies the first 100 international brands. The top was established according to the value of the brands, determined based on a methodology that Interbrand has been applying for 20 years, period in which more than 4000 brands have been evaluated. According to this methodology, the brand value is given by the current net value of the earnings that the brand is expected to generate and ensure during one year (for the top published in August 2006, the period taken into consideration was 1 July 2005 – 30 June 2006). Tables 1 and 2 show the first ten top international brands in 2003 and 2004, respectively 2005 and 2006.

**Table 1 – Top international brands in 2003 and 2004 (the first ten)**

Position		Brand	Brand value in 2004 (million US dollars)	Brand value in 2003 (million US dollars)
2004	2003			
1	1	COCA-COLA	67.394	70.453
2	2	MICROSOSFT	61.372	65.174
3	3	IBM	53.791	51.767
4	4	GE	44.111	42.340
5	5	INTEL	33.499	31.112
6	7	DISNEY	27.113	28.036
7	8	McDONALD'S	25.001	24.699
8	6	NOKIA	24.041	29.440
9	11	TOYOTA	22.673	20.784
10	9	MARLBORO	22.128	22.183

Source: "The 100 Top Brands", BusinessWeek, 2 August 2004

**Table 2 – Top international brands in 2005 and 2006 (the first ten)**

Position		Brand	Brand value in 2006 (million US dollars)	Brand value in 2005 (million US dollars)
2006	2005			
1	1	COCA-COLA	67.000	67.525
2	2	MICROSOFT	56.926	59.941
3	3	IBM	56.201	53.376
4	4	GE	48.907	46.996
5	5	INTEL	32.319	35.588
6	6	NOKIA	30.131	26.452
7	9	TOYOTA	27.941	24.837
8	7	DISNEY	27.848	26.441
9	8	McDONALD'S	27.501	26.014
10	11	MERCEDES-BENZ	21.795	20.006

Source: "Top 100 Global Brands", BusinessWeek, 7 August 2006

In Romania, the BusinessWeek magazine published a top in December 2006, showing the most valuable Romanian brands at the moment. The top is presented in Table 3.

**Table 3 – Top Romanian brands in 2006**

Position in 2006	Brand	Brand value in 2006 (million Euros)
1	Dacia	387.0
2	BCR	355.6
3	BRD-GSG	208.3
4	PETROM	86.4
5	SENSIBLU	82.0
6	ROMPETROL	72.5
7	CRISTIM	62.8
8	ASIROM	60.9
9	ALTEX	59.4
10	DOMO	41.4

Source: "Top 10 Romanian Brands", BusinessWeek (Romania), December 2006

The history of the way in which brands have been used in the organizational marketing activity illustrates the efforts made by the producers and merchandisers for improving and adding value to the range of tools used on the market, which have had as a result new modalities of communicating with the consumers.

Brands evolved significantly in the Middle Age after the appearance of guilds. New regulations which required the compulsory branding of products were adopted in 1236 – at Padua, as well as in 1331 – at Monza. At that time there were two types of brands: the individual brand, which made it possible for the handicraftsman to be identified within the guild, and the collective brand, which functioned as a guarantee of the quality of the product. In 1534, a new regulation was issued in France, enforcing the introduction of unique brands in order to individualize the product or service and in 1544 the State introduces the punishment for forging the brand. Also, at the beginning of the 16<sup>th</sup> century the whisky distilleries used recipients marked with a hot iron. It was thus possible to identify the producer and to protect the products against forgery. Still, it was only in the 19<sup>th</sup> century when significant regulations related to brands appeared: in 1857 a new law becomes effective in France, according to which the brand which was registered and used previously can fight against the registration of another similar or identical brand. Similar normative documents appear later in most European countries and in the United States.

Still, the importance and the role of the brand in the activity of the organizations increased starting with the second half of the 20<sup>th</sup> century, due to the disappearance of mass society and production. Research studies carried on by marketers in this period show that individual customers have a tendency to stop buying products perceived as mere objects in order to satisfy basic needs. The consumers' expectations are becoming increasingly sophisticated, and due to the image they promote, brands can also satisfy superior needs, such as the need of belonging, of acknowledgement or of self-accomplishment.

The understanding of the role of the brand in the organizational marketing activity and of the importance of the efforts that marketers should make in order to develop a successful brand must begin with an analysis of the opinions expressed by various specialists related to this issue.

Although the literature in this field presents a rather large number of brand definitions, frequent references are made to the opinion expressed by the American Marketing Association:

*“The brand is a name, term, sign, symbol or drawing, or a combination of all these elements, allowing the identification of the goods or services provided by a seller or group of sellers, as distinct from those of other sellers”.*

Since it refers exclusively to the elements which define the visual identity of the brand, we consider the AMA definition to be incomplete. It is of course in accordance with the general perception on brands, perception which is also illustrated by a series of research surveys carried on among managers. According to a research study performed by H. Davidson, managers often define brands as “names or logos used to differentiate the company's offer” or “the guaranty of a significant quality level”. Most of them focus on the visible aspect of the brand – the name or the logo, while the image features, which represent the invisible aspect, are mentioned by only a few respondents. Since the competition is becoming increasingly fierce and the products increasingly similar this omission is dangerous, as the features associated to the brand confer it an important competitive advantage.

In order to highlight this idea, Philip Kotler quotes Niall Fitzgerald, the chairman of the Unilever Corporation, in one of his books:

*“A brand is a storehouse of trust. That matters more and more as choices multiply”.*

Although it is not necessarily a real definition of the term, the opinion expressed by N. Fitzgerald is extremely valuable. The Unilever Corporation includes in its portfolio numerous successful brands, which shows that the marketers working here have understood what role a brand can play and especially what can add value to a brand in order to make it become “storehouse of trust”.

The recent marketing literature and practice have shown that the specialists are giving more and more importance to the brand image and especially to its positioning on the market. They consider that when defining the brand it is important to take into consideration the features which characterize it and make it attractive and specific. Mary Lewis states that:

*“The brand is the aura of beliefs and expectations related to the product (or service) which give it relevance and make it easy to distinguish. It is extremely powerful, as it goes beyond the physical characteristics of the product and enters the area of psychological characteristics”.*

This definition is interesting due to several reasons. First of all, the brand is defined from the consumer's perspective, which we consider to be the correct approach, as the brand value depends to a large extent on the amount of money the consumer is willing to pay in order to acquire the brand. In the second place, the author shows that the associated values offer relevance to the brand – which means they make the brand important from the consumer's point of view – and make it easy to distinguish – which means they allow the consumer to identify the brand in relation to other brands. Third, it is shown that a brand's power is given by its capacity to develop based on psychological characteristics. This last aspect is extremely important in the current context, especially on the markets characterized by a strong competition.

There are also authors who prefer to make the distinction between a brand and a successful brand. For example, L. De Chernatony and M. McDonald offer the following definition:

*“A successful brand is an identifiable product, service, person or place which benefits of such a development that the buyer or the user perceives the added values as relevant, unique and strong, his needs being thus satisfied to a larger extent.”*

Basically speaking, this opinion is not significantly different from the one expressed by Mary Lewis. But it has to be appreciated due to the fact that it shows that by investing in the development of the brand equity, the marketers create the premises for satisfying the consumers' needs to a larger extent. Since the added values are perceived by the consumers as relevant, unique and strong, the brand becomes a privileged choice which can enjoy a long-term success.

Chris Fill is another author who speaks about brands and their role in the marketing communication process. According to him, it is important to pay attention to the fact that both the managers and the consumers should get involved in the building of a brand. It is good if both parts have the capacity to differentiate the company's offer from the competitors' and to associate certain features or feelings to a brand. According to him:

*“A successful brand is the one which creates and maintains a strong, positive and long-lasting impression in the buyer's mind”.*

Here we have another reference to what a successful brand represents. The author of the definition shows that a brand's success depends on the associations it generates in the consumer's mind. Moreover, we have to mention an element which is not present in the previous definitions, namely that the successful brand benefits in the consumer's mind of a long-term image. Consequently, we cannot say about a recently launched brand or about one launched a few years ago that they are successful brands. In order to be included in this category, the brand needs time, a period in which it should confirm the consumers' expectations.

For some time now the specialty literature has been operating with a concept which synthesizes all the elements that add value to the brand and transform it in a successful brand: brand equity. According to David Aaker, brand equity represents a set of assets and liabilities connected to a brand, to its name and logo, which have the capacity to *“increase (or to decrease) the value provided by a product or service to a firm and/ or to the firm's buyers”*. These assets are grouped by Aaker in five categories: brand loyalty, brand awareness, perceived quality, features associated to the brand and other assets owned by the brand (patents, trademarks, etc.).

In order to assess the value of the brand equity two elements are taken into consideration: the financial value of the brand and the specific features which define its image.

Marketing specific communication plays an important part in the building of the brand equity. Once it is created, the brand itself becomes a powerful communication channel through its name, logo, but especially through the features which enable it to differentiate itself from the other brands and offer the consumers the possibility to better satisfy their needs.

The brand is in some respects similar to a person, as it has its own identity and personality. Its name and logo define its identity, showing who the brand is, while the set of associated values characterize its personality, showing how the brand is.

According to the specialists, the identity of the brand is *“a specific combination of visual and auditory elements”* which ensure the brand recognition and differentiation, also creating a connection between the brand and all the pieces of information related to it. The elements referred to here are generally the name and/ or the sigle – representing the verbal components of the brand, the sign or/ and the logo – representing the figurative features of the brand.

In exchange, the personality reflects the positioning of the brand, being thus based on the features seen as relevant, unique, strong and able to generate a positive long-term image in the consumer's mind and to offer him serious reasons for buying.

The identity and the personality are the ingredients which lay at the basis of the creation of the brand equity and which determine its success on the market. This is why marketers should focus on these elements when they take into consideration the launching of a new brand on the market or the repositioning of an already existing brand.

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# COMPETENCIES DEMANDED TO BUSINESS SCHOOLS GRADUATES IN POSTADHESION ROMANIA

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**Abstract.** *This article presents the results of a qualitative research conducted in several Romanian enterprises small, medium and large in size, selected as to be representative for the research topic, in order to determine the requests addressed to business schools graduates, as compared with engineering or economic engineering schools graduates, on the Romanian and German labour market. Based on the results obtained, some directions which Romanian higher education should pursue are presented, in order to increase the compatibility between the academic preparation the students – future graduates – get, and the competencies included in the success profile looked for in recruitment campaigns. In the context of Romania's adhesion to the European Union, the success factor of the business schools graduates on the labour market becomes the expression of the quality of the services provided by these higher education institutions, which have to adapt their offer to the specializations and groups of competencies required at the national level.*

*Key words: post-adhesion Romania, business school competencies, university marketing*

## 1. Introduction

Romania's adhesion to the European Union compels the universities, in general, and the economic ones, in particular, to harmonize the services they offer with the demands of the Bologna process, on the one hand, and with the demands of the internal labour market, on the other. According to Zgaga (2003) "Bologna has become a new European higher education brand, today easily recognized in governmental policies, academic activities, international organizations, networks and media". We often hear the saying: "Never mind your graduation grade, what really matters are the skills you got". This is consistent with Staudt's (1998) remark, that higher education graduates leave their schools "highly trained, but incompetent". Even though, is it enough to reduce everything to practical aspects, neglecting the volume and the quality of the notions accumulated by students/ graduates during their university studies? Romanian higher education is often criticized for its lack of adaptation, or weak adaptation to the labour market demands. Also, studies conducted by Bratianu and Lefter (2001) show that only half of the present graduates will be able to work in the domain for which they got prepared, and for which, theoretically, they have abilities.

The relevance this research topic has is perfectly legitimate, in the context of business education's continuous development in the last fifteen years, and of economic sciences faculties benefiting from a large number of candidates, as compared with the number of places they offered. Nevertheless, the distribution of the higher education institutions, whose number has enlarged significantly in the last years, due mostly to the expansion of the private universities, is not properly territorially distributed (Gafencu, 2005), which causes mismatches, as far as the local capacity and need for workforce is involved. Also, an emphasis should be placed on the fact that the Romanian business environment needs a substantial adaptation to the EU norms, adaptation which will imply more pragmatic demands regarding the work force and its business education background. This reality influences the way economic profile faculties prepare their graduates for labour market integration. The empirical data presented are based on the results obtained in a qualitative research started in 2005. Over 50 persons representing companies with Romanian, foreign, and mixed ownership interested in hiring economic studies graduates, were interviewed for this study's purposes.

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<sup>140</sup> Simon Anholt and Wally Olins (the president of the consultancy firm Saafron Brand Consultants, worldwide specialist in national and firm branding).

## 2. METHODOLOGICAL ASPECTS OF THE RESEARCH

The purpose of the qualitative research is represented by the Romanian business environment demands investigation, as far as business schools graduates are concerned, in the context of Romania's adhesion to the EU, and by the discovery of valid proposals meant to satisfy, on a medium and long term, these demands, by a proper usage of the young researchers' skills. The persons directly involved in the recruitment process were asked to fill in a questionnaire, whose objectives were:

- Exploration of the Romanian business environment and of its specific problems, in the context of Romania's adhesion to the EU;
- Identification of the desired candidate profile, from the point of view of the employing companies, comparatively, for the Romanian and German business education segment, as well as determination of the ratio *hard core* to *soft skills* competencies.

The analysis and hierarchy of the business environment demands directed towards business schools graduates, the way they are reflected in the preferences for certain competencies and abilities, were the objectives of the study. The ways to fill these demands, like, for instance, increased business and university environment cooperation, and young researchers involvement in the harmonization process, were also explored. From a methodological point of view, the qualitative research was conducted on a relatively small sample (N=28). Regardless of its size, the sample is representative, in structure, for the understanding and explaining of the studied phenomena. The sample included mainly international companies (85%), because the percentage their offers represent in the total of employment offers is significant. From the point of view of the total number of employees, 40% of the companies have 1 to 10 employees, 20% have 50 to 500 employees, and 40% have over 500 employees. For reporting correctly small companies with less than 10 employees, as compared with medium and large companies, with many employees, which organize more recruitment campaigns a year, the later were given a multiplying index equal to five, the relative weight of the companies after indexation being: 8% with 1 to ten employees, 31% with 50-500 employees, and 61% with more than 500 employees.

## 3. RESEARCH RESULTS

The most demanded economic specialized competencies, after having analyzed the entire sample, are: market research, specificity of industrial goods marketing, sales techniques, pricing and assortments policies, logistics and supply chain management, the average scores obtained on an ordinal scale from 1 to 7 being the ones listed in the below table (only the companies having obtained an average score greater than five are selectively presented):

**Table 1: The economic competencies with the highest average significance from the sample**

<b>Economic competencies</b>	<b>Average score of the sample</b>
<i>Sales</i>	5,88
<i>Project management</i>	5,36
<i>Pricing and assortments policy</i>	5,30
<i>Specificity of industrial goods marketing/ B2B</i>	5,23
<i>Market research</i>	5,16
<i>Logistics &amp; Supply chain management</i>	5,00

At first look, we see that the most demanded competencies belong to the marketing field. This is explained by the fact that, presently, companies with no matter what profile are focused on communication, attracting clients, launching new offers which meet the demands and bring sustainable competitive advantages. Hospitals, communities, political parties, sports clubs, museums, or even churches invest great, and increasing, sums of money in marketing activities, in home pages which allow for a rapid and efficient communication with customers. They also personalize their offers and include promotional gifts, because they have all learned the very basic rule of successful marketing communication: we must be in touch with our clients 24 hours a day, 7 days a week. It follows from here that the present development stage of Romanian economy can be considered a starting point for launching both short and long-term programs in the marketing field. If we analyze the entire group of competencies required to the business schools graduates we notice that, besides those specific to marketing, a visible position is reserved to primary accounting, financial elements, marketing instruments planning, balance sheet techniques, controlling, risk analysis and, in the last place, marketing strategies planning. Generally, we notice that, on labour market, economic sciences graduates are demanded to be more qualified than those graduating from engineering or

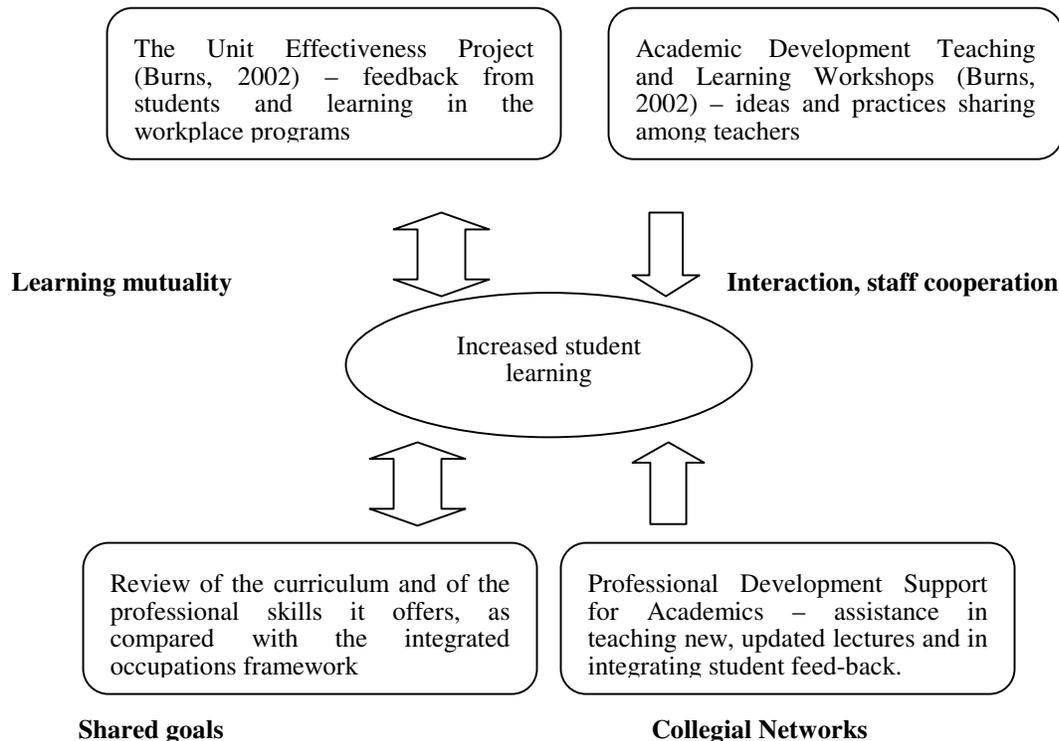
economic engineering faculties. On the other hand, many professions were assumed by other specialists from border-line domains. For instance, psychology graduates are to be met in communications and PR manager positions, or graduates from the engineering field occupy a brand manager position. This situation may be due to a low degree of compatibility between the economic curricula and the competencies which are actually looked for on the labour market and, at the individual level, to the lack of vision and reduced reactivity when it comes to seizing opportunities and benefiting from them.

The results of this research additionally show that, presently, graduates with diverse competencies are being looked for, because they may, when needed, perform the work of two or three other employees. This trend can be noticed by examining the occupational framework in Romania where, in the field of marketing and communication, we can count approximately ten professions. In Germany, for instance, in the same domain, one may identify over 111 very diverse and specialized occupations, like: economist in sports management, e-mail agent, e-marketing promoter, or fares and exhibitions specialist. Many companies pass through the investing in production and development phase, but they omit the fact that human resource must be also developed. The companies' representatives were also interviewed in connection with the *soft skills* abilities they look for at their future employees. From the list put at their disposal, all the representatives opted for the answer "communication". The authoritarian managerial style is outdated, and the companies opt, in an increasing proportion, for flattened hierarchies, where horizontal, peer-to-peer communication, in multitasking teams, ensures the efficient accomplishment of the set objectives. There follow, ordered by the importance granted to them, fluency in conversation and specialty notions mastery in a foreign language, if possible, other than English, demanded by default, aptitudes for team work, creativity and initiative. On last positions, leadership, charisma and personal magnetism are being mentioned. These last abilities are mostly demanded for top and middle manager positions, while the others constitute advantages at every level, including the entry level.

#### **4. RECOMMENDATIONS MADE TO UNIVERSITIES, AS EDUCATIONAL SERVICES SUPPLIERS**

The main discontent of both employers and graduates concerning educational services universities offer is related to the disproportion between the theoretical and practical aspects approached in the academic process (Segura, 2006). Universities, as organizations which not only teach others, but learn themselves, in their turn, should promote a student-centered educational model (Dixon, 2005), taking into account the student's educational needs, emerging, mainly, from his/her possibility of finding/ not finding a job which will suit his/ her expectations and be doable from the point of view of his/ her qualifications. This model is sketched in the figure below:

This is the first aspect, concerning revision as such. But, for making their services known on the labour market, and for helping their candidates, future students, to make the best decisions as far as their studies are concerned, and the perspective they offer, regarding the finding of a suitable workplace, universities must use marketing instruments (Vasilache, Prejmerean, 2006). University marketing is, together with hospital marketing, or cultural institutions marketing, a part of the social marketing, which has its specific instruments and limitations. On the one hand, a university's stakeholders are much more numerous than the stakeholders of a company similar in size (Neaves, 2002), which makes the objectives of the university seem rather dispersed. On the other hand, it is difficult to say what is which makes the value of a university, in terms of its quality of service. We may say, in the context of this study, following the line of Bliemel and Fassott (2001), that the services offered by a certain university are adequate, from the point of view of their quality, if its graduates can work, easily, in the domain they have prepared themselves for. We can, then, ignore, the vicious circle which is formed, in fact, a circle of mutual influences. The university uses the statistics proving the labour market integration success of its graduates, and this image capital contributes to a shift in the attitude of the employers, which become more open towards potential employees coming from the same university. This trust capital which is, thus, formed, gives an informal depth to a diploma, otherwise, rather stereotypic.



**Figure 1. The student-centered learning approach** (Adapted from Dixton, 2005)

Universities may diversify their relations with the business environment, by surpassing the binary dependency supplier-beneficiary, by technological transfer, by adopting an entrepreneurial behaviour (Clark, 1998), by which they can contribute to new technologies development and to an increased flexibility of the occupational framework, promoting a perspective which includes clients, others than traditional ones: adults coming back to university, either to resume their studies, interrupted for various reasons, or to start them anew, specialists having a diploma in a domain, which want to qualify in a complementary field, unemployed persons, etc. University infrastructure (for distance learning, online master programs, etc.) has to be adapted to these diverse demands, in order to assure to universities their competitive advantage in a labour force market which has grown, at least for the economic domain, into a pretentious and capricious lady.

## 5. Conclusions

Although the Romanian business environment demands concerning business schools graduates vary from one company to another, some common denominators can be identified, and these may be used by the universities when they analyze their curricula and the standards they have to accomplish by their syllabuses. A permanent dialogue between universities and business environment may provide a key to a better preparation of the graduates for the demands of their future workplace. Among the ways of enhancing the cooperation universities-business environment we mention case studies elaborated in common, solving some particular problems of an enterprise in applicative seminars, practical stages, empirical research projects elaborated by teams of academics and students for the company's benefit, students projects of enterprise documentation, etc. Universities can't properly adapt their educational offer but by making this documentation effort in place, by practicing a proper relationship management with their partners in the industry. In the new paradigm shaped by the passage to the free-market economy, from the university of culture to the university of performance (Readings, 1996), universities should keep in mind that these industry partners are not only their beneficiaries, indirectly, but also the ones to judge and appreciate their performances, and the ones entitled to demand their adaptation, the way the labour market tells.

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# THE MANAGEMENT OF THE MARKETING SECTIONS WITHIN THE FIRMS SELLING OIL PRODUCTS

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*When the problems related to marketing strategy and tactics within a firm selling oil products have been solved, the administrative aspects can be taken into consideration, with the view of organizing, implementing and controlling the marketing activity. This paper represents an attempt to answer the following questions:*

*What are the tendencies that become obvious in the organization of the firms selling oil products?*

*How are the marketing and the selling activities organized within the firm mentioned above?*

*What sort of relationships can be identified between the Marketing Section and other key structures within the firm?*

*What stages should the management of the firm follow in order to sell the oil products, and shift to a market-oriented selling policy?*

*How can the firm selling oil products improve the implementation of its marketing activity?*

*During their evolution, the Romanian firms selling oil products have not demonstrated obvious tendencies to improve the marketing activities. However, in the last decades, after the shift towards a market economy in our country, the firms mentioned above can hope for a more complex organization of their marketing activities, that should overcome the interest in a simple function related to the selling activity and evolve towards a more complex set of activities, although these might not always be properly integrated.*

*“the successful adaptation to changes that occurs on the oil products business and consumption markets”*

*“in order to benefit from a modern marketing section, the firm selling oil-products has gone through different stages in its evolution”*

*“all the forms of organizing the marketing activity should be adapted to the four dimensions of the marketing activity: functions, geographic locations, products and markets”*

*“the relationships between the services and the sections within a firm selling oil-products are often marked by mistrust and deep-seated rivalry products”*

## **Introduction**

When, in the case of a firm selling oil products, the strategy and the tactics problems have been solved, the following step is to solve some administrative problems with the view of organizing, implementing and controlling the marketing activity. This paper represents an attempt to answer the following questions:

What are the tendencies that become obvious in the organization of firms selling oil products?

- How are the marketing and the selling activities organized within the firm selling oil products?
- Which are the relationships between the marketing Department and the other key-functions of the firm’s activity?
- What are the steps that the management of the firm selling oil products should follow in order to obtain a serious orientation towards the market (client)?
- How might a firm selling oil products improve the implementation of its marketing?

In the course of its evolution, the firms selling oil products in Romania didn’t indicate a special development of their marketing activity. However, in the recent period, after the shift towards the market economy, such firms can hope for an organization of the marketing activity that should shift from a simple function connected to the selling activity to a complex series of activities, which might not always be appropriately integrated.

## **Chap.1. The organization of the firm selling oil products**

The firm selling oil products needs new concepts referring to the way it should organize its activity in general, and its marketing functions in particular, in order to be successfully adapted to the changes within the business and the consumption markets.

The developments in the field of computing and telecommunication, the impressive development of competition, the continuous growth of the customers' requirements in terms of oil products and l.p.g charges, efficiency and the clients' satisfaction in that domain; the increased importance of the services provided by the firm selling oil products after the selling of its products, as well as many other aspects, should determine the management of the firm to reconsider the way it organizes its own activities.

The firm selling oil products can be re-organized in terms of several general principles related to the market economy. For instance, it can focus more extensively upon the activity and its basic functions, more exactly upon the storage and the selling of the oil products, and of the l.o.g. charges: it can extend the range of its activities with the selling of products and services completely different from its basic activity. However, in that situation, although the above-mentioned activities might be profitable, the absence of the qualified personnel and of the required knowledge in the field might create problems in relation to the existing competitors. Although the expansion of an already functional business activity could be successful, the diversification of commercial activities (hotels, restaurants), might be less efficient.

A smaller firm can extend its own network of distribution for the oil products, and its other activities, by allowing its managers more freedom of action and encouraging them to come up with new ideas and assume certain risks.

The firm can reduce its dimensions and organization so that the persons with decision power can be in a more direct contact with the customers, by reducing the number of levels within its organization. The superior managers should be closer to the firm's customers in order to understand their needs as far as the oil products, the l.p.g charges, the additional products and activities are concerned, which are changing constantly. A specific way of action in this respect would be the direct contact of all managers with the actual activities of the firm. However, a firm that benefits from a good managerial team should not be organized on more than four hierarchical levels. A consequence of such a stratification would be the fact that each manager should lead a larger number of people. In such a situation the managers should instruct more and more employees, so that the latter can become leaders in their own sections.

The presence of a hierarchy among the managers causes the appearance of modern communication networks, through the use of computers, the electronic mail and fax machines, which facilitate the communication among employees, the economic agents, and the collaborating institutions, etc. The head managers should encourage the team work and the work focused on the basic activities of the firm, trying to overcome the barriers that exist between different sections of the company. Starting from the ideas mentioned above, we shall analyze the way in which the Marketing Section can be organized in the case of a firm selling oil products.

## **Chap.2. The organization of the marketing activity within the firm selling oil products**

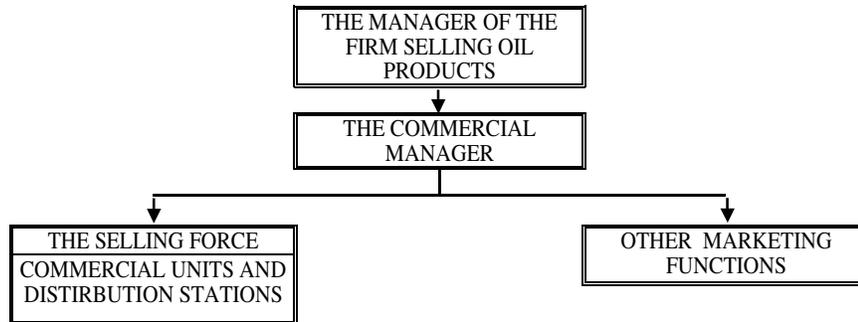
In the course of its evolution, the firm selling oil products has not witness a real evolution in its marketing activity. In the last decades, after the shift to the market economy, the firm selling oil products can hope for a re-organization of its marketing activities, which should evolve from simple functions related to the selling to a complex series of activities, which might not always be well integrated and related to the other activities of the firm. There might be some problematic aspects in the relationships between the marketing managers, who work at the firm's headquarters, and the sales agents (who work in the commercial units, distribution stations, fixed centers) and the personnel employed for the selling of the l.p.g charges: in terms of the future of the management for the selling of oil products, l.p.g. charges, and additional products; the need for a marketing manager, who should co-ordinate the whole marketing activity: the relationships between the Marketing Section and the buying of oil products meant for re-selling, the financial/book-keeping, the technical-investments and the human resources sections. In order to understand all these aspects, we shall discuss the way in which the Marketing Section has evolved within the firm selling oil products, the means whereby it can be organized, and its relationships with other departments.

### ***2.1. The evolution of the marketing department within the firm selling oil-products***

In order to develop a modern marketing department, the firm selling oil-products has gone through, and should go through a series of different stages in the course of its evolution.

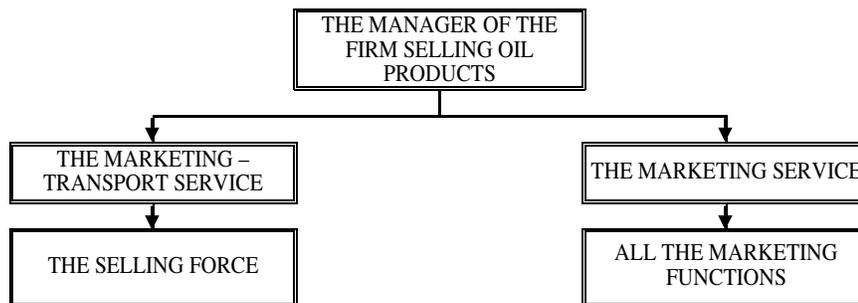
**THE SALES DEPARTMENT.** All the firms selling oil products started their activity long ago in the past, and were able to make use of several simple functions. A person was in charge of administrating the (socialist) capital, within the financial/book-keeping department, while others were responsible with hiring the personnel (the staff department), or the buying and the selling the oil products (the sales department).

The commercial processes, or the supplying and selling of oil and liquefied oil-gas products was directed by the commercial manager, who used to co-ordinate the commercial units. The latter was also responsible with the marketing research, or the advertising activities.



**Fig.1.**

THE SPECIALISED MARKETING DEPARTMENT. The constant development of the firm selling oil products, in relation to the principles of the market economy, brings about an enhancement of the potential of the vested interests made with the view of performing other marketing activities – marketing research; the buying, with marketing purposes, of new oil products, packing for the liquefied oil gas products (l.o.g), additional products, etc; advertising that is meant to promote selling opportunities; services offered to customers – connected to the activity of the selling force (the commercial service). For all that, the commercial manager continues to dedicate a disproportionate amount of time and material resources to the selling force. The Marketing Service generally asks for more and more resources, but it usually receives less than it actually needs. As a consequence, due to certain frustrations, the heads of the marketing service give up or resign. Eventually, the manager becomes aware of the advantages provided by a separate marketing service.



**Fig.2.**

The Marketing Service will be subordinated, together with the marketing-transport department, to the manager of the firm selling oil products. During this stage, the selling processes (the marketing-transport department) and the marketing (the marketing service) are separate functional departments (services) within the firm, and they are expected to co-operate closely.

This way of organization allows the manager to have a more balanced perspective in terms of the opportunities and the problems he or she is confronted with. Let's assume that the sales of l.p.g. decrease and the manager asks the head of the marketing service to find solutions in order to solve this problem. The head of the sales department might suggest the hiring of more sales agents, a longer period of training for sales agents or a decrease in the price of the l.p.g. charges, so that these become easier to be sold. The manager would ask the head of the Marketing Service for solutions. The latter might be less willing to provide instant solutions, in terms of prices or the selling force. He or she would probably analyze the problem from a larger perspective, taking into consideration the customer's point of view as well. He might ask himself/herself whether the agent's target customers are the right ones for the selling of the l.p.g. charges. He/she would also consider the customer's perception of the firm selling oil products and l.p.g. charges, in relation to the competitive firms and their l.p.g. charges. Is there any modification in terms of the l.p.g. charges' qualitative and quantitative characteristics, or in terms of the commercial aspect of the

gas cylinders, the means of transport to the customers' houses (and the connection to the latter's cooking machines), the checking of the provided installations, and other forms of promotion that are justified? Generally speaking, the understanding of the problem requires more effort than the attempt to solve it through the mere encouragement of the selling activity.

**THE MODERN MARKETING DEPARTMENT.** Although the head of the Marketing Department and the head of the sales department would ideally cooperate in a harmonious way, the relationships between them are generally marked by tension and distrust. The head of the sales department looks down upon the efforts that are being made in order to diminish the selling force within the marketing mix, and the head of the Marketing Service attempts to obtain a higher budget, directed towards activities in which the selling force is not involved. The head of the sales department is more concerned with solutions for short-term objectives, and to obtain current sales. The head of the Marketing Service is more interested in solving the long-term objectives and the plans to buy oil products, l.p.g. charges and appropriate alternative products and the setting of efficient marketing strategies, so that the needs of the customers might be satisfied on a long-term basis.

The specialists in marketing may be considered the lucky ones among the persons who activate in the oil products business. They should not be identified with the sales agents for oil products, although most of them come from that selling sector. The promotion of a sales agent into a leading position does not turn him or her into a specialist in marketing. There is a considerable difference between the abilities required for these two professions.

From a technical point of view, the task of the marketing leader is to identify the market opportunities for oil products, l.p.g. charges and alternative products, and to develop strategies and marketing plans for the orientation of the oil products, the l.p.g. charges, and the complementary products, so that those favorable occasions would be valued as much as possible. The sales agents are responsible with the implementation of these programs and strategies. There are two types of problems that might appear: if the specialist in marketing does not collaborate with the sales agent when the opportunities to launch new products on the market appear (for instance the EuroPremium oil, the EuroDiesel oil, the l.p.g. charges in guarded recipients, or the STP additive), or in relation to the efficiency of a marketing plan for a certain market (such as the diesel oil market), it is highly possible that the respective products will not sale or the respective plan will not be applied. Or, in the situation in which, after the implementation of the plan, the specialist in marketing does not take into consideration the opinions of the sales agents and does not use the information they can provide in relation to the actual implementation conditions for the respective plan (as it would be the case of the marketing plan in the field of transport for people), and the problems that might appear together with the implementation of the plan, then the specialist might not be able to correct or improve the plan, with the purpose of working with a maximum of efficiency.

The specialists in the field of marketing might have different ideas in relation to the selling of oil, complementary products and the l.p.g. charges.

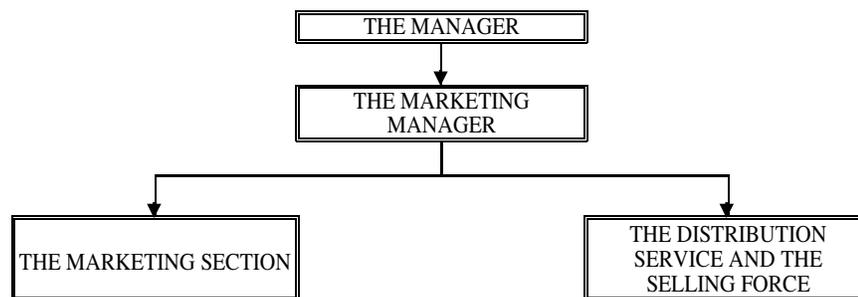
<b>THE MARKETING SPECIALISTS</b>	<b><i>THE SALES AGENTS</i> OIL PRODUCTS</b>
They rely on the marketing research concerning the problems, or the opportunities, that characterize the oil products market	They rely on their practical experience, acquired while working within commercial units, distribution sections, fixed centres, etc.
They try to identify, understand, evaluate and choose the market sections	They try to understand each customer who wants to buy oil products, l.o.g charges, or additional products
They dedicate a lot of time to the planning of the marketing strategies	They spend their time selling in the commercial units, distribution sections, etc.
They focus on the long-term strategies	They have a short-term strategy
They try to obtain profits and dominate a larger section of the market	Their purpose is to sell as much as possible

**Fig.3.**

Each of these persons has a certain opinion in relation to the others. The specialist in the marketing field believes that the sales agents have a series of positive qualities (they are concerned with solving the customers' problems, possess communication skills) but also have some drawbacks: they focus upon short-term objectives and are not very good strategists and analysts. The sales agents also think that the marketing strategists have some qualities (they are good professionals and are oriented towards the analysis of information) but also some drawbacks (they do not have too much experience, they are not very practical or ready to accept risks, and their intuition may be sometimes wrong).

The firm selling oil products should not ignore the above-mentioned differences when it aims to promote a very valuable manager coming from the sales department in a leading position within the Marketing Service. The commercial managers do not like the planning and the marketing research, preferring the direct contact with the customers. In such a situation, the firm might have an erroneous belief that its marketing activity is directed by a specialist in marketing.

The main objective of the firm selling oil products is that of encouraging relationships based upon respect and mutual understanding between the two departments, so that their collaboration might result into exceptional outcomes. If, however, there are too many disagreements between the marketing and the sales department, the manager has several alternatives: to relegate the marketing activity to the commercial manager, to find a solution to the existing conflicts, or to establish the position of marketing manager, that would co-ordinate both sectors, including the selling force. This last solution stands at the basis of a modern marketing activity, that is led by a marketing manager, having in his or her subordination the Marketing Service and the sales department.



**Fig.4.**

THE FIRM SELLING OIL PRODUCTS, IS ORGANISED IN ACCORDANCE WITH THE PRINCIPLES OF THE MODERN MARKETING: Although the firm might have a modern marketing service, this might not function as a modern one. Everything depends on the managers' perception of the function of the marketing. If the managers believe that marketing processes are identical with the selling activities, they are wrong. If they think that the Marketing Service represents "an application of the marketing principles", they are wrong again. All the services, departments, commercial units, distribution stations and fixed centers for the selling of l.p.g. charges should work for the customer. All the employees within the firm selling oil products are involved in marketing activities. Marketing is not simply a service, but a whole business philosophy. Only after the acceptance of such ideas the agent might turn into a firm organized in terms of the modern marketing principles.

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# THE ORGANIZATION OF THE MARKETING SECTIONS WITHIN THE FIRMS SELLING OIL PRODUCTS

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*The modern Marketing Section can take different forms. All organizational structures that relate to the marketing activity should be adapted to the four dimensions of the marketing activity: functions, geographical areas, products and markets.*

*The firm specialised in oil products can follow the example of successful companies that, instead of putting into practice a centralised marketing policy, which is identically applied for all its clients, might structure their selling of oil or complementary products, as well as that of the liquefied oil gas charges, their advertisements and selling promotion activities, and the personal selling, in such a way that they might become more versatile in terms of the specific needs of the locations where their sections (commercial units, storehouses), distribution centres and fixed units develop their activity, or even where their competitors have placed their distribution stations or the stable centres for selling the liquefied oil gas charges.*

*The firm selling different kinds of oil products, liquefied oil gas charges, or other complementary products can set down a way of organizing its Marketing Service, taking into consideration the product-oriented criterion. This way of organization does not replace the functional structuring, but is used as a different management level.*

*“the successful adaptation to changes that occurs on the oil products business and consumption markets”*

*“in order to benefit from a modern marketing section, the firm selling oil-products has gone through different stages in its evolution”*

*“all the forms of organizing the marketing activity should be adapted to the four dimensions of the marketing activity: functions, geographic locations, products and markets”*

*“the relationships between the services and the sections within a firm selling oil-products are often marked by mistrust and deep-seated rivalry”*

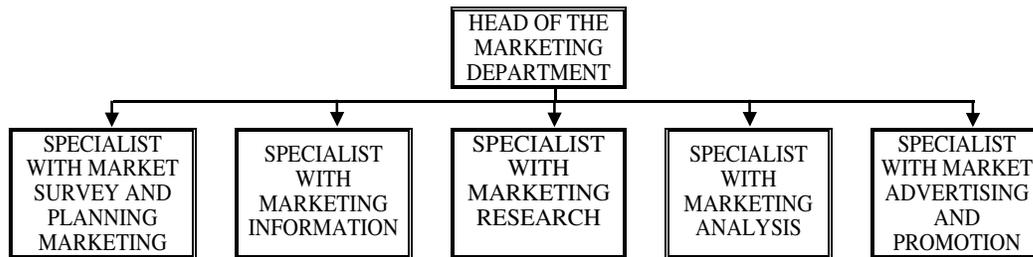
*“when the firm selling oil products organizes its activities in terms of its customers, and when its management comes to the conclusion that the marketing activity should not be restricted exclusively to the Marketing Section proper, but should involve each of the sections and providers of services within the firm, it will become a successful company in the field of commerce with oil-products”*

## **1. Ways of organizing of the Marketing Department within the firm saling oil products**

The modern Marketing Department can take different forms. All organizational structures that relate to the marketing activity should be adapted to the four dimensions of marketing activity: functions, geographical areas and markets.

### **1.1. The organization of the marketing department in terms of functional criteria.**

This type of organization of marketing activity consists in the subordination of several specialists from different marketing areas to a Head of the Marketing Department, who organizes their activity:



**Fig.1. The organization of the marketing department in terms of functional criteria of the selling oil products firm**

The main advantage of organizing the marketing activity by functional criteria lies in the simplicity of this method of organization. However this method loses its efficiency with the increase of the oil, complementary, i.o.g. products that are being sold and the expansion of the market.

First, there is an inadequate planning for some products and markets since nobody is fully responsible of a certain product or market.

Secondly, functional groups compete with others for a larger part of the budget and a higher status. The head of the Marketing Department must temper the demands of competing specialists and thus the co-ordination becomes increasingly difficult.

### **1.2. The organization in terms of geographical criteria**

A company selling oil products distributes its products on either a regional or a national market, often organizing its Marketing Department by geographical criteria. Thus, the general manager is able to co-ordinate area managers (branches, warehouses), who consequently manage the activity of those sections, and co-ordinate managers of oil products distributions stations, as well of managers of fixed stations that sell i.o.g charges, who actually manages the sales in stations, through salesmen. The level of control increases by going down on hierarchy to managers of sections and managers of stations (co-coordinating administrators).

There are some factors that stimulate such a marketing method.

- First, in the case of oil, complementary, and LPG products, the market has divided slowly in a multitude of small markets, families with many children, pensioners, elder citizens, car owners, since the traffic of heavy vehicles within the city has been restricted. Marketing specialists realized that it is difficult to create a single program for different groups. For instance, it is impossible to apply the same distribution program in a border station or a city district.
- Secondly, the company might improve its information technology and its market research, thus stimulating the local marketing activity. For instance, the data acquired by recording systems, installed in distribution stations, allow a better real time tracking of gasoline, diesel, LPG or complimentary oil products in each station, thus allowing a precise identification of local problems, opportunities and required marketing steps.
- A third factor is the presence and the increasing strength of competitor stations, whose register systems give them access to more and more information. Sometimes the competitors may not try to counterstrike the marketing campaigns of the company, which are directed towards customers, being concerned with the marketing activity directed towards the local selling, from one station to another. For instance, the company may start this campaign with the knowledge of the economic potential of areas and the needs of the customers. In mainly agricultural areas, or in those where the traffic of heavy trucks predominates, the Diesel oil will certainly sell better. In urban areas, where personal cars predominate, the gasoline will sell better. The LPG charges shall be sold in a larger proportion in areas inhabited by older people.

Within each commercial area where the company has some sub-sections or distribution stations, the managers must have the adequate competence in order to control the advertising and the promotion programs, adapted to the demands and the conditions of local market. They can use local advertising elements only if these are efficient in the respective areas.

Such activities can be accompanied by an orientation towards the emancipation of commercial unit . This means that the commercial unit will work more as “franchise”. Instead of being strictly managed from a central office, local managers can be encouraged to become more independent in terms of decision-making.

### ***1.3. The organization in terms of the products that are being sold.***

The firm selling different kinds of oil products, LPG charges, or other complementary products, can set down a way of organizing its Marketing Service, taking into consideration the product-oriented criterion. This way of organization does not replace the functional structuring, but may be used as a different level of the management. Within the product-oriented organization, the product manager (the head of the Marketing Department) assumes leadership and coordinates managers that are responsible with different categories of products (oil products, l.p.g charges, related services).

The product-oriented marketing is acceptable if oil, complementary and LPG products are different and the total number of the sold products exceeds the capacity of the Marketing Department, which is organized by functional criteria. This organization system can be used together with the type of organization by functional criteria, within the Marketing Department, by setting the task of product manager to specialists who have other duties as well.

The tasks refer to the elaboration of marketing plans, the supervision of the process of implementation, the analysis of results and the subsequent corrective action. For instance, in the case of oil products, the following examples of tasks may be relevant:

- the elaboration of competitive long-term strategies for the marketing of oil products
- setting the annual marketing plans and prognosis
- cooperation with the advertising and the "merchandising" specialist, in order to create commercials, programs and campaigns for oil products
- stimulating the support of oil products by sale staff and resellers
- continuous gathering of information regarding the performances of oil products, customer and reseller attitudes, new problems and opportunities
- initiate actions to improve the merchandising system of oil products for a better satisfaction of demands, within an ever-changing market

The product managers working within the Marketing Department must dedicate a great amount of time for advertising activities and sales promotion, and spend more time with employees, rather than with customers. The organization in relation to products, together with the organization by functional criteria, present some advantages:

First, the head of the Marketing Department, as products manager, can focus upon the elaboration of a marketing mix that is economically efficient for oil products, GPL charges and complementary products.

Secondly, the head of the Marketing Department can react more promptly than a commission of specialists in marketing problems.

Thirdly, the firms producing complimentary products are no longer neglected because of the support they receive.

In addition, product management is an excellent training school for all specialists from Marketing Department, who are responsible with products-and not only, because these specialists become involved in all areas of activity within the firm selling oil products.

Product management might create some conflicts and frustrations. Usually, the product managers are not granted enough authority so that they might efficiently accomplish their tasks. They have to rely on their persuasion skills in order to ensure the cooperation of the advertising specialist, as well as that of the selling, technical and the legal departments. They are often called "big boss", although they are treated as small coordinators. They are "suffocated" by bureaucratic activities that are associated with a firm selling oil products. In order to manage in their own field, they sometimes need to ignore the rules of fair competition.

Secondly, the product managers became experts as far as the product they are selling is concerned (oil, complementary or GPL charge), but rarely became experts in some of the functions of the firm.

Thirdly, the way of organization based on product management is expensive if this is not associated with the type of organization in terms of functional criteria.

Fourth, product managers supervise the activity of selling the oil, the complementary product, or the GPL charges for only for period of short time as they might be made responsible for another product in few years' time, move to a different firm, or abandon completely the product management, thus encouraging the short-time marketing planning and influencing the long term selling of the respective product.

For a better organization of the system in terms of the integrated products criterion, the following process should be followed:

- The firm must state clearly the role and the tasks of the product manager in relation to the product. He or she is the person who comes up with suggestions, but does not make decisions

- The firm needs to set the process of conceiving and analysing its strategies, in order to provide a work-frame for the activity of the product manager. The firm must not allow its product managers to dedicate their activity to the setting of some superficial marketing plans for the product they are responsible for, which would result in numerous statistics but bring about poor strategic reasoning.
- When the role of the manager is defined, the firm must take into consideration the possible conflicts that might arise between product managers and other specialists from Marketing Department. It must be stated clearly what decisions are to be made by the product managers and what decisions will result from the collaboration between different specialists
- The firm must draw up a formal procedure in order to solve the possible conflicts of interest between product managers and the specialists from the Marketing Department, through the intervention of the head of the department. Both sides involved in the conflict must forward to the head of the department, in written form, their points of view.
- The firm must create a system that might evaluate results, in relation to the responsibilities of the product manager. For instance if the latter is responsible with the profits that are expected after the selling of a certain product, he or she must be able to exert control over the factors that influence the profits.
- Another alternative for the organization of the marketing service, in terms of the product criterion, relies on the product team, made up of the product managers and other specialists within the marketing department, who are responsible with the advertising, information and analysis processes, etc.

A third alternative would be the attribution of two or more products to a product manager.

#### ***1.4. Organising the marketing department in terms of the market.***

The firm sells its products on the commodity and the business markets. When customers can be separated into groups of consumers, with specific preferences and buying practices (for instance, in the case of the commodity market, the buyers of oil products and l.o.g charges – oil, diesel oil etc.), the organization can be made in relation to the market criteria.

The head of the marketing department co-ordinates the activity of more than one market manager (they are also called managers for the development of the market, or market executives). The market managers can make use of the functional services of the Marketing department whenever necessary. They also organize the activity of the respective market sector. They have duties that are similar to those of the product managers. The market manager elaborates long-term and annual strategies for the market sectors he or she is responsible with. They must analyze the tendencies that predominate on the respective markets and understand which are the most appropriate products to be sold on that market (oil, complementary products, or the l.p.g. charges). Their activity is evaluated in terms of their contribution to the increase of the market share rather than in terms of the rentability registered on that particular market. This form of organization presents many of the advantages and the disadvantages of product-based management systems. The main advantage is represented by the fact that the marketing activity is directed towards the satisfaction of specific groups of customers rather than focus on the marketing functions, regions, or products.

The only way to obtain a market-oriented organization is to place the commodity and the business markets at the centre around which the commercial units, the distribution stations and the fixed centres of the firm selling oil products are organised. The marketing department should establish the tasks for those responsible for the commodity and the business markets. For instance, the person responsible for the business market should establish contact with the economic agents, the institutions (schools, hospitals, prisons, etc), agricultural associations, etc, in order to understand their demand for oil products.

#### ***1.5. The organization of the marketing department in terms of the combined criteria of product and market.***

The firm selling more than one oil product, l.o.g charge, or additional products, on the commodity and the business markets might be confronted with a dilemma. It can rely on a system of organization based on the product management or on the market management. In the second situation, those who are responsible with the commodity and the business markets should be familiar with the different types of oil products, l.p.g. charges and additional products that are needed on the market, and the agent might rely on both the product and the market managers. This alternative can be put into practice.

		The market manager			
		Commodity markets (population)	Business markets		
	Economic agents		Re-sellers	Agricultural associations	Institutions
The product manager	Oil products				
	Additional products				
	l.p.g. charges.				

**Fig.2. The system of organization (management) in terms of the product and the market**

The firm can establish, within its marketing department, separate responsibilities for each oil product, l.o.g charge or additional product, and for each commodity or business market. Its aim is to extend the usage of the products it is responsible for, and consequently the market managers will have to estimate the quantity of oil products required on the market. On the other hand, the market managers are interested to satisfy the needs of the market they are responsible for, rather than promote a certain type of oil or additional product, which is not demanded on the market he or she is responsible for. In setting plans for that specific market, they will ask each product manager about the prices of different oil products, l.o.g. charges and additional products, and about the existing resources. The final predictions of market and product managers should lead towards the same general conclusions.

A matrix-type organization represents an ideal choice when the firm intends to sell many products on several markets. However, this system may prove expensive and conflict-generating. First, there is the problem of the cost needed for the product (oil products, l.o.g. charges and additional products) and the market managers. The following problems might appear:

- How should the selling force be organized? Should the selling forces be distinctive for oil products (gasoline, diesel oil, fuels), l.o.g. charges and additional products? Should the selling forces be organized in terms of the commodity and the business markets? Wouldn't it be necessary for the selling force to be specialised?
- Who should set the price for a certain product or a certain market? Could the agent responsible for a certain oil product be granted the authority to suggest the price for oil products on the two markets? What happens when the agent responsible for the commodity market feels that the selling of the oil product (the diesel oil) will decrease if the price is not changed?

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# THE CLIMATE OF THE BOOK INDUSTRY IN EUROPEAN ROMANIA

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## ABSTRACT

*Increased competitiveness is probably the biggest change in the book industry in recent history. The rift that existed at one time between those who are affectionately known as “bookpeople” (who sell books because they love books) and those often disparagingly known as “businesspeople” (who sell books to make money) has been bridged to some extent. There is an attempt at coexistence and an understanding that a respect for finance, profitability, and inventory turns and a respect for books and authors are not necessarily mutually exclusive.*

*In the last few years, Romanian people have come to think of the bookstore as more than just a place to buy books. The expanded bookstore it's appearing: some booksellers offer services not strictly book-related (for instance, gift certificates, research services, gift wrapping, book repairs, some nice things to do...).*

*In this paper we try to identify the main features of book industry in European Romania, and the most effective ways to advertise in book industry, all of these thinking at the new dimension of competition: the European one!*

*Key words: book industry, advertising, competition*

## Introduction

Increased competitiveness is probably the biggest change in the book industry in recent history. The rift that existed at one time between those who are affectionately known as “bookpeople” (who sell books because they love books) and those often disparagingly known as “businesspeople” (who sell books to make money) has been bridged to some extent. There is an attempt at coexistence and an understanding that a respect for finance, profitability, and inventory turns and a respect for books and authors are not necessarily mutually exclusive.

The bitterness felt by many independents, prompted by the belief that chain stores were attempting to put them out of business, has abated as independents have come to realize that there is a niche in the marketplace in which they can successfully compete with chain booksellers.

Certainly one such area is specialty bookselling; another is the general independent bookstore, which provides a level of community service and support that often (but not necessarily) cannot be duplicated by the chains. In spite of their fears in times of heavy competition for walk-in front list business, many booksellers have found that they can in fact survive and, in some cases, prosper.

The wholesalers, both national and regional, having enjoyed tremendous growth in the beginning of '90, continue to change the nature of book distribution by providing benefits of price and service to retailers. This has grown to the point where an ever greater percentage of many booksellers' business is no longer carried on directly with publishers, and some booksellers have chosen not to order books from publisher at all, except when there is no alternative.

The installation of computerized management and inventory systems in bookstores has resulted in a new level of sophistication among booksellers, who are now able to know what their requirements are for any given title in any given period at the push of a few buttons. As a result, booksellers are buying fewer books more often, which results in more frequent inventory turns, in and of itself a major contributor to increased profitability. However, when coupled with ordering books from wholesalers or from electronic buying mechanisms, bookselling has the capability of becoming much more financially rewarding than ever.

## Advertising and Promotion in Book Industry

There are times when a bookstore event can be advertising in all the local papers, on the radio stations, and on television channels, with notice of it sent in the bookstores' newsletter to everybody on the mailing list, and then the day after it's all over, a customer will come in and say “I would have come to see\_\_\_\_\_ if only I'd known. Why didn't you promote it?”

There are other times when you will answer the telephone in your bookstore, and a voice will ask “Do you have a copy of \_\_\_\_\_?” You reply that you do and are asked to save it for the caller, who then says “I’ll be coming from about 70 km away. Where are you exactly?” if you inquire as to how this long-distance caller happened on to you to buy a book, the answer might well be “I heard your ad on station XYZ”, or “I saw a copy of your newsletter at my sister’s house”, or “I checked in the Yellow Pages and found your classified ad.”

Advertising is one of the great guessing games of modern commerce. Even the most sophisticated polls and surveys can’t be 100 percent sure of why one thing works and another doesn’t. For a bookseller to ascertain which advertising is the absolute best is impossible. Everybody agrees that “word of mouth” is best, but how to get those words into and then out of all those mouths is the challenge).

To assume that one is so well known, or one’s business is so established, that no advertising is necessary is nonsense. To get new customers, and to get old customers to increase their purchases, it needs to let them know that the firm not only exist, but are bringing in new and exciting titles all the time, that it is bringing in authors, participating in community programs, has special value days, and so on.

## **Print Advertising**

This is a necessary ingredient in any well-rounded promotional program. Although publishers spend a good deal of money in the national media advertising their books, mostly those they hope will become blockbuster best-sellers, these ads are not targeted generally to a specific community. The titles that might do especially well in a book’s market may not be those the publisher hopes to sell nationwide. It is therefore in the bookseller’s best interest to communicate the singularity of his store and the availability of titles in that store that are a reflection of that particular community.

This advertising of specific titles can in many cases be partially underwritten by publishers through their cooperative advertising programs. Once a publisher agrees to cooperate with a bookseller an advertising, it will provide materials to be used in the ads – sometimes even completely made-up ads, which only require insertion of bookstore’s name, address and telephone number, hours, and whatever other basic information is desired. Because of the various ways printed materials are produced, publishers will need to know in advance not only what materials will be needed, but in which form. As is by now obvious, cooperative advertising really requires cooperation.

Advertising is much more than merely spending a specified percentage of one’s budget. Successful advertising in print is making an impact that makes a difference in the volume of business. As in every other aspect of bookselling, it requires careful planning and execution and constant analysis. Print advertising is visual. It should be simple and direct. It can make a bookstore a well-known part of a community, and it can sell books for the store.

## **Publicity**

A bookstore by its very nature can and should be a gathering place, a local meeting spot, a centre of information about the community and its activities. Bookstores have this special place because, in dealing with books, it is dealing with ideas, hopes, dreams, entertainment, and information. Everyone in the community can feel at home in the bookstore, the new parent looking for a baby book, the business executive looking for a local map, the high school English teacher looking for copies of Macbeth.

How does publicity help the attraction of all varied and diverse people? The public face is carried throughout the store, in displays, lighting, layout, and most important of all, the personnel attitude toward the customer. But beyond these obvious outward signs, there are specific ways to seek and find public attention.

### ***1. In-Store Promotions***

*Autograph parties.* There are as many tales of autograph parties as there are booksellers, and many of them tales of woe. But there are also success stories, all of which start with planning: lining up the author, arranging for an adequate number of books (including the author’s previous titles), sending out invitation and news releases to the media, and talking with every customer who comes into the store as well as designing eye-catching in-store displays announcing the event.

The local newspaper is one of the most important sources of publicity. In addition to placing ads announcing various events, it will be necessary to send news releases, and invite a reporter to cover the story. Best of all, it is important to send a copy of the book to the local paper, particularly if it is a local author. If it is featured a cookbook, it is necessary to invite the food editor of the paper.

*In-store book fairs.* Another variation of an old theme is the idea of in-store book fair. This kind of events is very interesting for many types of organizations and the only cost is the percentage to the sponsor of the event’s sales.

## **2. Out-of-Store Promotion**

The professionals in the book business are in a unique position to widen their market and to generate publicity by working with community groups. It is important to watch for seminars, classes, or special school or civic events that can be tied to books. The rule is simple: when it can be seen an interesting announcement, the call to the sponsoring group could be the good idea, because the sponsoring groups are, usually, happy to have books to sell at the event. The donation of a percentage of sales to the group is enough motivator factor. This donation represents a small cost for the exposure to potential customers. Once again, the firm is contributing to its role as an integral part of the community.

### **Goods and services related (or not) to the book selling**

Over the years people in Romania have come to think of the bookstore as more than just a place to buy books and booksellers as more than retailers who simply sell books. In part, the book-buying public has gotten that impression because bookstores are reaching out to find ways to increase profit margins. A widely used means to accomplish this is through the sale of sidelines, which carry a higher discount than books; another way is to provide offer services not otherwise found in the community whether they are strictly book-related or not. The expanded bookstore is not an entirely new concept – let's remember the general store!

*Gift certificates.* For a variety of reasons, a customer may not be able to select a particular book as a gift. In order not to lose the sale, the bookseller should be able to turn the situation around and offer the customer an alternative: the opportunity to purchase a gift certificate. There are any numbers of bookstores that sell blank greeting cards, and when the need for a gift certificate arises, the salesperson can simply take a card from the display rack and inscribe the necessary message for the customer. Some booksellers give the card to the purchaser free of charge, and others add the cost of the card to the sale.

*Research services.* Selling new books, whether they are current or backlist titles, is easy. Selling rare or out-of-print books is something else. Customers will flock to bookstore if the manager is willing to at least try to find books that are no longer listed anywhere known to the general public. Many readers need books for research, business, for a collection, or just because they “gotta” have it. They will pay almost anything if their local bookstore can get them a copy. They are also willing to wait a long time to receive the book if there is a slightest chance to find it.

*Gift wrapping.* Gift wrapping services are an absolute requirement. Make contact with the company supplying the paper bags to find out if it also sells counter wrapping paper and ribbons. It is important to have a supply of gift cards with the logo on them and insert a bookmark or business card, both with the store's name, logo, and services, into the book before wrapping it.

*Book repairs.* Many find old books have trouble living through the use or abuse to which they're put. Inveterate book collectors will want to have the book restored or rebound, to give it a second life. This may be true, for example, of children's books that have been in the family for many generations.

Despite predictions that “print is dead” or assertions that “information wants to be free”, the related book business manages to sell more print publications with each passing decade. Despite a tough economic climate, the industry continues to eke out growth.

As a conclusion, bookselling is a business but also a pleasure. Loving books is not sufficient justification for becoming a bookseller, though it's a vital ingredient. Booksellers tend to romanticize things, and that's all right, so long as we know we're doing it. Knowing the position as a link in a chain that transforms the thoughts of writers of all times into the awareness of multitudes of individuals is a glorious feeling – made better if we are also solvent. The true profit in bookselling is the social profit; the bottom line, the measure of impact of the bookshop on the community.

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# FIRMS' INTERNATIONAL COMPETITIVENESS

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*Abstract: There are many companies who prefer going international. Their strategy should be different, as there are more things to be taken into account. However, there is no perfect recipe for companies to compete successfully. There is no perfect way to enter a foreign market, and, moreover, entering a foreign market does not necessarily mean this is the most appropriate strategy for a particular company.*

## Overview

It is clear that the environment in which domestic and international business firms operate is very different, which leads to much more challenging tasks for the international executives, as there are greater difficulties, uncertainties and risks, which result from a series of factors:

- There are cultural differences between the countries – differences in manners, customs, values and norms, which have to be respected.
- There are differences in consumer tastes and preferences, which result from the cultural differences and require specific strategies.
- There are different currencies and different government rules and regulations, different exchange rate policies and systems, which increase the level of risk and uncertainty.
- There is a different legal environment from country to country.
- There are differences with respect to the availability of resources from country to country, which leads to specific ways of approaching production and procurement.

## Motives for Going International

Companies look at international presence for many reasons. The most common are to benefit from entering rapidly growing markets and to reduce costs. Another common reason for foreign direct investment is to protect one's domestic market. So was the case with Kodak and Fuji. 10 days after Fuji began building its first production facility in the US, Kodak announced its decision to open a manufacturing plant in Japan. Another common reason is to acquire technological and managerial expertise by setting up operations near those of leading competitors (Kodak in Japan). Other reasons may also be encountered: to avoid protectionist barriers, to access sources of specific inputs, to follow competition, to seek opportunities, to take advantage of incentives on offer, to create economies of scale.

## What is International Competitiveness?

Competitiveness is a relative term which can be interpreted only in relation to a firm's competitors. Competitiveness is often measured in terms of price, unit production cost or labor productivity relative to competitors. It is also possible to take into account product quality as an indicator, but this one is more difficult to be quantified. Superior competitiveness should lead to an improvement in market share, profit or other measures of successful performance.

International competitiveness is the ability of a firm to compete in international markets.

There are five basic ingredients for a firm to be successful at international level:

- a mission which reflects a serious commitment to international business activities;
- the ability to identify and adjust rapidly to consumer needs and opportunities;
- the ability to understand consumer behavior in different countries;
- the ability to develop and maintain high-quality, competitive products;
- a good potential and program for screening potential markets and sites.

The following elements are determinants for a firm's international competitiveness:

1. **Firm-specific assets and core competences** – Every firm has many assets and some of them are unique to itself – firm-specific assets (FSAs). Companies that enhance their FSAs gradually develop core competences in the things they do best, which can then be exploited to their competitive advantage in international markets. For example, even if there are many fast-food outlets throughout the world, McDonald's have a competitive advantage by offering a particular blend of products, service and restaurant design.

2. **Reputation** – After a period, a firm making good use of its core competences is likely to develop a particular reputation. Publicity alone cannot lead to a lasting reputation if the company does not have a product or service to match; however it helps in increasing product or company recognition among consumers, Coca Cola has maybe the highest reputation in the world, being immediately associated with a particular soft drink (It is true they also invest huge amounts in publicity). A good reputation takes time to establish but can be quickly damaged when things go wrong.
3. **Continual innovation** – In many markets innovation is a prerequisite for international competitiveness. It applies especially to specialized or high-specification products like computers, motor vehicles or pharma products and to services like banking, insurance and telecommunications where technology and new services play a major role.
4. **The firm's architecture** – A firm's architecture, which describes the culture of the company, can be observed in the company's recruitment and promotion practices, the rate of staff turnover, the volume of faulty goods produced, the number of customer complaints, the company's relationships with suppliers and other external organizations.

### **Identifying the Basic Appeal of a Place**

If the company goes internationally in order to increase sales, the country's climate is very important (companies are not so interested to sell snowboards in Indonesia or Central America where there is no snowfall). It is also important to take into account the fact that certain countries ban certain goods (i.e. Islamic countries forbid the importation of alcoholic products).

If the reason for going international is the availability of resources, managers have to consider the additional costs of importing some materials in some cases and they have to ensure that total product cost does not rise to unacceptable levels. Availability of labor is essential for production (international relocation because of cheaper labor is very common in the case of labor-intensive products). Low local interest rates are also a powerful inducement to a company that is seeking to expand internationally.

### **Assessing the national business environment**

There is a series of cultural forces that have to be taken into account:

- Marketing campaigns have to be tailored as well as possible, especially if the product is the same worldwide. Coca Cola had to overcome the aversion to the taste of Coke among Chinese consumers (the taste of a traditional medicine to fight off flu and cold symptoms is similar to that of Coke). The aversion was overcome by creating a marketing campaign that associated buying Coke with experiencing a piece of America and finally what looked as an unattractive market for Coke transformed into a success.
- When substantial product modifications are needed for cultural reasons or to better serve customers' needs companies choose to produce in several locations rather than one in spite of potential losses of economies of scale. These losses are minimized through the use of flexible manufacturing methods. Although Nokia produces in locations worldwide, it ensures that all its facilities can start producing any one of its mobile phones for its different markets within 24 hours.
- An adequate level of education and work ethic for the local workforce is very important, especially in fields like R&D, high-tech production, certain services. A potential site may display or not an appropriate level of education or work ethic.

The main political and legal forces that influence considerably the performance of a company in a particular state are the following:

- Government regulations can create investment barriers to ensure domestic control of a company or industry. India's government initially forced PepsiCo to entrust 51% of its local ownership with Indian investors. PepsiCo was also required to give a certain portion of its revenue from sales in India to the Indian treasury.
- For national security reasons international companies cannot enter certain sectors of the domestic economy that are culturally important, are engines for economic growth or are essential to any potential war effort – television and radio broadcasting, automobile manufacturing, aircraft manufacturing, energy exploration, military-equipment manufacturing, iron and steel production.
- Governments can force a company to hold cash in the host country or to reinvest it in new projects there. Many times the cause is the inability of the government in the host country to earn the foreign exchange needed to pay for badly needed imports. Motorola's Chinese subsidiary is required to convert the local currency (Renminbi or Yuan) to U.S. dollars before remitting profits back to the parent company in the US.

- Governments can impose very strict environmental regulations. Many developing and emerging markets have far less strict pollution standards, therefore, disappointingly, some companies have moved production of toxic materials to emerging markets to take advantage of slack environmental regulations and lower production costs.
- Governments also can require companies to reveal certain information. Coca-Cola was demanded by Indian government to disclose its secret Coke formula and therefore it left India and returned only after the demand disappeared.
- Bureaucracy is a very important factor to be considered. Normally the higher bureaucracy, the less attractive the market or site. Yet there are other things to be considered – there are huge markets like China for instance in which the opportunities are very high to be ignored, no matter the bureaucracy. And there is consultancy business that makes sense in a bureaucratic environment like Romania, especially when talking about medium-sized companies as clients.
- Political risk can threaten the market of an exporter, the production facilities of a manufacturer, or the ability of a company to remove profits from the country in which they were earned. *Unforeseen political change* is the key element, as an expected event with negative impact is not so bad for firms, safety measures can be taken in advance.

The economic and financial forces are also very important:

- The poor fiscal and monetary policies of a nation's central bank can cause high rates of inflation, increasing budget deficits, a depreciating currency, falling productivity levels, and flagging innovation. Restrictive trade and investment policies by the government of India finally led to more open policies in the early 1990s. New investment policies encouraged investment in both production facilities and R&D centers, especially in the computer-software industry.
- Volatility of currency can be quite a big problem, because this means it is difficult for companies to predict future earnings accurately in terms of the home-country currency, to calculate how much capital a company needs for a planned investment and to liquidate assets as the greater uncertainty generally reduces liquidity in capital markets.
- There are also other forces which were not included in the categories above:
- The cost of transporting materials and finished goods affects decisions with respect to where to locate production facilities.
- Country image is a very important force. Products must be stamped with labels identifying where they were made or assembled – i.e. “Made in China”. Such labels do not affect negatively all products, but a high-end garments producer, for instance, would have a negative impact in such a case. Products made in relatively more developed countries tend to be evaluated more positively than those from less developed countries, because of the perception that people of particular nations have superior skills in producing particular products. It is the case of Procter&Gamble and Unilever in Vietnam. They both have manufacturing facilities there, but Vietnamese consumers look for the same products coming from neighboring countries, such as Thailand. A general perception among Vietnamese consumers is that goods from Japan or Singapore are the best, followed by Thai goods. The negative impact for companies like Procter&Gamble and Unilever in this case is that many times the goods from the other countries are smuggled in and sold on the black market, thereby denying the companies of sales revenue. Country image can and does change over time. “Made in India” has traditionally being associated with low-technology products such as soccer balls and many types of textile producers. Yet today world-class computer-software companies increasingly rely on the software-development skills of engineers located in and around Madras and Bangalore in southern India.

### **Measuring Market Potential**

There are some factors managers have to consider in order to estimate potential demand for particular products.

- In *industrialized markets* the information needed to estimate the market potential for a product is easier to get (Research agencies like Euromonitor provides reports containing information about competitors, total expenditure on a product, important social trends, retail sales volume and market prices of the product, potential opportunities, etc).
- *Emerging markets* such as China, India or Brazil are very attractive, as they have large consumer bases and rapid growth rates. Yet lack of information can be a very important problem there. The market potential can be analyzed by having some variables:
- *Market size* – it is estimated the size of the overall economy (from a nation's total population or the amount of energy it produces and consumes), and managers can rank countries from largest to smallest, regardless of a particular product.

- *Market growth rate* – it is generally obtained through estimates of growth in GDP and energy consumption and helps managers focus on future opportunities with respect to size rather than on present situation.
- *Market intensity* – it estimates the buying power of a market from per capita private consumption and/or per capita GDP at purchasing power parity.
- *Market consumption capacity* – it is often estimated from the percentage of a market's population in the middle class.
- *Commercial infrastructure* – variables here may include the number of telephones, televisions, fax machines, or PCs per capita; the density of paved roads or number of vehicles per capita; and the population per retail outlet. The number of Internet hosts per capita for businesses relying on the internet for sales could be a variable, but it has a problem by becoming outdated quickly.
- *Economic freedom* – it takes into account government trade policies, government involvement in business, the enforcement of property rights and the strength of the black market.
- *Market receptivity* – managers can see how receptive a market is to goods from their home country by looking at the amount of per capita imports into the market from the home country and by examining the growth or decline in these imports.
- *Country risk* – it tries to estimate the total risk of doing business, including, economic, political and financial risks.

### Measuring Site Potential

It is important that managers carefully analyze the quality of the resources employed locally, especially human resources – both labor and management.

- Workforce may be cheaper in some places, but if workers need training, it means additional money and time that have to be considered. For the local managers the investment in time and money can be even larger, but many times it is a more convenient solution than sending managers from the home country.
- There are also other resources to be taken into account – telecommunications systems, local infrastructure of roads, bridges, airports, etc.

### Competitive Global Positioning

There are more options for companies to position themselves and their products. Theoretically, there are four general positioning options:

- **Major global player** – companies positioned this way are typically the giants in their industries. They engage in rivalry on a world scale, competing for a significant share of the world markets for their products/services. It is the case of Citibank, Sony or Nike.
- **Global niche player** – a successful niche player is one that has found a special narrow segment of the world market which is able to focus on to advantage. Chematur Engineering is a Swedish firm employing a total of only 120 people, but it operates around the world, specializing in niches related to environmental issues.
- **Major local player** – companies positioned this way have a large global market share, whilst remaining local. Kao in Japan produces a range of products competing directly with the global players Unilever and Procter&Gamble. Kao has strong advantages; its chain of company owned distributors provide it with fast reliable information and therefore it resists successfully to the strong competition from the global players.
- **Local niche player** – This category refers to the many smaller companies that have developed their own niche in the local market – small restaurants, or bakeries, for example. With low or non-existent efficiencies of high-volume, these companies specialize in meeting and even exceeding their customers' expectations.
- Our conclusion is that there is no perfect recipe for companies to compete successfully. There is no perfect way to enter a foreign market, and, moreover, entering a foreign market does not necessarily mean this is the most appropriate strategy for a particular company, despite all the tendencies towards globalization and internationalization. Every case is different and has to be taken as it is.

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# OPPORTUNITIES AND CONSTRAINTS REGARDING THE IMPLEMENTATION OF THE E-SERVICES TECHNOLOGIES IN THE ROMANIAN PUBLIC SERVICES

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*Summary Social, economic and geographic integration, as a fundamental objective of the European Union, is influenced by the participation of the local and regional public services. In order for the candidate countries to increase their rhythm of development, it is necessary to develop a continuous process in order to implement the information society. In this context, the effect of structural funds can be amplified with the implementation of the e-Government services. The interaction between public administration, citizens and companies must not implicate their physical presence. Thereby, the transformation of public utilities services in electronic services (e-Services) and the free access of all the citizens to the infrastructure needed in order for these services to function require applications, tools and technical solutions which must be implemented by the local and central public administration authorities.*

Key-words: efficient and quality public services, electronic services, public administration, e-services.

## **General framework**

The local and central public administration are essential for the transparent and efficient public services. The link between the information technology strategies and other social policies must be analysed according to the e-Government technology, in order to provide the electronic services to the citizens and economical agents.

The future integration of Romania in the European Union requires precised criteria regarding performant and quality public services, elements which are essential for the facilitation of the integration process, the increase of the citizens wellbeing and the adopting of the European norms and provisions. Romania must be aware of the fact that, in the public services development and organisation process, the main principle regards the setting-up of those conditions able to offer to the consumers public services of European quality at affordable prices.

A big part of the public services is being provided only at local or regional level. Also, an important part of the information regarding the public services is available only for the local administration. The communication between the local administration and the citizens must not necessarily require their physical presence. The public services should become e-Services, assuring free access for everyone, based on technical instruments, applications and solutions set-up by the central and local public administration. It must be mentioned the fact that the competitive development of the e-Services solutions for the public administration will increase the integration problems regarding the compatibility, the standardization and the connection of all the services concerned.

It has to be taken into consideration the fact that the implementation of the E-Services technologies represents a long and difficult process, not easily accepted by the staff of the public institutions. This process requires the elimination of the bureaucratic processes and information available for each level of the local and central public administration. It involves structural and organizational modifications. This is the reason why the specialists consider that it is also necessary to develop a process of taking-over new methods and techniques regarding the changes management. The implementation costs are also very important, especially when the electronic services have to be implemented at local level, inside a regional or national network.

The main question is: is Romania able to asimilate all these technologies and to ensure the fast integration in the European informational society? This assessment regarding the Romanian level of e-Readiness based on the European specific indicators becomes necessary. An adequate analysis of this issue can be achieved based on the Network World technology, elaborated by the Harvard Centre for International Development, regarding five groups of main indicators of the eEurope 2005 program: the access of ICT, education and research resourses, ICT utilisation by citizens, the ICT use by public institutions, business area and legislative area.

## Diagnostic of the e-Readiness stage in Romania

The capacity of Romania to integrate informational and communication technology infrastructures in the economical and social development process is mentioned in the latest annual report for e-readiness, published by The Economist Intelligence Unit. Romania is placed on the 49th place at international level and on the first 10 in the world for the ICT sector dynamic. Romania's efforts for training specialists and the increase of software production were also noticed. There were also indicated some negative aspects, such as: the low level of availability for the ICT instruments, the strong resistance against change for public institutions staff, the population lack of confidence in accepting and using new communication technologies.

A SWOT analysis for the e-Administration technologies in the Romanian public institutions indicates the following positive aspects and as for the existing disadvantages, an e-readiness analysis indicates the fact that Romania is deficientary in the following areas (Tabel 1):

Key-points	Defficiencies
<ol style="list-style-type: none"> <li>1. The legal framework regulating the electronic services supply and the secure access for the citizens to these services.</li> <li>2. The legislation for the payment instruments with distance access, meaning the BNR Regulation no. 4/2002 and the Order no. 218/2004 regarding the approval procedure for these instruments.</li> <li>3. The national implementation of the public auction electronic system, finalist at the e-Europe Awards 2005 competition, set-up by the European Institute for public administration and sustained by the European Commission, where it was selected from other 234 projects.</li> <li>4. The development of the online public services project based on the portal: <a href="http://www.e-guvernare.ro">www.e-guvernare.ro</a>, set-up by the Ministry of Communications and Informational Technology in 2002, having as main purpose the facilitation of online access to the governmental services. The electronic public services available on the Unique Application are the following: the ANOFM declaration, the CNAS declaration, the declaration of the payment obligations for the social insurance budget, the declaration regarding the payment obligations for the state budget, the declaration regarding the profit income, the reduction based on the tax added value.</li> <li>5. A strategy for the public administration development based on the information technology (e-Adminsitration strategy – H.G. no. 1007/2001, the National Strategy for the new economy promotion and the implementation of the Informational Society – H.G. no.1440/2002).</li> <li>6. The existence of qualified specialists and an international system of adequate training</li> </ol>	<ol style="list-style-type: none"> <li>1. The lack of an integrated vision for the development of Internet platforms, based on the fact that, although there has been a national informatic strategy since 2002, it has never been improved by implementing local or regional policies, which led to a low level of efficiency for the applications developed.</li> <li>2. The bureaucratic barriers in the implementation of projects able to develop the e-Services sector, even though there are financial and technological resources available. A clear example is the project of a national virtual database (<a href="http://www.ghiseul.ro">www.ghiseul.ro</a>), which has been stoped because the entity that would have to pay for the electronic transactions could not be indicated.</li> <li>3. The lack of an unique system for the citizens authentication, based on smartcards and digital signature, in order to offer online services from Level 4, according to the Capgemini benchmarking methodology.</li> <li>4. The low number of internet users. It is estimated that 25% of the Romanian population uses the internet and o great part is represented by ocasional users.</li> <li>5. The number of web areas is 120000.00, representing 50% from the level achieved in Hungary and 1.5% in Germany. The statistics indicate the fact that in Romania the modifications are made twice a day on domenii.ro, unlike the others .com (in a few minutes) or .pt (Portugal – in 20 minutes).</li> <li>6. The low training level of the IT staff from the public institutions, based on the fact that the best of them work in the private sector for higher salary offers.</li> <li>7. The high level of resistence of the public institutions staff against the implementation of new technologies, due to the fact that there is no efficient changes management.</li> <li>8. The low level of the legal provisions application for the IT author rights, with impact on the software piracy.</li> <li>9. The low level of development for the national infrastructure, especially in the rural area. Is is estimated that only 20% of mayories are connected to the internet.</li> </ol>

Tabelul 1: Key-points and defficiencies for the implemantation of e-Adminstration technologies in the Romanian public institution

Obviously, the positive and negative aspects mentioned so far determine certain oportunities for the e-readiness level in Romania, especially because the communication and information sector is considered very dynamic, and also some threats, such as the migration of the IT specialists in other European countries, the lack of strategic partners for the development of informational infrastructures regarding the public administration and the differences related to the present European market.

### Implementing best practices for e-Services in Romanian public administration sector

The objective of benchmarking is represented by best practices allowing the transparency increase in the relation between the public institutions and the citizens, as well as the development of the administrative

processes. It is important to notice the fact that the implementation speed for ICT best practices in Romania is lower in the public sector. This fact is based on the low level of change and new technologies acceptance, for various reasons:

- a. reduced knowledge of the public institutions staff regarding the utilization of this technology;
- b. problems in accepting the use of analytical models and procedures for cases which used to be solved based on intuition;
- c. fear to lose formal and informal authority, expressed at the level of the decision factors in the public administration;
- d. lower importance of the traditional meetings or reunions, based on verbal communication;
- e. language differences between the beneficiary and the implementer of the e-Services solutions.

Another problem is the fact that, although in Romania there is an informational strategy for the public administration, it is mainly focused on the availability of the public services and not their accessibility level. Because the online instruments did not have an adequate public campaign, they now have a low level of utilization. Also, another phenomenon in Romania is the fact that the development on Internet platforms has been done by random, without a global vision. We consider that the objectives and the ways of action involved in the informational strategy for the Romanian public administration were not transposed in regional or local policies, which reduced the efficiency level of the informatic systems implemented. The idea of a unique virtual center exists ([www.ghiseul.ro](http://www.ghiseul.ro)), but it wasn't materialized due to bureaucratic barriers (it hasn't been established yet the entity that should cover all the necessary costs). In most of the situations, there is a lack of compatibility between the front-office applications and the back-office applications.

But the main problem generating the impossibility of reaching Level 4 is the fact that Romania does not have a unique citizen's registration system, based on smartcards and digital signatures. Of course, all these deficiencies can be eliminated by taking-over fast the best practices used especially in the countries which recently have become members of the European Union.

The amendment of the regional policies according to the European Union provisions and the orientation of the structural funds towards areas regarding the implementation of communication and information technologies in the Romanian public administration should concern **an action plan** for the local and central public administration (see Tabel 2).

Direction	Explanation
<i>1. The implementation of the informatic data exchange and the ensurance of the regional platforms efficiency</i>	According to the European Commission, the informatic data exchange is defined as an electronic transfer for data structured as normalized messages among the informational systems of the public institutions. It is necessary for the public administration authorities to establish the data types, the methods of data consolidation, the functioning of the e-Services platforms, the procedures and standards regarding the data setting-up. The efficiency and the integration in the European informatic networks will be very important. First of all, there has to be set-up an Internet platform able to offer electronic services, such as: the electronic vote, statistics, the payment of local taxes, information regarding the local investments, cadastral information etc.
<i>2. The software applications development for the supply of electronic services</i>	The public administration should decide whether it intends to implement certain applications open source or other solutions and to conduct costs/benefits analysis. There is also necessary the systems standardization in order to set-up the software applications, in order to ensure their efficiency under Internet platforms.  As regards the open source platforms, it is necessary to take into consideration the fact that there is a great number of personal and confidential data in the public administration system. The citizens should know that the transfer of this information is secure. For this reason, the software producers have promoted certain solutions for the public administration sector, named FLOSS (Free/Libre Open Source Solutions).
<i>3. Developing the public administration in order to offer integrated electronic services</i>	In the present, at the level of the Romanian public authorities providing electronic services, the information are sent by individual communication channels, due to the fact that there is no regional or national vision. This issue requires the new administrative procedures and standards, in order to provide unitary electronic services, even

	though this process has certain restrictions, such as the organizational culture or technical factors (problems in the users registration, lack of digital signature and secured electronic transactions). The existence of a national e-services platform represents an objective which can only be achieved if the administrative re-engineering is doubled by the implementation of training programs and bench-marking technologies.
<i>4. Development of Competence Centers for e-Administration technologies</i>	These centers of competence will be set-up at regional level, in order to prepare the adequate e-Services specialists and to inform the representatives of the local public administration. It has to be mentioned the fact that the functioning of these centers can be done online, based on the e-Learning systems. The use of this training method offers more specialists in the public administration, a better monitoring of their performances, as well as the development of the organizational learning process.
<i>5. The implementation of the management regarding the persons identity, the digital signature and the secured transactions</i>	The problem of the public information security is very important and should be seen in the European Union context. The main ways of action are the following: promoting qualified electronic signatures, developing standards and procedures for the citizens registration and the electronic transactions, using secured instruments for the data stoking process, as the cryptographic devices (smartcard and reader or e-Token). Although the digital signature is partially used in the Romanian public administration, in this moment we cannot take into consideration the existence of security standards, especially because, in most of the cases, the un-qualified digital certificates and conventional stocking devices are being used. The achievement of high security standards for the e-Services platforms can only be done by using qualified digital certificates, issued by the competent authority, according to the legal provisions.
<i>6. Promoting certain measures able to increase the e-Services beneficiaries' satisfaction.</i>	The providing of e-Government services should be doubled by a user's motivation system regarding the electronic services. In this context, the main way of action is the promotion of the systems regarding the relations with the clients in the public administration (CRM). The specific elements for each electronic service are processed based on an informatic architecture which has the role to take over the information regarding the service beneficiaries, to insert them in a data warehouse, to process them using data mining techniques and to integrate them as e-Services technologies.

**Table 2: Action plan for the compliance of the regional politics with the European Union politics**

If we take into consideration the fact that, once Romania will join the European Union, the European citizenship will determine the increase of the Romanian citizens' mobility in the European space, it is necessary to develop new instruments able to allow a quick access to the E-Services systems, regardless of the user physical location. In this context, a modern European tendency is represented by the **mobile e-Services** technologies. More than that, the **mobile e-Government** becomes more and more important, replacing the old information centers with the mobile phones. Of course, a big part of the electronic systems can only be provided based on the classic e-Government systems, but new technologies are going to be discovered, able to answer to every European challenge regarding the free access of the citizens to the public services. This is why the e-Government and e-Services technologies implementation should be doubled by the promotion of new concepts, such as e-Participation or e-Democracy, all major factors for the integration of Romania in the European informational space.

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## **CUSTOMER LOYALTY AS AN OPPORTUNITY TO CREATE PROFITABLE GROWTH IN THE GLOBAL BUSINESS ENVIRONMENT**

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*Abstract: Customer loyalty is a major goal for customer service and management leaders, and gaining and keeping loyal customers is increasingly recognized as the key to business growth. The growth comes from loyal customers' increased purchases over time, their willingness to pay premiums for additional service and referrals. With the continued growth of new competitors and the increasingly knowledgeable and demanding consumer, creating and maintaining customer retention represents an absolute imperative for companies.*

*Companies that are "loyalty leaders" build loyalty systems around targeted customer group, tailoring the value proposition, processes and employee behaviors to best service these segments. These companies define and measure loyalty results just as carefully as profits, with implications for their employee, marketing and customers strategies.*

*Our paper focuses on the real meaning of customer loyalty, conditions that must be fulfilled in order to achieve customer loyalty, advantages provided for companies, the relationship between loyalty and competitive advantage, and recent developments in customer loyalty.*

*Keywords: customer loyalty, customer retention, competitive advantage, business growth*

The importance of creating and maintaining customer loyalty is not new. Most corporate leaders think that "it costs more to find a new customer than to keep and grow an existing one". Companies realize heavy investments in customer satisfaction efforts, rewards programs and CRM initiatives and infrastructure, and loyalty remains a major goal for almost every economic field.

Loyalty can be defined as "the willingness to make sacrifices and investments to strengthen relationships". The greater loyalty a company a company inspires among its customers, employees, suppliers and shareholder, the greater its profit potential. When stakeholders thrive, an organization strives.

Gaining and keeping loyal customers is increasingly recognized as the key to profitable growth.

Some important research over the past decade shows that companies putting customer and employee loyalty at the centre of their business model beat the average costs in their sectors (fields): their average costs are 15 percent lower, and they post 2,2 times the rate of growth. The cost benefits of retained customers come from the amortization of initial acquisition costs and lowered ongoing customer-service costs.

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Companies that are "loyalty leaders" build loyalty systems around targeted customer group, tailoring the value proposition, processes and employee behaviors to best service these segments. These companies define and measure loyalty results just as carefully as profits, with implications for their employee, marketing and customers strategies.

Loyalty leaders (which include service companies such as Enterprise Rent-A-Car, manufacturers like Harley-Davidson and financial service firms like mutual fund company Vanguard) focus on relationships. They get close to customers, employees, vendors and channels, and work thoughtfully with their partners, especially in tough times.

There are some basic principles that mark strategies of loyalty leaders and define mutually beneficial relationships. Vanguard and Harley are among a number of loyalty leaders showing the way to continued growth and prosperity.

After more than a decade of analysis, researches have discovered that leaders who build long-term relationships follow five basic rules:

- “Saying clearly the way of practicing”

For example, at Vanguard (which is the world’s fastest-growing and second-largest mutual fund) the manager considered it was extremely important to explain the principles the management team would live by, that he published them in a booklet, which has become the basis for leadership training and evaluation at Vanguard.

- “Never profit at the expense of customers and partners”

At Harley-Davidson, management insists on win/win solutions, not just profitable solutions; for instance, when it was time to build a new plant, instead of abandoning their unions to build in a right-to work state, Harley invited the presidents of its two main unions to join the site-search committee. In return, the unions have cooperated with new productivity initiatives.

This same commitment to win/win solutions kept Harley from developing a direct sale Web site for popular Harley merchandise, since that would steal sales from Harley’s dealers. Rather, the Harley site describes merchandise, and then lets buyers to choose a dealer near them to service their needs.

- “Focusing on customer with real long-term potential”

Vanguard has a very clearly set defined set of target customers who appreciate the value of low-cost, long-term investing. The firm limits exchange activity in order to discourage market timers. Vanguard focuses on clients with clear potential for long-term and mutually beneficial relationships.

- “Simplicity”

This characteristic marks the strategies of all loyalty leaders who typically organize their companies into teams that are much smaller than their competitors. Smaller teams keeps decision-taking simple, improve responsiveness and accountability and are vital for building loyalty. Loyalty leaders also keep their value proposition simple and easy to understand. This means making it easy for customers to find what they want and for shareholders to assess the wisdom of corporate moves and reward good strategy.

- “Rewarding the right results”

Some loyalty leaders’ formula refers to pay employees a share of the profits they help to generate. With this reward system and transparency over when and how the money is made, profits do tend to take care of themselves.

For example, Vanguard developed a Partnership bonus plan for employees that offer rewards based on their contributions to the company’s operating efficiency and the performance of Vanguard funds relative to the to its competitors.

Loyal customers are offered a special treatment at Vanguard who recently introduced Admiral Shares for many of their funds. These shares reward loyal customers with even better value.

There also too many companies today, which penalize loyal customers with mediocre service and high prices – if they were foolish enough to remain loyal to them. It is the case of cellular phone companies where loyal customers are probably paying far above market rates if they remain loyal to them over the past few years. This will never happen with Vanguard’s loyal customers.

Another example: when the chairman and CEO of Enterprise Rent-A-Car realized that some branch managers were focusing on short time profitability at the expense of customer service, the company developed a rigorous measure for customer satisfaction by branch and used it as a basis for promotions.

Loyalty leaders see employee loyalty as bedrock for building customer loyalty. They consider that “superior loyalty fuels growth and reduces costs”. To foster the kind of employee loyalty that fuels such customer loyalty requires aligning people processes like recruitment, training and performance management around loyalty objectives. It also requires role models.

**Staff loyalty.** It is a fact: firms with high levels of customer loyalty have also earned high levels of staff loyalty. It is almost impossible to build strong customer loyalty with a staff that is in constant turnover. It’s necessary to build staff loyalty because customers buy relationships and familiarity. They want to buy from people who know them and their preferences. Key rule of loyalty is to serve your employees first so that they, in return, can serve your customer.

In today’s economic climate, companies have come to discover that people are their greatest assets. There is a genuine need to invest in people. Staff and customer loyalty, efficient communication and team motivation have become major corporate issues facing companies of all sizes.

**The 80/20 rule.** In building customer loyalty, the 80/20 rule is alive and correct: 80% of the company’s revenue is being generated by 20% of the customers. All customers are not created equal. Some represent more long-term value to the company than others. A smart company segments customers by value and monitors activities closely to ensure high-value customers get their fair share of special offers and

promotions. Unlike many firms that simply measure overall redemption, these savvy loyalty builders pay close attention to who redeems.

**Ensure that customers are moving through loyalty stages.** Customers become loyal to a company and its products and services one step at a time. By understanding the customer's current loyalty stage, the marketing manager can better determine what's necessary to the next level of loyalty. There are six stages of customer loyalty: suspect, prospect, first-time customer, repeat customer, client and advocate. If the customer relationship processes and programs aren't moving customers forward, the marketing managers must rethink them.

**Customers must be served first, and then sold.** Today's customers are smarter, better informed and more intolerant of "being sold" than ever before. They expect doing business with the firm to be as hassle-free and gratifying for them as possible. They believe that the firm earns their business with service that is pleasant, productive and personalized. And if the firm doesn't deliver what they expect, they will leave.

**Aggressively seek out customer complaints.** For more companies, only 10% of complaints get articulated by customers. The other 90% are unarticulated and manifest themselves in many negative ways. With the Internet, an unhappy customer can now reach thousands of the would-be customers in a few keystrokes. It is very important to make it easy for customers to complain, and treat complaints seriously. It is also necessary to establish firm guidelines regarding customer response time, reporting and trend analysis. Employee complaint monitoring must be a tool for executive decision making.

**Responsiveness.** Research shows that responsiveness is closely tied to a customer's perception of good service. The advent of the Internet has changed the customer's perception of responsiveness. Moreover, customers now arrive at Web sites eager to locate answers. Technology tools such as customer self-service, e-mail management and live chat/Web callback are proving increasingly critical for companies as they address the demanding customer's responsiveness needs.

**Know the customer's definition of value.** The loyalty password is value. Knowing how the customers experience value and then delivering on those terms is critical to building strong customer loyalty.

**Win back lost customers.** Research shows that a business is twice as likely to successfully sell to a lost customer as to a new prospect. Yet, winning back lost customers is frequently the most overlooked source for incremental revenue in many firms. Most firms consider a lost customer a lost cause. It's imperative that firms create hard-working strategies not only for acquisition and retention but also for win-back. Every company needs a process for recapturing those high-value customers who depart (this is loyalty insurance).

**Use multiple channels to serve the same customers well.**

**Give the frontline the skills to perform.** Increasingly, for many companies, the employee "frontline" is a call center where agents interact with customers. These agents will be the "loyalty warriors" in the future. This means that these agents need to be equipped to write a well-written e-mail reply and navigate the company Web site as they are being helpful and friendly on a phone call.

**Collaborate with channel partners.** In today's complex marketplace, a firm is often dependent on many suppliers to help serve its customers. Embracing these supply chain relationships for the greater good of the ultimate customer creates customer value that is hard for competitors to match.

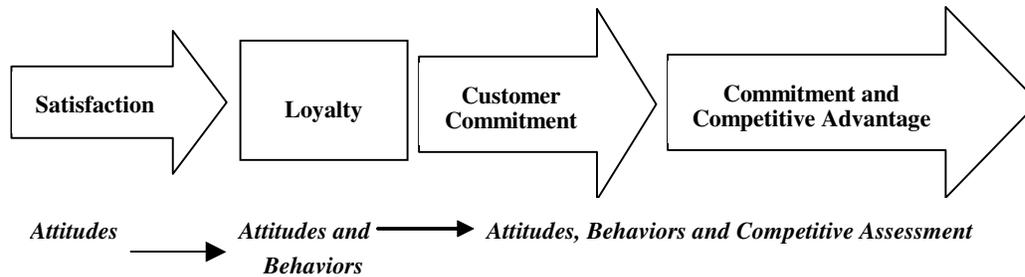
For example, a European manufacturer converted its customer data base program into a system that could be shared by all channel partners. By refusing to hoard the information, the manufacturer helped create a blended channel strategy that build greater customer loyalty throughout the distribution chain.

**Store data in a centralized database.** Most firms lack a 360-degree view of their customers because they have no centralized database. Billing departments, sales divisions and customers service centers might have their own databases, with no effective means for creating a complete customer-information composite. To effectively implement a good customer loyalty strategy, data from all customer touch-points must be combined into a centralized database. Without it, the firm is greatly handicapped in its efforts to serve the customer.

The recent developments in customer loyalty – that were revealed by a noted speaker in this area, Sue Windham-Banister, PhD, Managing Vice President of Abt Associates Inc., specialized in strategic business planning and strategic marketing, with 25 years of consulting experience and developing loyalty programs for companies from health care, financial services and high technology - show that:

1. Customer loyalty has become an even more strategic imperative for the firms. As the economy shifts and revenues begin to decline, customer retention represents an absolute imperative for companies.
2. Customer acquisition is expensive. Declining revenues almost always translate into shrinking budgets and companies are not in the position to mount sizeable acquisition efforts. Hence, it is more cost effective to retain existing customers than capture new ones.

- The firms need to better understand what competitive advantage they have that drives loyalty and what competitive disadvantages are pulling customers from them (see figure 1).



### The Relationship between Satisfaction, Loyalty and Competitive Advantage

So it is necessary for the companies to understand attitudinal drivers of loyalty. Most research shows that in most industries customers can be grouped by their underlying motives into one of three categories: *emotive* customers, who rarely reassess their purchase decision because they are convince their current product of choice is best for them; *deliberative* customers, who frequently reassess their purchase decision based on rational buying criteria; and *inertial* customers, who rarely their purchasing decision because of low involvement or the perceived cost of switching.

In some industries (packaged goods and fashion retailers) it was also observed *variety seeking* customers, who change for change's sake. The incidence with which these attitudes appear varies significantly by industry and company, and the mix among customers is an important determinant the firm's ability to capture the opportunity and the most powerful loyalty approaches to employ.

Satisfaction remains an important element of loyalty management but not the defining feature. Satisfaction on its own is not a strong indicator of loyalty and can be misleading. Research showed that satisfaction is often not correlated with customer migration nor is it actionable on its own. However, in specific situations or in combination with other factors, satisfaction does still play an important role.

#### Some characteristics of loyalty marketing best practices.

A firm can't have loyal customers without a great product. If the product doesn't connect with target customers, the best loyalty campaigns in the world won't be able to make the same kind of emotional connection.

Great marketing makes great products look even better, attract more customers, establish more wallet and mindshare. The firm's marketing should serve to communicate a brand promise that the product was built to fulfill. Great marketing can't save bad products. And if the firm already has a great product, that means it has somehow managed to understand and react to a core customer need or desire. It means that the firm has done its homework, it understands customers better than they do. This isn't just about asking prospective customers what they want. It's understanding what they need and want - both today and tomorrow. There's a big difference.

So, we can consider that the two most important things for any loyalty marketing strategy are:

1. A great product, that emotionally connects with the customers and fulfills a basic need or desire;
2. A deep understanding of the customer, an understanding that allows the firm to anticipate what they need better and sooner than they know themselves.

Good brands and companies are marketing-centric, in that the above two vital elements don't emerge independently from a product development and research team. The marketing plan starts with the consumer, then the product, then the marketing.

By focusing on understanding the loyalty motives of each customer segment, and matching the appropriate loyalty tools, companies can move to a new era of loyalty management in which they fight back the challenges of today's difficult environment, create meaningful increases in customer loyalty, and drive profitable growth.

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# MONITORING AND MEASURING PERFORMANCES WITHIN THE ORGANIZATION PREPARE FOR CONTINUOUS QUALITY IMPROVEMENT

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*Abstract: The purpose of this work is that of designing a monitoring and measuring system of the performances of the Quality Management System within an organization which will:*

- assure the necessary feedback for the decisionary factors from every hierarchical level regarding quality performances of the process, products and employers to initiate in sufficient time the proper measures
- facilitate obtaining products corresponding to customers requirement
- allow identifying the opportunities of improving the QMS and of the products offered to the customers

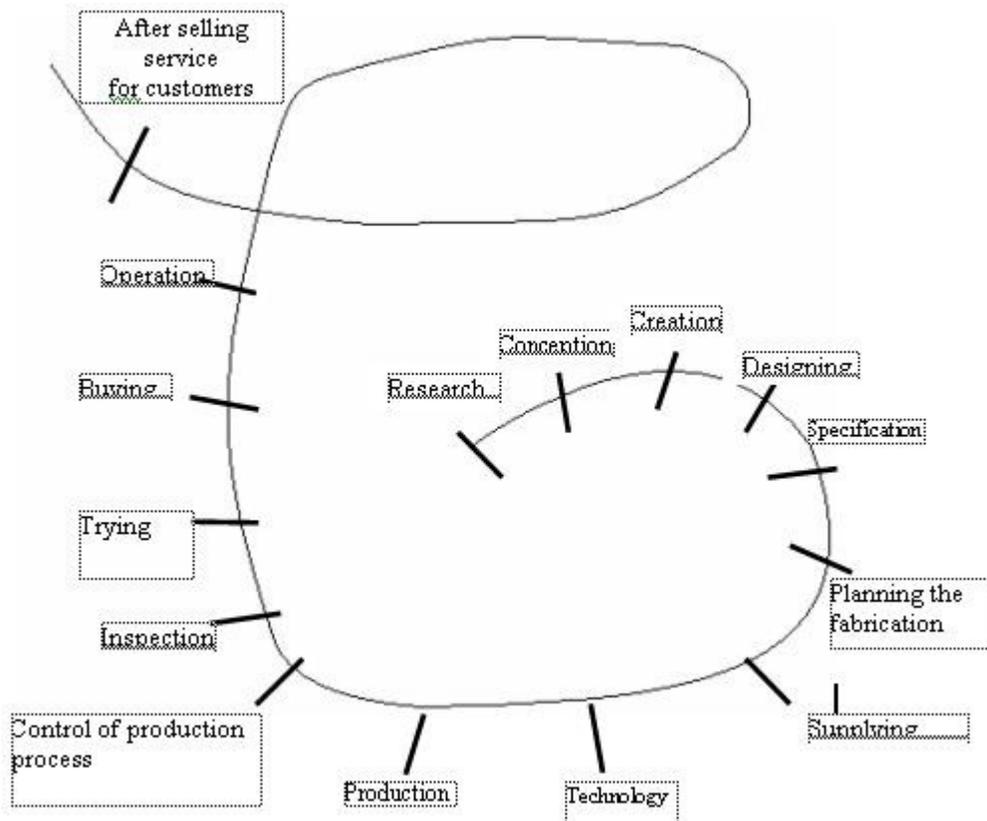
The importance of this theme is stressed out by:

- the growing of the necessity of competitiveness of the XXI century organization as well as the growing concurrence and due to the globalization phenomenon. In this context, to stay competitive on the market, the organizations have to create and offer value to their customers. Relevant in this case is the following: “Marketing is not the art of disputing new ways of getting rid of what you produce. Marketing is the art of creating a value for your customers. It is the art of helping out your customers in gaining more”.

Quality is a dimension determined by the value offered to the customer. About this Juran said that it is “a moving target”, meaning that quality can and must be under continuous improvement. This would be possible only if we facilitate the obtaining of a feedback which can show us the level of the performance that we reached.

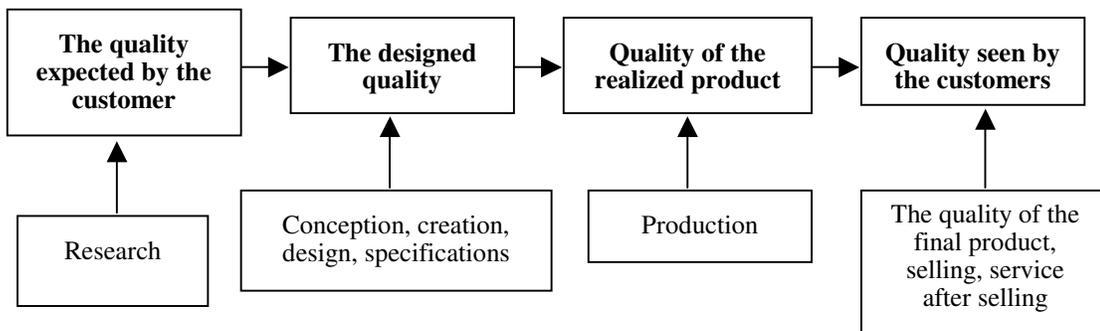
- the extraordinary dynamic of change which imposes the obtaining of information in real time. This assumes designing an information system which shorts the time between the moment of informing about it to the decisionary factor.
- the system of monitoring and measuring the performance of QMS watches over the providing of information about the organization capability to offer quality, to the decisional factors involved. Only in this way a prompt reaction could evolve to the change inside or outside the organization which can affect the organization capability to offer quality.
- the need of the managers to fundament their decisions on objective information. The quality of the decision is influenced decisively by the quality of the information that it stands on.
- the rising of the concept of self-control which reduces to minimum the cycle of information-decision. This concept promotes the idea that every employee should be its own controller, adopting the necessary decisions. In this way: the controlling work of the managers is reduced, focusing their energy on the necessary establishing very clearly some performance criterions for every employee; the responsibility levels grows for every one of them; the necessary feedback is assured improving their work. By designing a system of monitoring and measuring efficiently, the self-control can become operational.

To have a systematic view on the QMS within the organization and for a better understanding of the importance of monitoring and measuring its performance we will present Juran’s Quality Spiral:



The activities presented in this spiral represent critical points of the final quality. These critical points represent processes that must be monitored and kept under control for obtaining the result that we wish for, meaning the customer's satisfaction.

Synthesizing Juran's Quality Spiral we realized the following sketch:



We can talk about excellence when "The Quality perceived by the customer" is larger or equal to "The quality accepted by the customer". Any organization that wishes to keep their competitiveness on the market must establish this desideratum. Reaching it is conditioned by projecting and implementing a system of monitoring and measuring the performance of QMS within the organization, stressing out its capability to offer quality and that allows the proper information about its performance at any time.

A system of monitoring and measuring the performance of QMS with the organization requires: monitoring and measuring processes; measuring product quality; measuring the levels of customers' satisfaction.

## **1. Monitoring and measuring processes**

Monitoring and measuring processes is realized with the purpose of evaluating their efficiency and their efficacy stressing out their capability to generate quality. The finality is represented by keeping under control therefore the quality objective is reached and the opportunities of improvement are identified.

The first step which the organization has to make is to identify the most important processes within the organization which contribute to obtaining quality.

Analyzing a process, we must identify owner of the process; the responsible of the process, the supplier of the process; the customers of the process and the performance criteria.

In annex 1 is presented the main document with witch a furniture producer monitories “The Process of Production”. The performances criteria can be:

- respecting the terms of delivery for at least 90% of the orders
- surpassing with maximum 3 days the term of delivery for an order

## **2. Measuring the product quality**

This action is applied to evitate the reaching of the product to the customers but also to identify the main aspects of the followed by identified the causes that would be eliminated.

In annex 2 is presented the document with witch the producer measures the quality of the products that the organization products.

The performance criteria as regards the measuring the products quality can be:

- 80% from its production must regard as “Excellent Products “
- maximum 5% from its production not reach the minimum level to be accepted for delivery
- wastage of material to not exceed 3% from the total material consummated

## **3. Measuring the level of customers’ satisfaction**

The level of customers’ satisfaction represents the most important criteria of the performance of the QMS within the organization. The economical organization must manage the communication al canals with their customers in which they can express their perceptions, their dissatisfaction regarding the products that they bought the meetings with the customers of the organization when launching new products; fairs and expositions; the clubs of the best customers; questionnaires applied on customers.

In our opinion, this is the best way to quantify the levels of customers’ satisfaction. In annex 3 is a model of questionnaire. In the view of growing the level of using the internet in our country, we propose a modality to question on-line the customers of the organization, the program supplying synthetically information, in a relevant presentation and in real time of the decisionary factors.

In conclusion, the system of monitoring and measuring the performance of the QMS within the organization must supply information necessary and in real time for the decisionaly factors to undertake the necessary measures to apply for continuously improving the quality. Only respecting this principle of continuous improvement will allow the organization keep in the future their competitiveness on the market.

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S.C. S.R.L.	Quality Management Procedure Working Execution Plan				<i>DP -</i>	
Drawn by:	Approved		Date: ...../...../.....		Version: 1.	
					Page: 1 of 1	
1. Number order						
2. Product name						
3. Execution specifications						
3.1. Annex: diagrams & design						
4. Designer						
5. Delivery term for the product						
6. Production Execution Stages	Responsible	Execution Term Established	Finishing date	Differences	Observations	
6.1. CUTTING						
6.2. ANSAMBLING						
6.3. PACKING						
6.4. DELIVERY						
7. Differences between the time estimated and the time needed						
8. Score from the Product Quality Evaluation Sheet						
9. Score from the Customers Satisfaction Questionnaire						

S.C.  S.R.L.	Quality Management Procedure Working Quality Execution Plan				<i>DP -</i>	
Drawn by:	Approved:		Data: ...../...../.....		Version: 1	
					Page: 1 of 1	

Order No.	Beneficiary	Product name	Ansambling team

		<i>QUALITY</i>				
1. Reference		Very Good	Good	Medium	Bad	<i>Very Bad</i>
	Covering quality					
	Surface quality					
	Accessories quality					
TOTAL SCORE "REFERENCE"			Total procens			
<b>ACCEPTED</b>			<b>REJECTED</b>			
2. Furniture parts						
	Ansambling rigidity					
	Elimination of the ansambling connections					
	Elinimatie of the extra glue					
TOTAL SCORE "Furniture parts"			Total procens			
<b>ACCEPTED</b>			<b>REJECTED</b>			
3. Assemble						
	Position, doors adjustment					
	Position, draw adjustment					
	Position handle					
	Position legs					
	Checking corners for mirrors, glass and shelves					
	Assembling furniture					
	Final touch					
	Folding					
	Packing					
TOTAL POINTS "ANSAMBLE"			Total			
<b>ACCEPTED</b>			<b>REJECTED</b>			
TOTAL SCORE OBTAINED			Total			

## QUESTIONNAIRE

No.	Questions	Answers			
		Very pleased	Pleased	Unpleased	Very unpleased
A.	How content are you about:				
1.	Quality of our furniture?				
2.	The way in which our organization projects your requirements in the quality of the products that we delivered?				
3.	The term for analyzing and finagling your contract?				
4.	The term of execution / delivery assured by our organization?				
5.	Conditions of assembling and transportation of the delivered products?				
6.	The way your petition (if it is the necessary) has been taken care of?				
B.		YES	Probably yes	Probably No	NO
7.	Would you recommend our organization to other people?				
C.		A lot better	Better	Could be better	Bad
8.	How do you recall the relation between the quality and the prices of our products in rapport with those from our competition?				
D.	How do you regard to our employee:	Always	Many times	Some times	Never
9.	Have they proved to be professional in solving your problems?				
10.	Have they promptly answered your requests?				
Questionnaire wrote by:					
Name.....					
Position                    in                    the                    organization/profession.....					
Date/Signature.....					

# LE NIVEAU DE SATISFACTION DES CONSOMMATEURS-EXPRESSION DE L'EFFICACITÉ SOCIALE DANS LE DOMAINE DES SERVICES

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**Abstract:** *Although difficult of directing to the importance which has it a social efficiency, through the prism of buyers satisfaction degree, we believe that, lastingly, the firms are due to achieve research of buyers satisfaction degree – which research represents a proper method to collect informations, because what diferents customers were important were so complicated, that the explication can be gived just of themselves. In our opinion, nor a firm dont tries to presuppose an which are these explications, but to focuses toward in a systematic search of customers. Clients' needs determination and then the establishment of their satisfaction degree are vital steps in business consolidation.*

*Mots clé: efficacité de l'acheteur; satisfaction; qualité perçue; indice de satisfaction.*

Dans l'analyse de l'efficacité de l'activité commerciale, notamment dans le domaine des services, il est absolument nécessaire d'aborder le concept d'efficacité de manière complexe, respectivement sous l'aspect économique, mais à la fois sous l'aspect social.

Bien qu'il ait été peu abordé dans la littérature de spécialité, l'aspect social de l'efficacité est beaucoup plus évident dans le commerce que dans d'autres domaines, grâce aux rapports directs eus par le personnel commercial avec le public. Tout comme d'autres auteurs considèrent également, nous apprécions que l'efficacité sociale du commerce peut être envisagée comme l'efficacité de l'acheteur, en entendant par cela la qualité du service offert à celui-ci.

C'est la raison pour laquelle, surtout dans le commerce en détail, les résultats finaux doivent être interprétés à travers le prisme des intérêts des acheteurs également, aspect qui implique un système d'indicateurs spécifiques. Mais l'efficacité sociale de l'activité d'une firme commerciale est très difficile à calculer, à quantifier, parce que les éléments desquels il faut tenir compte sont multiples et complexes.

Notre avis est que l'efficacité sociale, surtout dans le domaine des services commerciaux, dépend de nombreux facteurs, tels que : les aspects qui visent au degré de modernisation de l'unité commerciale prestataire – condition essentielle (notamment dans le commerce des produits non alimentaires) pour réaliser un commerce moderne, civilisé, qui détermine directement et décisivement la qualité de la prestation, la variété des assortiments offerts – qui doivent satisfaire pleinement les exigences des consommateurs, le degré d'accessibilité – tant en ce qui concerne les informations sur la firme, que l'unité en soi, le professionnalisme du personnel impliqué dans la prestation des services et beaucoup d'autres facteurs. La qualité du service sera donnée finalement par la qualité de chaque facteur d'influence séparément.

Dans ce sens, nous avons réalisé une étude dans laquelle nous avons été intéressés dès le début des possibilités d'évaluation de cette efficacité sociale et nous avons essayé de mettre en œuvre un projet par lequel déterminer certains indicateurs d'analyse. Ainsi, à l'aide du personnel de l'une des entreprises commerciales du domaine auto, nous avons réussi à recueillir quelques informations concernant le trafic de showroom. Ces informations sont présentées dans le tableau 1.1.

**Tableau 1.1. Le trafic de showroom dans la période 11 octobre – 19 décembre 2006**

Évaluation du trafic de showroom						
Semaine	Nombre d'appels téléphoniques reçus	Nombre de visiteurs	Nombre de test-drive	Nombre d'offres données	Nombre de clients potentiels	Nombre de contrats signés
11-17 octobre	55	26	4	85	3	0
18-24 octobre	49	19	3	71	1	1

25-31 octobre	42	17	5	63	2	0
01-07 novembre	34	19	4	54	2	1
08-14 novembre	22	18	2	40	3	3
15-21 novembre	48	20	1	68	4	2
22-28 novembre	56	23	0	79	1	1
29 nov.–05 déc.	47	18	0	65	1	1
06-12 décembre	63	17	0	80	2	1
13-19 décembre	44	14	0	58	1	2
TOTAL	460	191	19	663	20	12

Dans le tableau ci-dessus on observe que, malgré le nombre relativement élevé des appels téléphoniques reçus, des offres données et des visiteurs, très peu de ces contacts se sont matérialisés en ventes effectives. Il faut pourtant se demander pourquoi, parmi les 191 personnes qui ont visité le showroom, desquelles 19 ont participé au test-drive aussi, seulement 2 personnes ont acheté des automobiles. Si nous devons déterminer un indicateur qui nous aide dans l'appréciation de l'efficacité sociale, nous pourrions calculer un indice de la satisfaction (à condition de considérer que tous les visiteurs ont eu le pouvoir d'achat à l'occasion de la visite, mais ils n'ont pas été satisfaits de l'assortiment ou du personnel) comme rapport entre le nombre total de visiteurs et le nombre des acheteurs, comme il suit:

$$Isc = \frac{Nc}{Nv} \quad (1.1.)$$

Où:- Isc – représente l'indice de satisfaction; Nc – représente le nombre d'acheteurs; Nv – représente le nombre de vendeurs.

Si nous tenons compte des données présentées dans le tableau antérieur, nous pouvons déterminer cet indice de satisfaction par chaque sous-période dans le cadre de la période d'étude, pour établir ensuite les différences qui apparaissent et essayer d'identifier les causes possibles de ces différences entre les valeurs de l'indice. Ces aspects sont présentés dans le tableau 1.2.

**Tableau 1.2. La détermination de l'indice de satisfaction**

Semaine	Nombre de visiteurs	Nombre de contrats signés	Indice de satisfaction
11-17 octobre	26	0	0
18-24 octobre	19	1	0,0526
25-31 octobre	17	0	0
01-07 novembre	19	1	0,0526
08-14 novembre	18	3	0,1670
15-21 novembre	20	2	0,1000
22-28 novembre	23	1	0,0434
29 nov.–05 déc.	18	1	0,0556
06-12 décembre	17	1	0,0588
13-19 décembre	14	2	0,1428

TOTAL	191	12	0,0628
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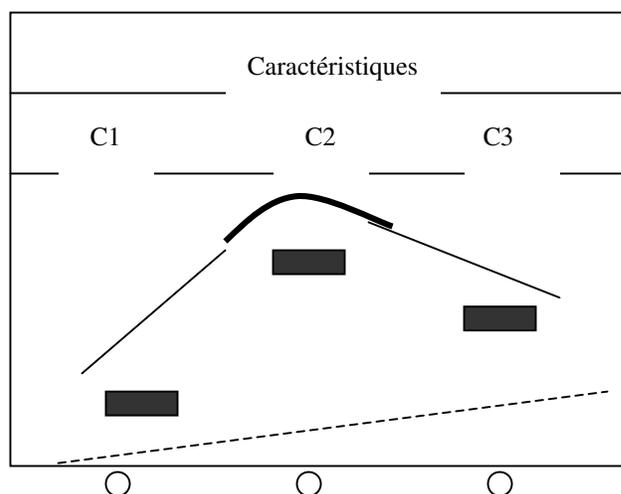
Les valeurs obtenues pour cet indice dans la période analysée sont totalement insatisfaisantes, mais il faut mentionner que nous avons supposé que les visiteurs ont eu le degré de solvabilité nécessaire pour acquérir une voiture, bien que, dans la pratique, on sache tous qu'il y a de nombreuses situations où des personnes qui ne possèdent pas l'argent nécessaire (qui leur offre l'accès à une automobile) visitent de divers showrooms seulement pour le plaisir de regarder de belles voitures.

De toute façon, ces informations doivent être analysées par le personnel de l'entreprise avec la direction, en vue de prendre les mesures convenables pour améliorer la valeur de l'indice ci-dessus.

Bien que tous les managers d'une entreprise soient préoccupés et impliqués dans l'assurance de la qualité, ces derniers temps on met toujours plus d'accent sur le rôle des top-managers dans l'assurance de la qualité et dans la satisfaction du client. En même temps que l'approche processuelle des organisations, on a avancé l'idée conformément à laquelle personne ne doit renoncer à sa propre identité professionnelle, mais au contraire il faut la développer et à la fois reconnaître que le service accompli est un résultat collectif. Il résulte d'ici le rôle des managers de créer une alliance des divers compartiments et une forte relation entre les compétences individuelles. Mais cela est possible si l'on crée une nouvelle mentalité dans laquelle, bien qu'on respecte l'autonomie et l'individualité de chacun, les compétences individuelles s'étendent réciproquement et aident l'innovation en aval et en amont de son propre emploi.

Il est bien connu que, parmi toutes les politiques formulées dans cette décennie, pour assurer la qualité, la plus appréciée a été celle qui met au premier plan la satisfaction du client.

La définition de la satisfaction du client apparaît dans une première forme chez Ph. Kotler, mais H. Simon<sup>141</sup> est celui qui définit le critère de satisfaction dans la prise des décisions, et H. Mintzberg remarque la différence entre le contentement et la satisfaction. Conformément au critère de Simon, un service est satisfaisant si toutes ses caractéristiques ont des valeurs outre un seuil imposé par le client (voir la figure 1.1.).



**Figure 1.1. Variantes de services**

Source : Plumb, I., Zamfir, A., Ionescu, M., Ionescu, S., *La réingénierie des services*, Ed. ASE, București, 2004, p.310.

Où:

- représente les seuils d'acceptation;
- représente une variante insatisfaisante;
- \_\_\_\_\_ représente une variante satisfaisante.

<sup>141</sup> Plumb, I., Zamfir, A., Ionescu, M., Ionescu, S., *La réingénierie des services*, Ed. ASE, București, 2004, p.309.

Ce qui signifie que, entre mécontentement et contentement il y a un seuil d'indifférence, et entre l'indifférence et la satisfaction nous pouvons identifier un seuil de contentement. La satisfaction dépend de la différence entre la réalité et les attentes et elle est mesurée par l'indicateur du niveau qualitatif du service, tout comme le degré de satisfaction du consommateur dépend des performances de l'offreur par rapport aux attentes du consommateur, ainsi<sup>142</sup>:

$$G_s = \frac{P_o}{A_c} \quad (1.2.)$$

Où: -  $G_s$  – représente le degré de satisfaction du consommateur,  $P_o$  – représente les performances de l'offreur, et  $A_c$  – représente les attentes du consommateur.

Le client (le consommateur) établit ses attentes en partant des expériences passées, des discussions eues avec les personnes proches ou connues, des promesses des vendeurs et des prestataires, de la publicité ou des offres promotionnelles existantes à un certain moment sur le marché. Si les promesses ne sont pas respectées, l'insatisfaction ou la déception apparaissent, et si les offres sont insuffisantes il est impossible de capter l'attention du public. C'est la raison pour laquelle les managers des entreprises commerciales suivent en permanence l'obtention d'informations de la part des consommateurs, informations qui les aident à établir le degré de satisfaction, mais aussi à identifier les éventuelles disfonctionnalités dans les processus de service.

Comme sources d'informations et méthodes liées à la satisfaction des clients on utilise: la communication directe avec le client (par écrit et verbalement); suggestions, sollicitations, réclamations des clients; rapports des organisations des consommateurs; questionnaires et évaluations; études de marché.

D'autres méthodes utilisées pour mesurer la satisfaction du client sont les suivantes: *la surveillance du marché* (existantes et potentielles), une fois à 2-3 ans, sur un échantillon représentatif de clients (études qui se réalisent avec une certaine fréquence même pendant l'année, pour pouvoir mettre en évidence certains changements qui ont lieu sur le marché du produit respectif); *interviews/discussions postcontractuelles*; *rapports des employés*, évaluations, interviews, en fonction de la mesure du département service; *analyse et réclamations/suggestions/propositions des clients*, en permanence, en vertu des données obtenues des fiches des clients; *évaluations spécialisées* (concurrence, segments de marché, caractéristiques du produit / du service, attentes des clients, perception des clients sur les produits/les services livrés); *comparaisons avec les bases de données existantes*; *interprétations statistiques* (tendance des ventes, réclamations, rapports du département de ventes, ventes de pièces de rechange, données officielles, données de l'Internet, etc.).

À la suite de l'analyse de toutes les données analysées, on peut obtenir des réponses correctes relativement aux aspects suivants : les conséquences sur l'organisation (profit, marché, image, satisfaction des clients) et nécessités d'amélioration ; la qualité, où peuvent être impliqués divers éléments organisationnels (perception, livraison, etc.) – et où il faut agir immédiatement (amélioration de la qualité, planification, inspection, etc.); la direction dans laquelle il faut agir à la suite de l'interprétation des résultats : qualité (livraison, exécution, perception), productivité, coûts (matériels, employés, infrastructure, milieu de travail), profitabilité, qualité de l'environnement et qualité de la vie.

Du processus d'analyse des informations et de leur interdépendance, nous pouvons apprécier les éléments liés à la qualité qui peuvent et doivent être pris en considération pour l'amélioration de la qualité au moins pour les suivants aspects : niveau de la qualité, qualité livrée et qualité perçue.

Notre avis est que toutes les firmes, tenant compte de l'intérêt constant pour identifier de nouvelles perspectives dans le management des services et l'orientation vers les clients, sont préoccupées en permanence d'identifier et de développer des profils propres pour maintenir de cette façon aussi longtemps que possible les positions acquises sur le marché.

En même temps, nous pouvons apprécier que la réalisation de la satisfaction dépend principalement de la manière dans laquelle le prestataire connaît les besoins des clients. Mais nous ne pouvons pas nous baser seulement sur la connaissance des besoins, parce que dans la détermination du degré de satisfaction, outre les besoins, le comportement des clients est impliqué également, étant connu le fait qu'un client est<sup>143</sup>: toujours content et à la recherche de nouveaux services ; instable, en échangeant les prestataires quand il

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<sup>142</sup> Mihuț, I., Pop, M., *Le consommateur et le management de l'offre*, Ed. Dacia, Cluj-Napoca, 1996, p.176.

<sup>143</sup> Plumb, I., Zămfir, A., Ionescu, M., Ionescu, S., *La Réingénierie des services*, Ed. ASE, București, 2004, p.312.

peut et en a l'intérêt ; exigeant, avec une bonne capacité d'évaluation des services ; retenu dans les appréciations, souvent manifestant son mécontentement ; curieux, étant intéressé de tout ce qui se passe avec un prestataire, même quand il n'a pas l'intention d'acheter ; ouvert à la collaboration et désireux de s'impliquer dans l'acte de prestation ; extraverti, il ne se connaît pas toujours suffisamment bien, de sorte qu'il a certains désirs qu'il ne sait pas exprimer.

Nous considérons que, surtout dans le domaine des services non alimentaires, les managers des firmes commerciales doivent imprimer aux firmes une orientation commerciale, mais aussi une orientation technique. L'orientation commerciale consiste dans le perfectionnement des activités qui assurent la relation directe avec le client, parce que la satisfaction de celui-ci dépend aussi de la manière dans laquelle il perçoit l'organisation, le rapport avec celle-ci, par l'intermédiaire de la personne de contact. *L'orientation technique* consiste dans l'analyse des caractéristiques qualitatives en conformité avec les suivants éléments : l'importance de la caractéristique pour le service et la valeur de la caractéristique. Ainsi, en fonction des combinaisons qui se créent si l'on tient compte des valeurs réduites ou élevées des deux éléments, nous distinguons les suivantes situations (avec influence sur la qualité, respectivement sur la satisfaction des clients)<sup>144</sup>, présentées dans la figure 1.2.

Importance	Grande	IV	III Satisfaction du client
	Petite	I	II
		Basse	Haute
		Valeur	

**Figure 1.2. Le Quartet importance/valeur**

Source : Plumb, I., Zamfir, A., Ionescu, M., Ionescu, S., *La réingénierie des services*, Ed. ASE, București, 2004, p. 314.

Dans la figure présentée ci-dessus, dans la zone :

I. Les caractéristiques ont une importance réduite et aucun changement qu'elles pourraient subir ne peut conduire à la satisfaction. Nous pourrions exemplifier ici avec certains services au cas du commerce auto, qui n'ont pas d'importance dans la décision d'acquisition d'une automobile, tels que pour certains acheteurs, par exemple, la proximité, les informations qu'ils reçoivent dans le showroom, tant qu'ils ne se sont pas décidés sur le modèle qu'ils veulent acquérir ; cependant, nous pensons que c'est une appréciation assez subjective en ce qui concerne les services qui ont un degré élevé de technicité à la base du déroulement de la prestation en objet.

II. Les caractéristiques sont apparemment satisfaisantes, mais elles ont une importance réduite. Il ne faut plus agir sur celles-ci, et les ressources destinées à ce but doivent être utilisées d'une autre manière. En ce qui concerne le service de relations au public, tant que le trafic dans un showroom n'est pas intense dans une certaine période, la présence d'un nombre élevé de personnes dans ce secteur n'est pas justifiée.

III. Les caractéristiques offrent couramment satisfaction et ne doivent pas être changées. C'est la situation idéale.

IV. Les caractéristiques sont importantes, mais leur valeur empêche l'obtention de la satisfaction. L'emploi de ressources adéquates permet leur amélioration et l'assurance de la satisfaction du client. Le nouveau positionnement du service constitue une solution qualitative du problème.

L'évaluation de l'impact eu par la satisfaction du client est une activité qui doit se dérouler de manière continue, régulière, parce que le client qui sera satisfait répètera l'acte d'achat, exprimera sa satisfaction

<sup>144</sup> idem, p.314.

dans l'entourage, dans le groupe d'appartenance, dans la famille, et dans ces situations se confirme le slogan des offreurs<sup>145</sup>: „Il est impossible de trouver un meilleur vendeur qu'un client content. Il fait de la réclame gratuite dans son secteur !”.

En synthétisant les aspects importants dans la réalisation de la qualité, dans l'orientation vers le client, en conformité avec ISO 9004:2, nous apprécions que, pour obtenir des services de qualité supérieure, les entreprises doivent faire ce qui suit: aborder les aspects sociaux et les interactions humaines, accorder l'attention due à la marque du service et motiver le personnel impliqué dans la prestation du service.

Selon notre avis, tous ces aspects mentionnés nous autorisent à affirmer que les ressources qui contribuent décisivement à la réalisation de services de qualité qui puissent satisfaire même les clients les plus exigeants sont et seront en permanence les ressources humaines. C'est pourquoi, dans ce contexte, nous apprécions que la motivation est un élément d'une importance majeure.

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<sup>145</sup> Mihuț, I., Pop, M., *Le consommateur et le management de l'offre*, Ed. Dacia, Cluj-Napoca, 1996, p.247.

# CONSIDERATIONS ON APPLYING SIX SIGMA AND ISO 9000 WITHIN HIGHER EDUCATION

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*Abstract: A relatively new approach of quality management in higher education is that regarding the role and impact of the Six Sigma strategy in the mentioned field. According to this strategy, the quality improvement of the educational services is possible through a rapid adaptation of both the structures of the academic institution and the tertiary educational system to the market demands and customers' needs, as well as to other stakeholders' expectations. Within higher education institutions such strategy could be applied in order to increase the performances of the educational services, to improve the efficiency and effectiveness of the management processes in attaining the desired goals and to enhance the capacity of the institution to achieve quality in all components that define the organization as a whole. These are strong arguments for an institution of higher education to implement Six Sigma and harmonize its practices to the already adopted model ISO 9000.*

*Keywords: Six Sigma strategy, ISO 9000, higher education*

## **Introduction**

Competitiveness and performance are the key words that best define the goals of the present business environment. Under the given circumstances concepts such as quality improvement and quality control become important actors in achieving these goals. It is in fact the duty of the personnel to carry out the necessary actions to meet the established objectives. How well are the employees trained and how competent are they in the field of quality improvement and quality control is a question that intercepts with the notion of academic environment.

Regarded as a whole, higher education plays various roles such as: training the students and preparing them for the economic environment by involving them in the teaching-learning and research processes and offering the example of a system whose outcomes meet the organizational goals by implementing Six Sigma.

The paper focuses on the way Six Sigma is applied to higher education and it is compatible with one of the quality management systems, namely the model ISO 9000 within universities.

## **Aspects regarding Six Sigma**

Six Sigma allows a multidimensional approach, as it could be viewed as “a metric, a philosophy or a methodology for quality improvement” (Mitra, A., 2004).

The variety of approaches depends of the organizational level the concept is utilized. Top management perceives Six Sigma from a philosophic point of view, as it incorporates the commitment of the entire organization to achieve continuous quality improvement.

Six Sigma could be defined as a metric not only at top management level, but at other levels, as well as, such as the level of the operating personnel (Mitra, A., 2004). From a statistical perspective, six sigma defines a “process performance that produces 3.4 defects per million opportunities”, (Goffnet, S. P., 2004) with other words the concept is used for processes that, virtually, perfectly meet the customers' requirements and needs.

At the mid-managemnet level Six Sigma is used by project leaders as a methodology to achieve quality improvement by reducing the defects in products, services and processes (Mitra, A., 2004). Whereas for products and services the DMAIC (define-measure-analyse-improve-control) approach is being used, for products and processes another approach is popular in the literature, namely DMADV (design-measure-analyse-design-verify) (Pfeifer, T. et. al., 2004).

## **Aspects regarding ISO 9000**

The ISO 9000 family of standards is one of the most well-known models belonging to the quality management systems. The revised ISO 9000:2000 relies on eight principles: customer focus, leadership, involvement of people, process approach, system approach to management, continuous improvement, factual approach to decision making, mutually beneficial supplier relationships. Further on it is presented how these principles can be applied within a higher education institution.

*Customer focus.* First of all it is very important that any higher education institution identifies its customers and stakeholders – students, professors, parents, employees, etc.- in order to better understand their needs and expectations. Following these steps the higher education institution aims at best fulfilling their needs and satisfying their requirements.

The similarity with Six Sigma relies on the consideration of this principle, customer orientation, as a prerequisite of the success of an organization (Pfeifer, T. et. al., 2004).

*Leadership.* According to this principle, a higher education institution has on one hand to establish the direction it is moving to, along with a mission, vision and goals to be attained and on the other hand it is responsible for the environment people are working in, for offering them the opportunity to develop.

From the point of view of creating an internal environment sensitive to people's needs a further similarity with Six Sigma can be emphasized (Pfeifer, T. et. al., 2004).

*Involvement of people.* Within a higher education institution the involvement of people in different processes and activities should be increased as knowledge creation, dissemination and utilization are the main tasks to be carried out. This principle brings people's active participation at various activities forward, positive attitudes regarding their creative role and responsible attitudes towards solution finding.

*Process approach.* According to the revised version of ISO 9000, the quality management system is process based. Process components that are to be taken into account are the inputs and outputs of the teaching-learning, respectively research processes. A clear evaluation of the risks and effects of the performed processes upon the various stakeholders is to be made (Olaru, M. et al., 2006). Higher education is viewed as a network of processes, where the existence of resources and their efficient use play an important role in achieving quality outcomes and quality educational services.

Within ISO 9000 the PDCA (plan-do-check-act) methodology, also known as the Deming cycle can be applied to all processes, whereas Six Sigma uses a different methodology called SIPOC (supplier-input-process-output-customer) (Pfeifer, T. et. al., 2004).

*System approach to management.* Higher education is seen as a system of integrated processes that interact and communicate with each other under the supervision and control of the top management and of the other responsible parts. By means of this approach the management structures are able to better enhance and improve the quality of the educational processes as well as outcomes.

*Continuous improvement.* Within higher education institutions this principle is achieved by measuring the quality of processes and outcomes – under these circumstances it is necessary to introduce and use quantitative and qualitative indicators, and by comparing it to stakeholders' satisfaction.

To continuously improve both research and educational products and services one should increase the efficiency and effectiveness of the quality of the university processes, and permanently evaluate the process outcomes and criteria used to analyze the results (Olaru, M. et al., 2006). Another possible way of evaluation is by conducting audits (Pfeifer, T. et. al., 2004).

Just like ISO 9000, Six Sigma focuses on quality improvement by reducing the defects and flaws in the processes of delivering educational services. Permanent efforts are being made to increase customer satisfaction by decreasing the number of failures that lead to clients' dissatisfaction.

*Factual approach to decision making.* A factual approach is possible when data is available and reliable. A higher education institution should develop a system specially designed for collecting and assessing the necessary data. To make appropriate and sound decisions the data and the information should be clear and accessible and should be first analyzed (Olaru, M. et al., 2006).

The factual approach in decision making is vital within Six Sigma, as all decisions are based on data rather than on simple assumptions (Antony, F., 2004).

*Mutually beneficial supplier relationships.* Lasting relationships with suppliers can be achieved and consolidated when both parts are committed to quality based activities and outcomes.

### **Bringing the two concepts together**

A synergetic approach created by analyzing and simultaneously using the benefits of Six Sigma and ISO 9000 plays an important role in the development and success of a higher education institution.

While Six Sigma is orientated towards those projects that offer financial success through customer focus, ISO 9000 is related to those projects that aim at improving the existing processes and activities, targeting the same goal, namely customer satisfaction (Pfeifer, T. et. al., 2004). These two approaches are compatible and complementary, and are used, for instance, within research processes or partnerships.

A prerequisite for the success of this synergetic approach is the congruence of the project goals of Six Sigma with the process goals of ISO 9000 (Pfeifer, T. et. al., 2004). A certain goal correlation has to be identified between the two models. With complex projects this prerequisite is difficult to meet.

The planning of a Six Sigma project and the recruitment of employees to participate are closely related to the processes already identified and analyzed within the ISO 9000 documentation (Pfeifer, T. et. al., 2004). The different management levels existing in a quality management system (rectors, deputy rectors, deans, chairs, etc) such as ISO 9000, coincide with the structures identified by Six Sigma: green belts – representing the practitioners, black belts – representing the experts responsible with the problem solving, master black belts - supporting the personnel involved in the project, and champions or leaders (senior management) –responsible with the project supervision and control and providing the necessary resources.

One of the issues common to both approaches and extremely debated within higher education institutions regards the seeking for resources and their transparent utilization. As many higher education institutions struggle to tackle the issue generated by the so called “funding gap” (Winckler, G., 2006), Six Sigma projects within such institutions could offer an answer to this matter by generating monetary benefits and possible financing resources through a continuous focus on customers’ needs and expectations.

The success of the synergetic approach of Six Sigma relies on the development, such as ISO 9000, of a well structured documentation, explicit procedures, clear defined tasks, activities, indicators and achievable goals.

In addition to ISO 9000, Six Sigma emphasizes a statistical thinking, making use of statistical methods to evaluate the academic processes and outcomes and to improve them by reducing defects and failures.

Combining the two approaches is made possible due to a few main similarities (compare to Antony, F., 2004): both process based aspects imply the existence of disfunctionalities and perturbances that occur during the various processes and activities and the preoccupations and intense measures undertaken to improve the quality of services and products by eliminating the causes that lie at the their bottom.

## Conclusion

In order to intensify the actions carried out to reach high levels of performance, higher education institutions should more often consider and refer to Six Sigma as a success strategy in maintaining academic quality at high standards and improving it continuously.

The complex character of Six Sigma, defined by the existence of a customer orientation, a management infrastructure (the different levels of belts), a process based perspective and quality improvement steps and measures, proves its compatibility with ISO 9000, a quality management system. In this regard integrating Six Sigma in the quality culture of any higher education institution could be a success.

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## THE DISTINCT EVALUATION OF INFORMATION IN A NEW MANAGERIAL FUNCTION OF INFORMATION – DECISION

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*The function defined as information-decision can be considered today the central function of management; we believe that the option for a compromise of the type: prognosis of product or service, organization, information-decision, stimulation and control better responds to the new managerial conditions. Any decision primarily means correct information, in order to be able to choose. Surprisingly, from the old Greek term entropis to the actual managerial information it is not such a long way and stages of the new function of information-decision emphasise the continuous interdependences between information and decision, as well as a large number of characteristic features as a result of a necessary compromise in contemporary management.*

*Key words: information-decision, entropy, redundancy, managerial information and decision.*

The dependence of the managerial functions upon the firm's, or the enterprise's practical organization is the consequence of reconsidering the interdependence between the compartmental division, the structure and the hierarchy make-up within the organization, which are concretely expressed in the functions of management, starting from the hypothesis that the functions are variables emerging from the initial management project of the organization (in the primordial management model), and the independence of the managerial functions, considered in proportion to the same practical organization, is the consequence of the restructuring of the primordial project.

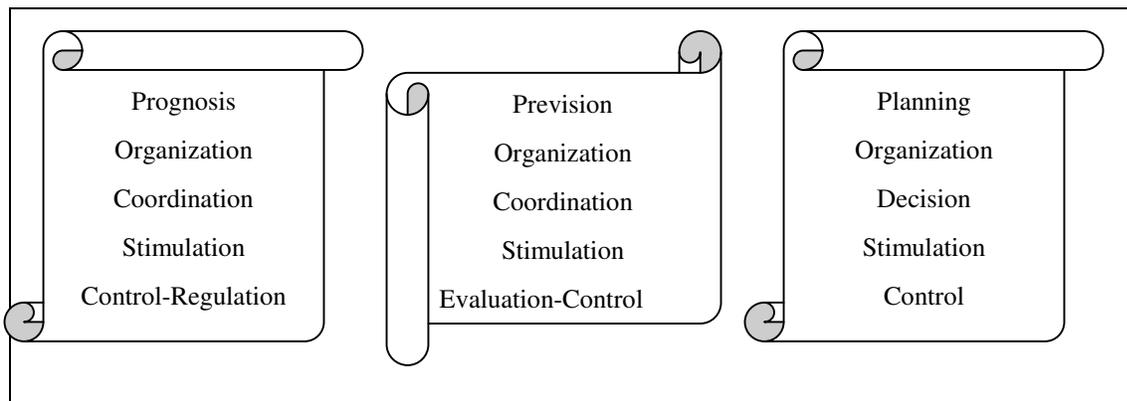
Two tendencies characterize the recent approaches of the managerial functions, the first consisting in excessive multiplication, through adding ever new functions, beginning with setting the objectives and targets, continuing by motivation, exchange of opinions, formulating the plan and exerting control, structuring the tasks and adopting decisions, communicating the critical information, allotting resources, solving conflicts, delegation of authority, directing changes, measuring results, training people, innovating, and even decentralization, and the second one, which follows a trend of systematic reduction, either through regrouping, to only four functions, i.e. *planning*, including making decisions, *organizing* in order to achieve high performances in the activity, *leading*, to which one should add *motivating*, as well as *controlling*, according to Justin Longeneker and Charles Pringle or through reducing to only two functions, considered essential, such as *supple / flexible organization*, and cutting down the dimensions of the compartments of the organization, including the managerial ones, according to Sarah Freeman and Kim Cameron's opinion, or restricting everything to a unique function, that of mustering the energies of the economic unit with a view to achieving the known and defined tasks, as Peter Drucker managed to define the essential managerial attribute, by using a unique principle, of maximal concentration.

Regardless of their number or the way they are defined, the managerial functions do not mean strictly temporal successions of activities, and, from the angle of the organization seen as a system, regrouping, within the same function, management activities that are to be found in a strictly temporal succession does not become mandatory, on the contrary, within the same function, prevision, measuring, operational and interpreting activities are even necessary, as they can be found in all the three phases of the management process, emphasising the perennial process-directed of a function. In the Romanian managerial economic literature, there are three dominant structure-patterns, starting from both the descriptive, and the contents-related side of the functions of management. The common parts of the three majority opinions<sup>146</sup> are the

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<sup>146</sup> From the Romanian economic literature, one can select the following landmarks in order to support the three modal variants: *Managementul organizației*, authored by Tiberiu Zorlețan, Eugen Burduș, Gheorghită Căprărescu, Editura Economică, București, 1998, *Management*, authored by Ovidiu Nicolescu, Ion Verboncu, Editura Economică, București, 1999, *Management. Bazele teoretice*, authored by Ion Dănăiață, Nicolae Aurelian Bibu, Mariana Predișcan, Editura Mirton, Timișoara, 2002. One can also report a fourth alternative, where, the organization being perceived as a distinct informational, and implicitly information system, a function of information is defined for management, even

similar total number of five functions, two of which being unanimously accepted (organization and stimulation), while for other two a few slight differences can be distinguished, in point of nuance and emphasis/stress (i.e. planning and control). The principal distinction emerges as far as the third function is concerned, and it boils down to coordination and decision-making. The importance of decision at the level of the organization tips the scale in favour of the latter, the optimized decision being capable of implicitly achieve a better coordination.



**Figure no 1. The mode variants of the managerial functions and of the attributes of management in the managerial economic literature in Romania**

A new function defined as information-decision, instead of a simple decision, can be considered today the central function of management; we believe that the option for a compromise of the type: prognosis of product or service, organization, information-decision, stimulation and control better responds to the new managerial conditions. In its twofold quality—both as a function and as an essential act of managerial activity, the information-decision represents its main product, as well as its most efficacious instrument. Decision, indissoluble connected to information, constitutes the nerve centre of management activities, as it can be found within all the other functions of the process of management, but it is not possible without the presence of continuous and pertinent information. Any decision primarily means correct information, in order to be able to choose. Information, as an active economic “resource” indispensable for decision (making), combines specific data relating to various stages of data collecting, selection, aggregation, and processing (i.e. micro-, mezo-, and macro-). Seen from the angle of the economic level, information appears as the potential resource, or as an intangible (i.e. micro-economic) asset of the organization, as an economic or informational (i.e. mezo-economic) good / asset, and an independent (i.e. macro-economic) production factor. Information is data pre-determined for a certain utility (necessary in order to solve various managerial problems, precisely stated in specific cases). The mathematic sense of information is derived from the mathematic theory of information transmission, a theory which quantifies information and elaborates the mathematic method of reducing perturbation, or distorting it. The calculation of the maximal rate of transmission of information without errors compels, first of all, to specify the component elements of the communication system: the source or elaboration of the message, the transmission, i.e. encoding or encrypting, transformation and movement through space, respectively, then the transmission channels, reception, decoding or decrypting and, finally, the destination of the message or interception and interpretation.

To the old Greek term entropis, whose initial signification was “return or involution”, was added the acceptance of factor/dimension that characterizes the state of an isolated system, as far as its evolution possibilities are concerned. Clausius had considered, as early as the last century that increases in entropy are tantamount to the principle of energy degradation. In other words, a system becomes all the more capable of evolution as its entropy is lower. Entropy is considered as irreversible, defining the very index of our ignorance of the system. The increase in entropy occurs at the same time as the increase of ignorance, of uncertainty, generating an equivalent

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before prognosis, in keeping with the details provided in the book *Previziune și orientare economică*, authored by Valentin Nicolae, Luminița Daniela Constantin, Ilie Grădinaru, Editura Economică, București, 1998.

diminution of information. Three formulas of entropy as measure of disorder, another one for informational energy and a final expression of redundancy can be presented succinctly.

$$(1) \text{ Entropy (S) = } k \times \ln w, \text{ where: } \begin{cases} k = \text{the Boltzmann constant,} \\ w = \frac{N!}{N_1! N_2! \dots N_m!} \\ N = \text{particles in } m = \text{distinct situations} \end{cases}$$

Through (1) in statistical thermodynamics, entropy is defined as the function of the positions and rates of all the particles included in the system.

$$(2) \text{ Entropy (S) = - } kNH, \text{ where: } \begin{cases} k = \text{the Boltzmann constant,} \\ H = \sum f_i \ln f_i \text{ (} H = \text{negentropy per particle)} \\ f_i = N_i / N \end{cases}$$

Through (2) entropy in variant - kNH is defined as average entropy of a particle, and it varies in the opposite direction to H. Octav Onicescu's proposal to measure the order (or the information) through informational energy is derived from (2), that is:

$$(3) \sum \left( \frac{N_i}{N} \right)^2 = \sum f_i^2, \text{ where } f_i = N_i / N.$$

As a generalization, Nicolas Georgescu-Roegen maintains that "any pseudo-measure of dispersion can serve as a measure of order":

$$(4) \text{ Entropy (S) = - } \sum p_i \log p_i$$

Relation (4) is the measure used by E. Shannon in the sense of a degree of uniformity or diversity of repartition (probability distribution). All these variants lead to the conclusion that there is a reverse relation between entropy and information. The entropy gain is identical to the loss of information, and non-entropy is equal to the information. No information whatever can be obtained, transmitted or preserved in store without an increase in the total entropy of the isolated system. The effects of a piece of information depend on the moment the economic phenomenon occurs and also the optimal time for obtaining supplementary information. Redundancy or useless informational abundance can be deduced from a modality of calculation derived from non-entropy or information. Thus the following relation is accepted as valid:

$$(5) \text{ Redundancy (R) = } 1 - (H / H_{\max})$$

Information is the originality contained in a reflected message, a signal as close to identity as possible, emitted, transmitted or received, concerning individual or universal knowledge, a form of energy contained by tangible or intangible data or other material manifestations, having high usefulness, and also very high costs. The effects of a piece of information depend on the moment the economic phenomenon occurs and also the optimal time for obtaining supplementary information. Useless information abundance and the surplus of informational targets reduce efficiency. Distortion reduces the veracity/credibility of the sources. Excess of information and overloading of the communication channels directed towards the recipient are inefficient.

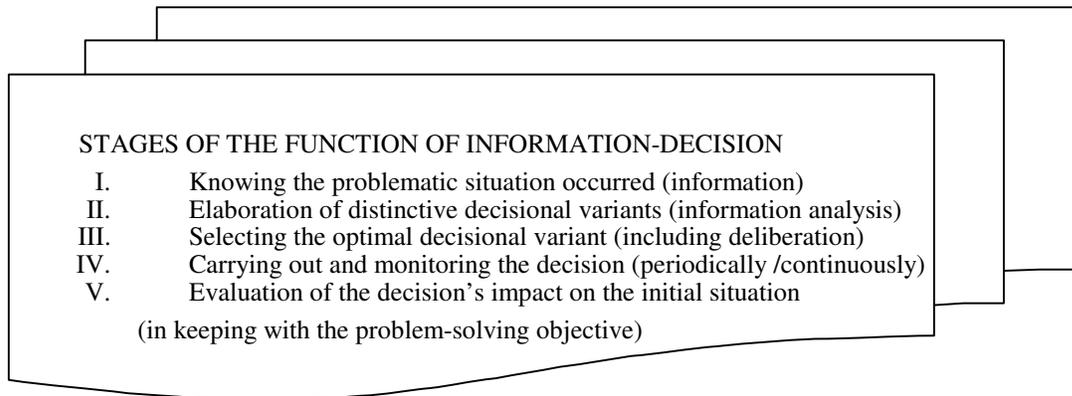
Managerial information, inferred from a rational behaviour of the manager or the managerial team, of the entrepreneur, of the organization, of regional economy and of national economy, arises from a natural desire to maintain and, especially, increase the incomes, of the profit, of the property, of wealth. Managerial information conduces to maximization of individual welfare, to maximization of wealth or property, to creating and increased accumulation of economic value. In the acceptation of the neoclassical economic theory, managerial information represents that type of information which has as a major objective, after the correct understanding (or decrypting) the message contained by the data support, maximization of the value of the income, the business figures, the profit, the assets of the organization, the wealth / property of the owner. The integrating concept of the type of informational organizing is represented by the informational system defined as the set of the data, information, informational circuits and flows, procedures and means of treating information that are meant to contribute to the founding, settlement and achievement of the organization's system of objectives. In its integrative vision, the informational system is accepted as an ensemble that is actively determined by its component parts, and which qualitatively exceeds their total sum. Between the elements of the organization, seen as a whole, appear links, intercommunions, relationships conducing to the emergence of specific properties, or else,

integrative features. An organization's real managerial system includes: the system of the economic activities, the informational system, the system of human relationships (as a reflection of individual, or group human behaviour in the first two systems). The managerial informational system is roughly perceived as an ensemble, procedures and means used within the network of transmitting and receiving messages.

The components of its definition can belong to the following types:

- organizational (organizing, in a correlated manner, certain operations of obtainment, transmission and utilization of information),
- analytic (putting together the recording/collection, processing / analyzing, transmitting / preserving, memorizing / storing, dissemination / turning to account information),
- phased (succession of definitions of the source, the carrier, the manner of collecting and recording, the method and instrument of processing and preserving, the destination and transmission of information to its destination),
- aggregative (a complex of people and activities, equipment and procedures),
- conceptualized (the data as output items from the first channel of compressed observation, interpreted and transmitted, in the shape of information from a decision-maker who metamorphoses it into actions),
- essentiality (system's communication, a network of message transmission and reception).

Contemporary decision can be defined as being the selection, based on a coherent and prompt informational system, out of a lot of variants, of the one that identified the action or modality meant to achieve one of several objectives, taking into account certain criteria; it is the result of a sequence-directed, strictly phased, process, of information, elaboration and analysis of alternatives, selection and deliberation, performance and monitoring, but mainly of evaluation of the impact that the final decision has on the initial situation, which is known by the name of decisional process.



**Figure no 2. Generalized variant in the phasing of information-decision, defined as a new managerial function**

The information-based model, as a managerial decisional support, exhibits three main assembling ways, i.e. three steps/levels of analysis: using the equations of equilibrium between the factors (the models of the decisional balances, from the one of the type input - output conceived by Leontief<sup>147</sup>, to the fuzzy one, or the dynamic ones, generated with or without including the activity of foreign commerce), identifications of extremums (maximum or minimum), a famous example in this connection being the model of the "catastrophes", or of finding the "critical points", belonging to Thom Rene, construction (simulation) of decision in the case of conflictual situations, through strategic games with incomplete (concurrential), or complete (open) information. One of the most efficient contemporary informatic systems for management is Decision Support Systems, centred on monitoring and managerial and operational control, an informatic system that raises the efficaciousness of the managerial decision by providing it further accuracy,

<sup>147</sup> Leontief's model was subsequently generalized in three distinct variants: the deterministic one, the random/aleatory one, and the informational one.

promptness and quality, without however replacing creativity as a human factor; it only supports the manager, increasing his/her capacity of processing a higher amount of information. For top management, Executive Information Systems and Executive Support Systems are more and more frequently used, the former as a structured system of automatic treating the information useful for the upper level of management, with regard to both the inner and the outer milieu of the organization, and the latter as a computer-assisted management system, meant for routine information as far as current or operational decisions are concerned.

Analysing this new function of information-decision emphasises the continuous interdependence between information and decision, and also a number of characteristic features as a result of a necessary compromise in contemporary management. Thus, information-decision, defined as a new function is specific, in its entirety, exclusively to the managers. Like managers or leaders in their organisations, all the functions of the contemporary management have a general character, benefit by a specific content and forms of manifestation in proportion to the level of the managerial hierarchy, assume a different degree of practical realization and are incorporated in the system of the organization. Statistics emphasise that information and decision take the most time in a manager's life. Contemporary studies demonstrate that today's managers spend 45% of their time with the members of the organization, 45% with people outside of, or in the immediate vicinity of it, and 10% with their superiors (trying to know the problematic situation occurred or trying to inform / be informed and to evaluate the decision's impact on the initial situation).

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# THE HUMAN RESOURCES RESPONSIBLE'S ROLE AS A GUIDE IN HIS PUBLIC POSITION

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*In close connection with the institutional performance, a fundamental role in the development of the public employees' career within the institution is played by the human resources manager or direct responsible (department coordinator, office or service chief), as a main guide of the career in a public position. This person must be constantly preoccupied with the unceasing improvement and personal development of the employees/ workers within its own operational structure, gradually supervizing the evolution specific to each career stage even since their integration into the system.*

## **1. The desirable Profile of the Practitioner responsible for the Human Resources Management within the County Council**

In an ideal reality, a human resources practitioner:

- Is a person qualified for occupying this position, preferably having attended specialized education in the field;
- Profoundly knows the entire legislation applicable to public employee, as well as the labor legislation;
- Interacts from a professional collaboration position with the other members of the institution (including the management, represented by the chairman, vice-chairmans and other county councilors);
- Provides efficient strategies for the manpower management;
- Has interpersonal communication skills and acts as a binding agent within the team;
- Never gives up the ethical standards they assumed;
- Is capable of applying and adapting personnel/ human resources management methods that may fit to the needs of the institution and of the employees;
- Does his job as an "accomplisher that thinks";
- is capable of applying the changes management;
- Personally involves himself in acquiring knowledge during his entire activity for a permanent professional improvement.

Under the aspect of the professional relations management both with public employees within the Council and with its management, the human resources manager/ responsible must:

- practice, respectively encourage a high degree of contact between the operational and management areas, on the one hand, and between the team members, on the other hand, in order to achieve a mutual understanding of the expectations and to ensure the necessary means for a mutual communication;
- sustain the practice of a general policy of transparency, making sure that the employees are correctly informed concerning all the subjects that may be of an interest to them;
- to provide to the employees within its own operational structure professional counseling concerning their chances of developing their career within the institution, respectively concerning the ethical aspect of their public position and assist them in their efforts of improving themselves and of acquiring the necessary skills for getting promoted in higher positions;
- encourage the creation of certain performance management processes that may guarantee the fact that expectations concerning the employees' performance are continuously agreed upon and analyzed;
- encourage the use of the personal development plans in order to support the continuous performance improvement, mainly focusing on the independent learning processes;
- make sure, through the actions carried out for developing manager and team leader abilities, that these persons understand their role in point of work relation management;
- elaborate standardized personnel procedures for solving the employees' claims, for ensuring discipline, equality in work opportunities, promotions, ensuring that these are correctly, continuously and impartially implemented ;
- elaborate, along with the institution management and with the fellows from the specialized departments, safety procedures wherever the specific nature of the activity requires it;

- generally, give recommendations concerning the procedures, the processes and the problems within the relations with the employees so that to promote appropriate work relations;
- be informed on the progresses within his field of activity (self - improvement);
- have an integrated perspective concerning his role and his department's role within the institution and benefit from such a decisional autonomy that he may be able to apply this perspective in his activity.

## 2. Public Employees Career Organization and Development

Besides the fulfillment of the formal-executive tasks that mainly result from the management of the documents issued or administered by the department where he is a leader, the human resources manager/responsible must take an active part in the process of training the human capital existing at the institution's level. In order to achieve this goal, the human resources manager/ responsible must get involved in the process of training public employees, even since their integration into the system, continuously supervising afterwards their professional stages.

### 2.1 Recruitment

At present, the legislation in force does not provide other tasks concerning public employees' recruitment except for those related to the organization and carrying out of contests for occupying vacant positions within the institutions. As a matter of fact, we cannot give a forecast concerning the quality of the contest under the aspect of estimating a general profile for the candidate (level of education, studies, age, development potential etc.), since at present there is no concern for attracting persons that are really qualified for the career of public employee. This is the reason why, especially at the level of the County Councils, we recommend the development of an active component of searching for future public employees in appropriate environments (high schools, specialized faculties, other institutions within the system etc.), the human resources manager/ responsible being the main coordinator of the strategies for promoting the institution, these strategies being organized at the level of the department whose leader he is.

### 5.2 Probation period

The period between the appointment of a person as a beginner public employee, after passing the admission examination for being integrated in the public employees body and the date of the final appointment as a public employee, the so-called probation period, is most of the times fundamental for shaping the professional choices as a public employee. During this period, the human resources responsible role is essential from the perspective of what we have generically named career guide. Even when he has not been officially appointed by the leader of the institution (the Chairman of the County Council) for acting as a guide for the beginner public employee, the human resources responsible must be in permanent contact with the person appointed as a guide and be informed on the evolution or on the problems faced by the beginner public employee and give the latter appropriate recommendations.

<b>The Guide's formal Tasks<sup>148</sup></b>	<b>Recommendations</b>
1. coordoning the activity of the beginner public employee during the probation period; 2. proposing methods for solving the works assigned to the beginner public employee; 3. supervizing the way of fulfilling the job tasks by the beginner public employee; 4. proposing to the coordinator of the department where the beginner public employee carries out his activity, the	Along with the activities of guiding and supervising beginner public employees, it is recommendable that the person appointed in this position or the human resources manager/responsible carries out professional counseling activities for beginner public employees concerning: <ul style="list-style-type: none"> <li>• career intentions within the institution (whether the employee is willing to build a career or he thinks of the new place of work as a temporary job);</li> <li>• aspects concerning the ethics of a public position; aspects related to the behaviour rules in a public position.</li> </ul>

<sup>148</sup> Art. 30, (2)nd paragraph of the Government Decision no. 1209/2003 concerning the public employees career organization and development.

<p>implementation of certain refresher courses to which the latter may participate;</p> <p>5. drawing up the evaluation report for the beginner public employee.</p>	<p>The guide must also facilitate:</p> <ol style="list-style-type: none"> <li>1. the integration of the beginner public employee in the team and creating the team spirit;</li> <li>2. developing collaboration relations with fellows that work within other departments;</li> <li>3. stimulating, according to the specific nature of the activities that the beginner public employee will carry out, the development of communication skills with the public;</li> <li>4. motivating the beginner public employee by formulating judgements concerning the results of his activity;</li> <li>5. creating a competitive environment, without affecting the quality of the relations within the team;</li> <li>6. encouraging initiative and new solutions proposed by the public employee in order to solve the works that have been assigned to him;</li> <li>7. encouraging self-evaluation and personal development plans.</li> </ol> <p>The guide must also be sure that the employee in the probation period knows and understands his tasks, as well as the department's and the institution's long-term objectives.</p>
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## THE TOURISM IN MEHEDINTI COUNTY KEEPING PACE WITH THE EUROPEAN INTEGRATION

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***Abstract:** European integration assumes political, economic, social and cultural coordinates. All these aspects must be considered by each European country in order to reach the level of development asked in order to become a real member of the European Union. Aware of these aspects, local authorities in Mehedinti County act to develop the tourism and regional cooperation as form of European integration.*

***Key words:** European integration, tourism in Mehedinti County*

"The European idea is one essentially and structurally ideological. First, it means an aggregate of active and militant ideas, implied into the soonest future, meaning a will of integration into the European cultural, political and economic structures " (Adrian Marino).

Therefore, the European integration comprises political, economic, social and of course cultural coordinates. First, it bases on assuming the cultural diversity into an European area where nobody is forced to give up its traditions and own cultural identity but to be a real participant to a genuine European cultural dialogue. In the wide range of the cultural exchanges between states, which must represent a concretized and eased action of the European community countries, the role of the local and regional communities, is extremely important. Representatives of some national cultures, they represent specific "accordions" and create additional ways of spiritual communication, visible contributing to the profound cognition of the own cultural patrimony and promotion of mutual respect and understanding between partners. So, the local authorities must promote cultural actions to meet the desires of the members of local communities which they administer. As a consequence, the local authorities must own the financial and human resources capable to sustain these actions. Hence, there must exist a close collaboration between the local authorities and basic groups, between the associative and private sector. This means that the local authorities must rely on a partnership which implies responsibilities or even organisation of some actions such as **tourism's promotion** and investments in tourism. While the range of the Mehedinti County tourism is large, there are many very attractive and requested touristic sub-segments, such as: archaeology, architecture, art, churches tours, hydro-technical museum, festivals and folk events and holidays and even pilgrimages. It is easy to identify these sub-segments on the map of the Mehedinti county tourism as "potentially" exploitable!

It is essential to define **what is unique** about the touristic destination and to offer the opportunity to the visitors to screen the destination's characteristics and traditions through their knowledge and own experiences.

It is very important that the community also involves into tourism's development, once the product is identified, and also to create an interest towards the product. Tourism may be a tool to tighten the relationships within the community and also to attract new investors and new businesses.

That was the very purpose of the first edition of the Euro-regional Fair of Tourism held in Drobeta Turnu Severin between 17-18 of May 2006, fair which reunited all the actors involved in the touristic phenomenon, tour-operators, travel agencies, owners of touristic pensions, tourism associations (ANTREC), local organisations and personalities who gave cultural identity to these region. The action took place in the three-sided euro-region: Mehedinti County (Romania), Bor district and Kladova (Serbia-Montenegro) and Vidin (Bulgaria), emphasizing the urgent need to develop and turn to good account some „in mirror" touristic resources using a wide range of tourism forms and programmes addressing to many categories of population, related to folk Romanian and Serb traditions, speleological-tourism, cultural tourism, tourism of convenience, sportive fishing, rural tourism, etc.

Thus, as it can be observed, another element of the local and regional development both as regions and Euro-regions, involving another close placed partners - institutions, associations of the civil society, individuals – it is represented by the **cross-border cooperation** which comprises those regions placed near the states' common borders: "Creating a tolerant and prosper Europe it is not only up to the cooperation

among the member states. It also relies on cross-border cooperation between local and regional collectivities, respecting the constitution and territorial integrity of each state." (The Declaration of the First Summit of chief s of states and governs of the member countries of the Europe's council - Vienna, October, 1993).

The Mehedinți County, by its geographical position but also by its cultural and spiritual patrimony, represents a favourable area to the cross-border development. One of the natural values belonging to the Mehedinți County is represented by the Mehedinți Plateau Geo-park which, by its particular relief forms born from limestone erosion and numerous monasteries, churches and Dacian and Romanian settlements, represents a patrimony unique in Europe and is a favorable environment for recreation and spiritual nourishment. The natural values, to which are added the cultural values of the Mehedinți Plateau Geopark and of Djerdap National Park, united by the Danube, are a bridge between Romania and Serbia & Montenegro, arguments in favor in this Euro-region for the development of a psycho-sano-genetic ecotourism. Promoting the natural patrimony will encourage the local infrastructure's development, regarding the ecological tourism, the small manufacturing industry, traditions and popular culture, which will bring benefits to the local communities. By promoting the natural common values among the local communities, the representatives of the public local administration, the profit sector, the tourists and the general public is intended the durable use of the natural resources, being necessary a common approach for the populations of the two shores of the Danube.

Concentrating on promoting the tourism emerged in the region and providing the communities' engagement regarding the renewal of the interest for culture, history and common riches of the 2 countries, there was "born" the project "Premises for a durable tourism in the Mehedinți Plateau Geo-park". The coordinator of the project is the Mehedinți County Council, the project being co-financed by European funds. The project's purpose is to facilitate the cooperation in the field of making aware the public and ecotourism between the neighboring natural protected areas: Mehedinți Plateau Geopark – Romania and Djerdap National Park – Serbia and Montenegro. Also, by the means of this project, there will be an experience transfer from the Kladovo City Hall and the National Park Djerdap – Serbia and Montenegro by the Mehedinți Plateau Geo-park – Romania. The project is also important because it aims to making aware the trans-border public opinion about the importance of the natural and cultural values of the Mehedinți Plateau Geopark and Djerdap National Park and to promote the lasting tourism by making know-how exchange between the 2 protected areas.

The named project, which is now in its implementing stage, was also born from the needs and constraints of the Mehedinți cross-border region: the need of national, trans-border and even on global scale recognition of Mehedinți (natural and cultural) tourism values, existence of an uncontrolled tourism, and as regarding the Mehedinți Plateau Geopark, which is a recently founded protected area, with an even more recent administration, with an infrastructure that still does not exist - inexistence of the indicators and informative signs, lack of integrated tourist itineraries, lack of informative materials and of informing-research possibilities about the importance of the trans-border region Romania Serbia & Montenegro.

The problems to be resolved and the needs to be met by through project's execution are: an adequate marking of the main tourism objectives, informative materials like brochures, posters, maps and a calendar of popular traditions that will have a trans-border impact by printing them in Serbian language, 3 new tourism routes marked accordingly, 4 information-research points.

The newly developed tourism sector in the region will have access to information making it possible to take concrete measures for alignment to market's requirements, being possible the European rural tourism. The local community's members from the trans-border region to informative materials will contribute to the increase of local pride feeling, fact that helps to resolve the problem regarding the population's aging and the young population's exodus to the city.

The project is also important by its multiplying effects which consist in generating ideas for making educational and optional projects (curriculum at school's decision) having as theme the Mehedinți Plateau Geo-park. According to the model proposed by the project, there will also be signaled other tourism routes, will also be emphasized other natural and cultural values that will have impact on growing the tourism potential of the area.

The know-how exchange will go both ways, parties of the project may be taken by the Serbian partner and multiplied. By collaboration with the National Park Djerdap it is desired to include the trans-border region in the European and international tourism circuit.

In conclusion, having in mind the authorities' role to create the background of cooperation not only for the own use but also to facilitate the cooperation among individuals, institutions and communities on this territory, we can mention actions of cooperation in fields of common interest: economic, education, cultural, social and touristic aiming the regional and euro-regional development and European integration.

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# THE OPPORTUNITY FOR RECONSIDERATION OF THE ORGANIZATIONAL MANAGERIAL ATTRIBUTE-FUNCTIONS SYSTEM, IN THE CONTEXT OF THE SUSTAINABLE DEVELOPMENT CONCEPT IMPLEMENTATION

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*Abstract: This paper gets started from sustainable development concept implementation for every organization. This enjoins the environmental protection and quality assurance policies role reconsideration, inside of the organizations. The authors consider that the utilization of the specific methods, techniques and instruments request a new organizational managerial attribute-function introduction, namely integrated quality-environment system assurance*

**Key-words:** sustainable development, organizational managerial attribute-functions, integrated quality-environment system

## Classic organizational managerial attribute-functions system

A managerial attribute function is based on the utilization of the concepts, knowledge, techniques, methods, that are parts of the same domain or of related or complementary domains. Also, it is used personnel in the same line, who participates at the work processes. The evolution of the concept enunciated by Henry Fayol was marked by two factors:

1. technical progress;
2. Social-economical system progress.

Management Theory, in the system concept, is defined as a project and maintains process. In which the persons working together in groups, achieve effectiveness the proposed goals. In this vision, the managerial attribute-function can be defined as representing the assembly of the orientated activities towards of the derivate objectives, resulted from the general objectives. Inside of any organization five classically managerial attribute-functions can be distinguished:

1. Production
2. Research-Development
3. Human Resources
4. Commercial or marketing, by any authors
5. Financial-accounting.[1]

## Constraints imposed by the sustainable development implementation

*The sustainable development concept* was initially related by the environmental problems and the natural resources crisis especially of the energy crisis 30 years ago. The term compelled recognition in the 1992<sup>nd</sup> summer, after the environment and development, organized by the UNO at Rio de Janeiro.

The sustainability take care the idea that human activities depends on environment and the resources. Health, social security and economical stability are essential in life quality defining. *The sustainable development* is defined as development which meets the needs of the present without compromising the ability of future generations to meet their own needs [4]. Sustainable development is not just about the environment, but about the economy and our society as well. Sustainable development is development based on patterns of production and consumption that can be pursued into the future without degrading the human or natural environment. If sustainable development is to be successful, the attitudes of individuals as well as governments with regard to our current lifestyles and the impact they have on the environment will need to change.

A healthy environment is essential in order to ensure the welfare and the life quality. The pollution generates important damages and costs. These determined the governments to promote a new concept in order to cut out the economical growth and the environmental degradation, by promoting the eco-efficiency and by interpreting the high environment protection standards as a challenge for innovation, new markets generation and business opportunities.

Sustainable development offers a frame for communities in order to use the resources more efficient, to create efficient infrastructures, to protect and improve the life quality, that consolidate their economy. Sustainable development can help to create a healthy community which can sustain both the current generation and the next one.

A modern organization is evaluated beyond its economically performances, management quality and communication policy. The evaluation must take care by the contribution to the social life of the community. A company is a part of public life and it has duties to the society, by its defining as *juridical person*. WBCSD (World Business Sustainable Council Development) defines *The Corporate Social Responsibility* as a concept that organizations, especially (but not only) corporations, have an obligation to consider the interests of customers, employees, shareholders, communities and ecological consideration in all of their operations. This obligation is seen to extend beyond their statutory obligation to comply with legislation. Such programs became veritable marketing appliances that bring incontestable image benefits for their initiators. Corporations purchase a human face, being more than simply products and services producers.

*The present investments bring the future performance.* This expression is very appropriate in case of the sustainable development projects, because the companies that have long term strategies, considered as visionary, have always more benefits than that based upon the classically management fundaments, orientated on the traditionally resources.

The access to the information can determine a major mutation at companies' level, respective the transition from the *reactive management* to the *proactive management*.

Decisive management, oriented throw quality and a cleaner environment, wear the impress of the leadership. The hall organization there is in fact attracted throw quality and efficiency, throw coherent actions in order to radically improve the environmental performances.

The stage of the principal goals affecting of the integrated system there is in a continuously management issue at the highest level of the tasks and responsibilities reorganization.

### **The quality-environment integrated system assurance – a new managerial attribute-functions at the modern organization level?**

A holistically approach of the processes and activities of an organization, by the point of view of the products and services quality requirements and in the same time of the environment and health protection and work security it is the fundament of an integrated management system. In this respect, an integrated management system presumes a proactive managerial conception in order to develop the organization towards the actual and future needs of the society.

In order to succeed the management system integration, there are necessary a good understanding of the organization, the decisional process optimization and a development strategy, based on the principles of the quality management, environment, health and work security.

The benefits resulted from the integrated management systems implementation and certification can be synthesized as:

- Global vision onto the organization management system;
- Coherent planning of the activities, by taking care aspects regarding quality, environment, health and work security;
- Decisional process optimization;
- Avoiding the unnecessary system overcharging, by concurrently all responsibilities establishment;
- Costs regarding system implementation and certification reducing.
- In order to project the managerial attribute-functions there are several criteria to take care:
- *The identity of the activities* grouped criteria;
- *The complementarity's criteria*, which requests those activities grouping that have complementary or interchangeable relationship;
- *The convergence criteria*, which request those activities grouping that, have the same objectives [2].

In the actual social-economical context, the products quality dictates the organizational competitiveness because it ensures the adaptive capacity to the more dynamically markets conditions.

*Actually conditions:*

- The enhancement of the competition by markets globalization;
- The growth of the consumers exigency, determined by the technically progress, especially the communications;

- The growth of the society exigency, related to the life, health and environment protection; in this respect new restrictions and reglementations regarding the ecologically characteristics of the products and production processes appeared.

In this context, the competitive advantage can be obtained by:

- The consumers confidence in products – quality certification;
- The consumers confidence in the provider – a quality management system implementation and certification;
- The customers satisfaction – an appropriate to requirements product achievement.

Quality is a dynamic, relative (depending on the requests) and complex (being influenced by the all organization activities) characteristic. Related to these it is necessary a quality management system to ensure a permanent inform, formation, motivation and responsabilization of the human factor. This is considered to be a cultural model of the organization, with the goal to orientate all activities and processes towards the customers and to optimize them in order to generate long term benefits for them [3].



**Fig.1 The new organizational managerial attribute-functions system**

In this context the economical organizations developed more defined structures, in which there are convergent activities in order to ensure the appropriate quality level and the sustainable growth. Organizations need to develop appropriate strategies, to introduce specifically methods and techniques, to attain by specifically methods change at the cultural level and in infrastructure, too.

There are *specifically activities* (the identity criteria) such as:

- The quality handbook elaboration;
- The work instructions (forms, quality plans, specifications, recordings etc) elaborations;
- The general system and process procedures elaboration;
- The procedures analyze;
- The technically fiches elaboration;
- Internal audit realization;
- Quality control.

There are also *complementary activities* (the complementarity's criteria):

- Research regarding the customers expectations in order to knew, prevent and even orientate their requests;
- The personnel training for the specifically activities.

In order to ensure optimally conditions for the enunciated activities it is more than evidently the need for the *specialized personnel*.

More than these, there are specifically techniques, methods and appliances elaborated:

- The histogram
- The cause-effect Diagram
- The Pareto Diagram
- The correlation Diagram

- The control Graphic
- The data stratification
- The Brainstorming
- The relationships Diagram
- The matrix Diagram
- The affinities Diagram
- The tree Diagram
- The arrow Diagram
- The deciosional process program Diagram
- The table presentation.

Moreover these, that can be classics considered, there are: the suggestions system, the Deming's cycle, the kanban, the total productive maintenance, the action plans, the management system oriented toward process, the management system oriented towards results, the check points etc.

The main objectives of the related policies are:

- The national and international legislation and the environmental reglementations related to the area and to the activities of the specific organization conforming;
- The personnel training and motivation in order to reach the quality-environment objectives;
- The environment risks prevention;
- The organization activities impact to the environment reducing, as possible is, with acceptable economically costs;
- The efficient utilization of the resources;
- The natural resources in planned limits maintain;
- The continuously improving of the environment factors quality by real environmental performance measuring and monitoring, related to a environmental management program;
- A waste discharging in quantities and qualities that are assimilable by the natural systems – controlled deposit of these;
- The environmental policies communication to the all personnel and to the public.

These policies constitute the basement for an integrated quality-environment management system, whose objective consists of the continuously improving of the environment performance and it can be achieved by the active participation of every employee.

Taking care all of these aspect, the authors consider that it is appropriate to introduce a sixth managerial attribute-function, *the quality-environment integrated system assurance*.

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# THE IMPACT OF STATISTIC WITHIN THE MANAGERIAL PROCESS OF ROMANIAN ECONOMY

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*Abstract: The paper attempts to be a pleading for statistics. Theoretically, in the economic space work and information are important anti-entropic factors. We wonder whether these may not turn, though their doubtful quality, in a real entropy generating factors. I am referring here to un-work or superficial work, to the statistical information offered without responsibility to the public or the decision factors, and I am equally referring to the receipt of the statistical information, to the theoretical and practical training of those who receive, use and make decisions based on the statistical information. The tendency of excessive simplification and ignorance are real dangers in today's management at all levels.*

*Key Words: Information, entropy, opportunity, perception, quickness*

Within the context of the entropy law that governs the economic activity, work and information are being considered anti entropic economic factors. Within the subtle unfolding of competition and the present managerial activity, their entropic potentiality decreases step by step towards disorder within the economic area. Where does disorder come from? From lack of work or being misinformed or badly informed.

Is these a speculation of the mind to consider that such a reality entailed within the world of ideas theoretic systems such as "the theory of the chaos" (during the 60s), the theory of dissipative structures or that of catastrophes (70s)? Even of these theories stem up within the context of exact sciences, we cannot deny the fact that they were inspired by the specific of the economic and social life of that time.

In order to consider disorder an element of the order or to reduce the error to a partial and deformed look of any truth, we must rise up through knowledge above the generations whose domain this disorder is linked to.

But as the error itself has its reason to exist, as error and disorder must find their places among the elements of the universal order, sometimes we wonder, it is true that late sometimes, how much we are allowed to make mistakes not to amplify disorder and we also wonder how much we had been wrong.

We make mistakes in the managerial process quite often due to the bad information that comes from economic and social information systems.

Within the decisional process, the information is the bleed which leads to action. A good decision mainly depends on the quality and opportunity of the information used. With the information boom registered by humanity, man is first of all "homo informativist" and "homo algorithmicus" creating patterns and algorithms. (Edmond Nicolau, The informational Man, Ed. Junimea, Iasi, 1971).

The information explosion coerces the quickness of decisions that strengthens the role of information and their working out. The relationship information – decision is being described by Andre Deville (L'information dans l'entreprise, Dounod, Paris, 1969) using the "oval amonte" methodology of proceedings regarding the complex substantiatiny of decisions. By taking over and developing the idea of the author, information must not represent a purpose as such but a basis for decisions substantiation as the information activities proceed, condition and follow the decisional ones.

Therefore, information must have the following qualities (Boldur Latescu Gh., Fundamentarea complexa a procesului decisonal economic, Ed. Stiintifica, Bucuresti, 1973 ):

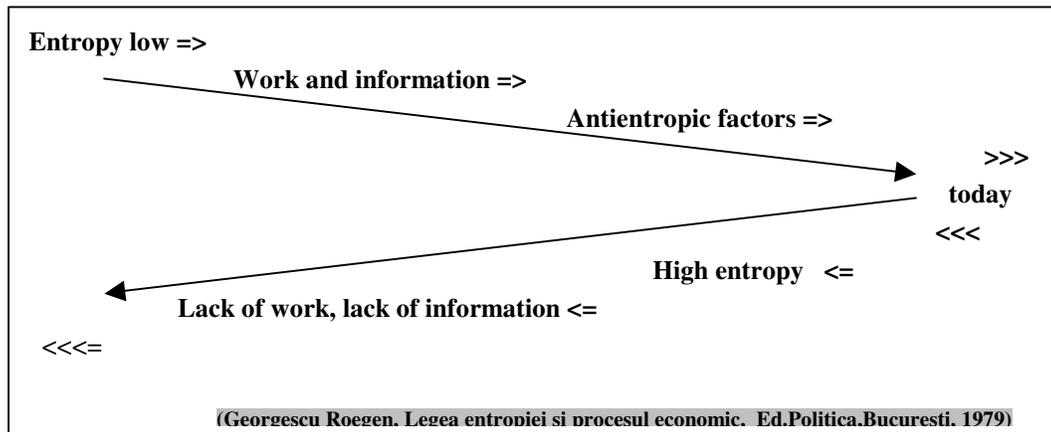
- be necessary
- be pertinent
- be exact and complete
- be recent and transmitted in due time
- be efficient from an economic point of view,

that is occasional amassed expenses, those of transmission, processing and storing be compensated by the advantages obtained by their being used within decisional process.

The necessity, relevancy of information are qualities linked to the volume of the data collected. As for as computerization gives the possibility of processing and storing a large volume of data (of which only some are being used within the decisional process), the enforcement of the principle of exception that recommends the exclusion of redundant data is being asked and in this way the volume of the information

collected is limited. But this must be understood in the sense of rationalizing and simplifying without missing the exactness of the information.

The exactness and relevancy of the information can be affected by the imperfection of the language in which it is being shaped or the imperfection of the message.



Such situations lead to non-communication, to the degradation of the decisional act. Finally the economic information, whether accounting like, or financial, or statistical or any other, can reach a human executor and the level of professional and psychosocial value can influence the decisions too.

The statistical system as a main source is that we take into consideration. Rene Guenon in his book : “the Reign of Quality and the Signs of Time” (1940) foresees an illusion through statistics as “a quite obvious characteristic of modern mentality is that of excessive simplification”. Whose simplification? That of reality. Why? Due to the speed of the life cycle, of the phenomenon and social-economic problems that are so rapid at the end of the century.

There is another characteristic of modern mentality, namely that of excessive ignoring of science – statistics mainly, as it has been developed along the centuries.

How do we ignore or simplify the statistic information? We find ourselves facing some of the following situations:

- we are users of statistical information having or not a computer available.
- we are providers of statistical information having or not a network of computers available.

We can be users and suppliers of statistical information at the same time as far as we are both a system and subsystem according to the theory of systems.

On such positions we can create the feeling of lies, falsity because statistics does not lie but the data are being used in order to lie.

In what respect the lying sensation is being created?

First, the error and lie can come out of the false content that we introduce into the “malaxoir” of statistics. The manager asks the statistician to check in why two kinds of data can be correlated, representing the evolution in time (9 years) of two variables.

With or without the help of the computer the ratio of correlation is being calculated and the variables are correlated in a high intensity of 93%.

Which were the variables?

What did the statistician calculate?

No less no more than the correlation between the level of credits for houses granted by the Romanian banking system with the out put of beans in Romania during the 9 years. Therefore, the statistical proceedings simplify work as such. To make them useful we must give all real data, having an economic, social content... we must know what to give and what to ask.

The feeling of falsity in the statistic data comes from using some methods that are too varied or wrong concerning the processing of the main data, or by not knowing the theory or a misinterpretation of the results, done on purpose. Therefore, an index for sales growth of 177% is to come, but the factorial ones

for the analyzed case are not known.  $I_{(P)} = 197\%$  and  $I_{(Q)} = 90\%$ . What weight systems have been used? Which one is to be published?

What about the decident? How does he use the information to take a good decision?

We can understand that the incompleteness of the presentation for the results regarding the research can explain what we call the “lie of the statistics”

We can mention the man, observance to the basic rules in setting up the statistic indexes or the drawing up of some “neoindexes” able to break the deadlock for a state of things.

We get through the mass media information such as : “In December 2004 inflation was of 9.3% as compared to 2003, and at the same time in 2004 as compared to 2003 the rate of inflation was of 11.9%”. Why such a big difference? Because first we calculate a generalized index for current prices of the months in 2004 and 2003 and so the variation of prices within the interval is being stated, that is the variation of the monthly medium level of inflation. Then an index is being calculated for the whole period, after a rigorous statistic proceeding that takes into consideration all variations within the year.

The statistic indexes expressed in percentage, the inflation rate, the interest rate, the profit rate, the growth rate may entail confusions, ambiguities and these may cause the stumbling of the normal flux of the information.

If a bank announces that the rate of interest increased with 10% we wonder : is that an index or an absolute growth?

Analyzing the dynamics of a phenomenon we can use “the yearly change” and the “change at the end of the year”. The yearly change used to compare the total or medium value on a calendar or fiscal year with the value of the same type for the previous year, while the change at the end of the year used to compare the values at the end of the year with those at the end of the previous year.

We also use “the change of the current year” and “the change after 12 months”. The change in the current year compared to the last available level with the calculated level at the end of the previous year while the change after 12 months compared to the level registered within a month with the level of the same month of the previous year.

“The updated change” is used, that is the change that would appear at the level of an economic phenomenon if the movement continued for 12 months.

If all these statistic instruments would be used to characterize one and the same situation, totally different levels would be obtained.

The calculation of focusing by Hirschman, Gini Corado, or other methods applied on one and the same particular case entail different results.

The calculation of correlation and regression on the same data volume using parameter or non parameter methods bring different final results.

Does the information supplier keep to the good professional sense to offer that variant of the study considered the most relevant?

Once more the question rises when using artifice raised as statistic rules that bring out neo indexes : does information, the statistical one come as an output factor and anti entropic action one?

Which is the contribution of education to this state of affairs?

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# THE ORGANIZATIONAL CONFLICTS' SETTLEMENT MANAGERIAL STRATEGIES

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**Abstract:** *The profound and rapid changes of ownership in all the socio-economic domains generate numerous conflicts, which represent an important part of the organizational life. Knowing the nature, the causes and the main types of conflict, the managers may identify and adopt the most efficient settlement strategies of the organizational conflicts, depending on the context of the state of conflict. In order to promote some successful strategies in the management of conflicts' domain it is necessary to take into account the managers' qualities, knowledge and aptitudes, the existence on the organization level of a real culture of conflicts' understanding and solving.*

*Key-words: conflict, management of conflicts, settlement strategies of conflicts*

The environmental complexity and diversity of the organizations, as well as people's natural tendency to confront each other, to compete with each other, generates, inevitably, a series of conflicts, which are seen as inherent organizational processes. To create and to maintain a perfect harmony in an organization which brings together individuals with different personalities, mentalities, education, systems of values, behaviour, prejudices, aspirations or objectives, is almost impossible to accomplish. Within this context, the conflict is considered an important part of the organizational life, and the management of conflicts is as important as the other functions of the management of human resources. And that is all the more so as the studies that have been made show that managers take up about a quarter of their time to solve labour conflicts. As a result, the way in which managers solve the labour conflicts, under the conditions of globalization and diversity of the factors of pressure on the organization, represents an important sign as far as the organization success is concerned.

The conflict represents the stimulus of a spurring relation in an organization, being able to arouse the motivation to solve the problems, which, otherwise, are not seen. It „brings about” creativity, stimulates innovation and encourages personal development and improvement. No leader must be frightened by the discords arisen inside his/her organization, because a completely homogeneous organization or group, which lack controversies, usually register low performances. That's why, the conflict must be approached as a „necessary evil”, because recent research have shown that one of the main causes of failure in the companies' business is precisely the homogeneousness of ideas among the management factors, who are more and more tending to indulge in this situation. The lack of discords, tension and debates is a sigh that the significant changes in the company's environment are not reflected in the managers' ideas, which, in the long run, has negative effects on the performances. Reality has shown that these organizations will fail in the competitive environment which tends to become bitter and bitter and more and more sophisticated. A well directed conflict may be both inevitable and benefic in the efficient organizations. Otherwise, it leads to disfunctions, chaos, inefficiency and even bankruptcy.

Reality shows that *each organization has an optimum of conflict*, which can be correlated with positive performance. Whenever the level of conflicts is too low, a state of total carelessness and apathy comes out, change is difficult to accomplish, and this permanent state is questioning the survival of the organization itself. On the other hand, a higher level of conflicts may lead to the same extreme result, because too frequent, intense conflicts, which stimulate certain ambitions, reflect the difference of interests, the incompatibility between different characters, that is a poor management.

In order to adopt the most adequate settlement strategy of conflicts it is necessary to know their essence and causes, as well as the main types of conflicts.

According to the experts in this field, **the main conflict sources** are:

- the different perception of reality, of the system of values, of the moral aspects and of the way in which power must be exercised;
- the lack of communication or the incomplete, deficient communication, which provides distorted, incomplete information, the use of too many specialized words or of some inadequate means and channels of communication;
- the existence of different objectives, which generates conflicts of interests or priorities, even when the same organizational aims are pursued;
- the dissatisfaction regarding the professional status, the competition for supremacy of the organization personnel, some persons' desire to have more power or influence;

- the lack of precision, the ambiguity in establishing the assignments, the skills and the responsibilities, as well as the transmission of incomplete, contradictory or of little scientific substantiation managerial decisions;
- the existence of a small volume of resources and their inadequate allocation on the structural components of the organization;
- the interdependence relations between the labour departments or groups, which are essential for accomplishing their own, specific aims, as well as the general objective of the organization;
- the permanent dynamism of the external surrounding, which is mainly determined by the improvement of the production technologies, by the legislative modifications, by the change of social values, by the increase of rivalry and competition on the external and home market.

The pressure exercised by these possible causes of conflict leads to a variety of **types**, which can be structured according to a series of criteria, among which the most significant are: their essence, the effects which they generate, the main involved subjects.

● **According to their essence**, conflicts may be: essential (substantial), emotional and operational.

*The essential conflicts* are determined by the existence of different objectives and they increase in proportion when the satisfaction of their own interests is accomplished by a labour group. This conflict is solved when focusing on clear, concrete, stimulating objectives, which allow the accomplishment of the agreement. If the accomplishment of these objectives is relied on the competition based on the performance standards, the settlement of the state of conflict may lead to the organization progress.

A specific form of the essential or substantial conflicts is *the conflict among generations*, which is usually manifested in the small groups, but which is stronger in the authoritative management systems. Within the framework of these, those who have important positions in the managerial hierarchy lay down only their own way of leadership, being reticent about the necessary changes, about the solutions given by their younger collaborators.

*The emotional conflicts* are based on the emotional states of mind which affect the interpersonal relations, from this point of view the main conflict sources being the social tension and the state of doubt.

*The operational conflicts or the pseudo-conflicts* are manifested under various forms: the pseudo-conflict for saving the image, the pseudo-conflict which plays the role of a “point” of a lance, the pseudo-conflict used as “trump”. Although they are disregarded by the management studies, the pseudo-conflicts have a major role, especially in the totalitarian and post-totalitarian societies, being the result of insincerity and dual personalities.

● **Depending on the effects they generate**, conflicts may be: constructive (benefic) and destructive.

*The constructive conflicts (benefic or functional)* are numberless, having multiple causes, being favourable to creativity, innovation, change and adaptation. They are determined by some debates among different parties concerning the possible solutions for the efficiency increase. Thus, the constructive conflicts hinder the individuals’ or the organizations’ stagnation conditions, by making them more creative and more productive, eliminate tensions and facilitate change promotion.

*The destructive conflicts* are characterized by a permanent state of discontent, by the contempt and hostility of the personnel, by the tendency of a continuous expansion. The communication between competitors is getting more and more difficult, and the misrepresentation of reality is considered the most suitable solution so that each party involved in the conflict to obtain some advantages.

● **From the point of view of the involved subjects**, conflicts may be:

- conflicts between two or among several individuals belonging to the same group or to different groups (formal or informal) or organizations – are generated by differences of personality, by the different ways of perceiving values;
- conflicts between individuals and groups – are reflecting the way in which an individual receives the state of pressure to which he is submitted by his own group or other groups or organizations;
- inter-groups conflicts – have a complex character, as a result of the causes which they generate, of the effects which they produce and of the managerial methods used for solving. They appear, as a rule, between the production compartments and the functional ones or between trade-unions and the administrative management. Their settlement is made by the organization’s top quality management, and their main favourable effect is the increase in cohesion of the labour groups and in the loyalty of its members.

Knowing the nature, the causes and the main types of conflict, the managers may identify and adopt the most efficient **settlement strategies of the organizational conflicts**, depending on the context of the state of conflict. These have in view two *main dimensions*, namely:

- the wish of each party involved in the conflict to impose its own viewpoint or its own interests;

- the rate of co-operation of each party involved in the conflict in satisfying the other party's needs or interests.

Depending on the managerial modalities of response to a state of conflict, the specialists think that the settlement strategies of the organizational conflicts are:

- the avoidance strategy;
- the accommodation (adaptation) strategy;
- the competitive strategy;
- the compromise strategy;
- the co-operation strategy.

**The avoidance (evasion) strategy** is characterized by the low capacity of the parties involved in the conflict to impose their own interests and by their low co-operation. Although the opponent parties admit the existence of the state of conflict, they do not want to confront each other. As a result, this strategy is characteristic of the managers who withdraw physically or emotionally from the state of conflict, because they do not trust themselves, do not have anything to say concerning what is happening and do not take any risks to be put in the position of facing a „manifesto conflict”, as they do not have the managerial skills necessary to solve it.

The managers who adopt this strategy have an uncooperant behaviour, neglecting all interests by ignoring the problem or by reaction delay. The avoidance (evasion) of conflicts may be a wise answer, especially if we are dealing with a strong and hostile opponent, and this can be done by diplomatically straying from a subject or a problem until a better opportunity comes up, by changing the subject, ignoring some information or by „passing” the responsibilities to another person.

This strategy has a low efficiency, because, although it contributes to the reduction of stress generated by the conflict, it doesn't actually change the facts, the conflict remaining in a state of latency.

**The accommodation (adaptation) strategy** refers to maintaining the interpersonal relations by all means, without taking too much into account the objectives of the involved parties. The renunciation, the content and the avoidance of conflict are seen as modalities of protecting the parties' relationship. In other words, the parties involved in a conflict overestimate the value of maintaining the interpersonal relations and underestimate the importance of accomplishing personal objectives.

Although this strategy is efficient in the short run, especially when the objectives are not very important or when the opponent is very strong and unwilling to surrender, in the long run it has negative effects on the personnel's creativity, being an „obstacle” to find new ideas and solutions in order to solve the conflicts.

**The competitive strategy** is adequate especially in the situations which imply much power, when it is really about gaining and losing. This strategy is a confrontation of forces, of the type „victory – defeat”, or „winner – defeated”, which maximalizes self-interest and minimalizes co-operation. Under these conditions, the involved parties are unwilling to cooperate and determined to accomplish their own interests.

**The compromise strategy** is based on partial renunciation, on the idea of each party's consolation that it is to gain some and lose some. This strategy's main objective is to identify a advantageous solution to both parties, of the type „minimum gain - minimum loss”. Thus, through negotiation, a temporary equilibrium is accomplished, the opponents being equally strong and having the same unsatisfied interests.

**The co-operation strategy** is that modality of solving the conflicts which is oriented towards dialogue, towards the maintainance of the interpersonal relations between parties, in order to obtain some integrator solutions which maximalize not only the interest or one's own viewpoint's imposition but also the co-operation and the satisfaction of the other persons' needs. It's a „gain – gain” type of strategy, in which both parties will accomplish their own interests, which exerts a great positive impact on the relations between partners. As a consequence, although it requires time, energy, exercise and creativity, thanks to its advantages, the co-operation strategy guarantees the rise of the organizational efficiency.

In order to promote some successful strategies in the management of conflicts' domain it is necessary to take into account the managers' qualities, knowledge and aptitudes, the existence on the organization level of a real culture of conflicts' understanding and solving. The superficial approach of conflicts, the ignorance or the inappropriate use of the managerial strategies, are the main causes because of which different organizations, in spite of the available material, human, financial, informational resources, have poor performances. Well directed conflicts have always a positive effect on the labour environment, which is reflected in the rise of individual and organizational performances.

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# **A NEW APPROACH FOR DETERMINING THE STRUCTURE OF THE BUYING CENTER**

**Sitar Corina Pop**

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*Abstract: Although the buying center concept has made an important contribution to the study of organizational buying behavior, comprehensive research of the buying center structure has been limited. This paper extends the understanding of the structure of the buying center by showing and defining all the factors that have an impact on the buying center structure and by developing a framework for determining the structure of the buying center. The main value added of our framework is that is comprehensive and takes into consideration all the factors that have an impact on the buying center structure. In addition to all the factors studied before, our framework contains a new construct, the environmental characteristics, which has not been studied before by other researchers. Within each construct we added some new characteristics and we eliminated the duplications.*

*Key words: buying center; purchasing management; organizational behavior.*

## **Literature review**

The buying center notion has been one of the most important conceptual contributions made in the study of organizational buying behavior. The concept of the buying center refers to all those members of an organization who become involved in the buying process for a particular product or service (Robinson et. al 1967).

The main research streams of investigation found in literature include: buying center structure and factors that influence it; influence of members of the buying center; and communication between members of the buying center. Most researchers have studied the changes in the buying center (BC) composition and structure over the buying process and the factors that determined these changes.

Researchers that studied the factors that determine changes in the BC composition and structure found four main categories of factors that influence the BC structure: company specific characteristics, purchase related characteristics, participants characteristics and type of the decision. A list of all factors that have been researched and the author(s) that has/have studied them is given in Table 1.

From all these characteristics, purchase or product characteristics were found to be the most influential upon the structure of the buying center. The findings in this area indicate that purchase related characteristics such as purchase novelty, complexity, importance, time pressure and buy class are powerful determinants of the buying center structure (Geok-Theng Lau et al., 1999; Johnston and Bonoma, 1981, Johnston and Lewin, 1996, Bellizzi, 1979, Naumann, 1981, etc).

Researchers	Purchase related characteristics						Organization characteristics					Participants characteristics					Type of decision				
	Type of product	Buy class	Importance	Complexity	Time pressure	Novelty	Uncertainty	Orientation	Size	Complexity	Formalization	Centralization	Education	Motivation	Perception	Personality	Risk preference	Experience	Straight rebuy	Modified rebuy	New task
Webster and Wind (1972)								*	*	*	*	*	*	*	*	*					
Sheth (1973)		*			*		*	*			*		*	*	*						
Bellizzi (1979)	*							*			*										
Naumann (1981)																			*	*	*
Johnston and Bonoma (1981)	*		*	*		*		*	*	*	*	*	*	*	*	*	*	*			
Crow and Lindquist (1985)							*	*				*					*	*	*	*	*
Johnston and Lewin (1996)	*	*	*	*	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Geok-Theng et al. (1999)			*	*	*	*	*														

**Table 1: A literature review of the factors that influence the BC structure**

Bellizzi (1979) and Naumann (1981) studied what impact the purchase-related factors have on the relative influence of the BC participants. Bellizzi (1979) found that the influence of the BC members was significantly related to the product type. Naumann (1981) discovered that purchasing agents were most influential in modified rebuy and straight rebuy situations, while other members of the buying center were relied upon heavily in new task situations.

Geok-Theng Lau et al. (1999) discovered that BC becomes more complex with either increasing purchase importance or time pressure. Another conclusion was that buying under increased time pressure sees fewer members making purchasing decision.

Sheth's model suggests that company factors and product specific characteristics determine whether a specific buying decision will be joint or autonomous. (Sheth, 1973).

Webster and Wind (1972) defined buying center as a subset of the organizational actors which consists of five roles: users, influencers, deciders, buyers and gatekeepers. In their opinion the behavior of the members of the buying center reflects the influence of other members of the organization as well as the effect of the buying task, the organizational structure and technologies.

Johnston and Lewin (1996) appreciated that much of the variation in the buying center appears to be related to the level of risk associated with a given purchase situation. They appreciated that as the risk associated with the purchase situations increases the BC will become larger and more complex and the participants in the purchase decision-making process will be more educated.

Crow and Linquist (1985) are the only researchers to examine the impact of individual characteristics of key buying center members on buying center structure. They found that more educated purchasing managers were associated with larger buying centers.

All the researchers studied only some factors that have an impact on the BC structure or only parts of the buying process were examined. With this article we want to fill this gap and we look simultaneously at all the factors influencing the structure of the BC and we study them across all buying phases.

### A framework for determining the structure of the buying center

The proposed framework for determining the structure of the buying center is shown in Figure 1. Within the framework we grouped all the factors that have an impact on the buying center structure into six main constructs: environmental characteristics, organization characteristics, purchase-related characteristics, purchase phase, purchasing department characteristics and other participants characteristics.

For the structure of the BC we took into consideration three main dimensions: complexity, formalization and centralization. We choose these dimensions because of the growing consensus among organization theorists and organizational buying behavior researchers that complexity, formalization and centralization are the major dimensions of organizational structure (Van de Ven, 1976; McCabe, 1987).

Complexity is defined as the degree to which procurement activities are conducted by specialized departments and skilled personnel. Formalization is defined in this study as the extent to which purchasing tasks are formally prescribed by rules, policies and procedures. With regard to centralization, we consider the distribution of formal control and power within the organization.

The environment seldom enters the purchasing decision directly, but rather set the general scenario for the BC decision-making process. Environmental influences include economic, political, social, legal and cultural factors. Environmental characteristics influence the buying center structure by providing information as well as constraints and opportunities and they have direct effect on who will be in the buying center.

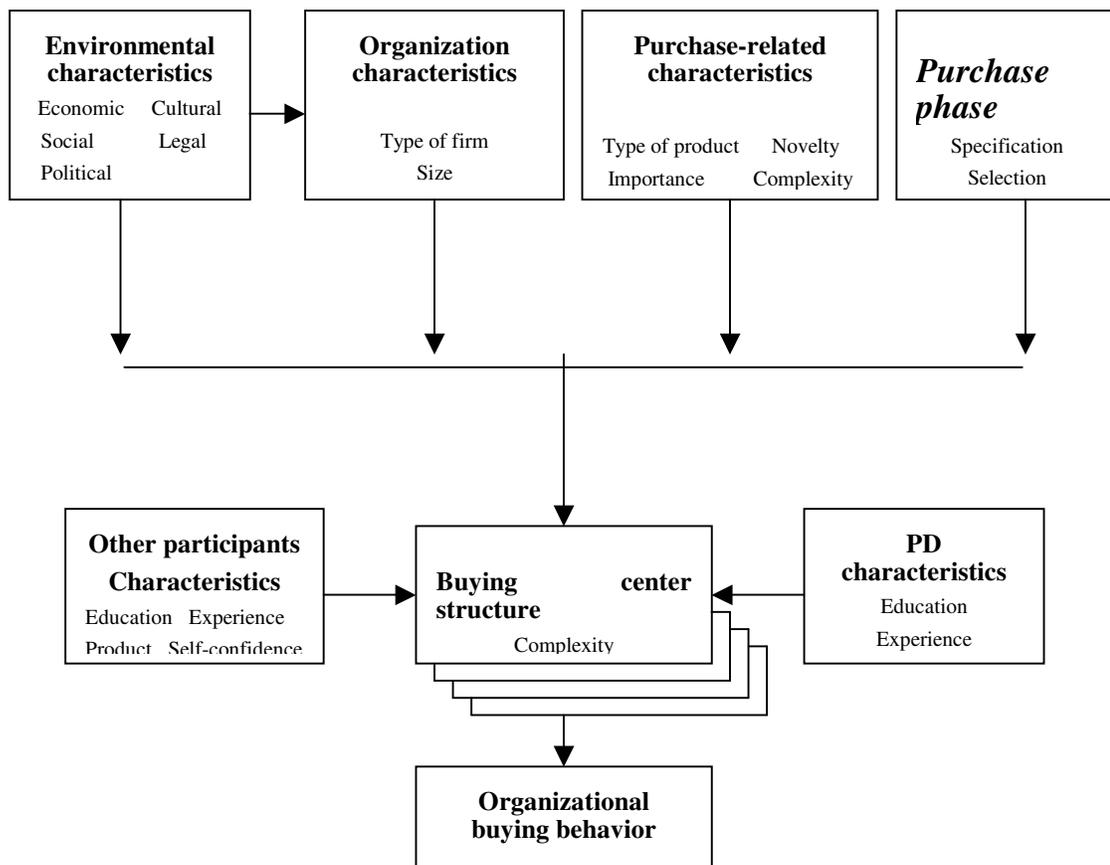


Figure1: A framework for determining the structure of the buying center

Various organizational aspects have been studied to determine the influence of the organization on the buying decision process. For our framework we selected the ones that we consider to have the biggest influence over the BC structure: type of firm, size and structure of the organization. The number of the participants in the BC is affected by the type and size of the organization and also by the organizational structural variables (formalization, complexity and centralization).

Purchase phase is an important determinant of the BC structure. McWilliams et al. (1992) confirmed this and they identified a significant relationship between the BC structure and the phase of the purchasing process. They found that the BC was smaller in the phase of selection of suppliers than in the initial phase, identification of need.

The size of the BC is also influenced by the characteristics of the buyers and of the other participants in the buying decision process. Buyers characteristics such as: education, experience, motivation, location will influence the number of people involved in the purchasing process. Besides this, the other participants' characteristics such as: education, experience, product knowledge and self-confidence affect also the size of the BC and the perceived influence of the members of the BC.

From all six main constructs of our framework we consider the purchase related characteristics to be the most important factors affecting BC structure because they tend to affect how the buying organizations and buying participants view their tasks in the buying process and therefore how they organize themselves for the decision-making process

Importance of purchase can be defined as the perceived impact of the purchase on the organization's profitability and productivity. Importance has been shown to affect participation in the BC and the behavior of the participants throughout the purchasing process (McQuiston, 1989).

Time pressure represents the extent to which BC members feel compelled/forced to make a decision quickly (Kohli, 1989). The amount of time pressure an organization is under to make a purchase decision has been shown to impact the number of people that participate in the BC. Spekman and Moriarty (1984) suggest that under high time pressure fewer members participate in the purchasing process.

Another challenge facing many buying participants in organizations is the novelty of the purchase. Novelty is the lack of experience of individuals in the organization with similar purchase situations. Novelty of the purchase affects the participation in the BC and the influence of the participants of the BC (Geok-Theng Lau et al., 1999). When the purchase situation is novel, there is greater unfamiliarity and insecurity, and more departments and people may be brought into the buying process and therefore the BC becomes more complex. Complexity can be defined as how much information must be gathered to make an accurate evaluation of the product/purchase. As the complexity increases, it is likely that experts and specialized personnel may be needed as part of the buying decision process, leading to a complex BC.

Uncertainty refers to the riskiness of a decision as perceived by buying center members. In an uncertain purchase situation, management will involve more people in the decision making process and more specialized personnel in the BC in order to have more information and to minimize the degree of uncertainty involved.

## **Discussion and conclusions**

This paper extends the understanding of the structure of the buying center by showing and defining all factors that impact the buying center structure and by developing a framework for determining the structure of the buying center.

Within our framework we grouped the factors that impact the buying center structure into six main constructs: environmental characteristics, organization characteristics, purchase-related characteristics, purchase phase, purchasing department characteristics and other participants characteristics. Then we took each construct and defined its characteristics and determined their impact on the buying center structure.

We emphasized the purchase-related characteristics because literature suggests they significantly affect the buying center process, perhaps more than any other aspect of the situation including the buying organization's structure.

With regard to the organizational characteristics we argue that three of them (type of firm, size and structure) are most important and have a direct impact on to the buying center structure. We consider that the purchase phase is an important determinant of the BC structure that is why we included it in our framework. The participants in the purchasing process influence also the structure of the BC but most researchers studied the characteristics of the buying center without making the distinction between purchasing department characteristics and other participants characteristics. We argue that this distinction is important because the purchasing department members have different characteristics form the other participants of the buying center and they play different roles in the buying decision process and therefore impact the buying center structure differently.

The main value added of our framework is that is comprehensive and takes into consideration all factors that impact the buying center structure. All previous researchers took into consideration only two or three factors that influence the buying center structure. In addition our framework contains a new construct, the environmental characteristics, which has not been studied by other researchers. Within each construct we added some new characteristics and we eliminated the duplications. The framework can be used to learn what characteristics to examine when studying the structure of the BC. It can be also used as a foundation for further research in this subject.

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# TOURISTIC SUSTAINABILITY THROUGH SOCIAL RESPONSABILITY

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*Abstract*

*The gratitude and the respect shown towards the community and the environment represent the quintessence of the social responsibility concept. The increased interest shown by the international community for these aspects righteously imposes the formulation of certain ISO qualitative standards.*

*The dynamic evolution of the tertiary field of activity, especially of the tourist one, can only be maintained by quality services and by social involvement. A statistical research in the accommodation units of Suceava City realized during March 26<sup>th</sup> and April 6<sup>th</sup> 2007 reveals the fact that, at least for the moment, the companies' principles of social responsibility do not represent a strategic option for tourism in Bucovina. However, the social responsibility can and must be a desirable theoretical model which is the forerunner of the sustainable tourism.*

*Keywords: social responsibility (SR), ISO 26000, accommodation units, sustainable development*

## **ISO 26000, social responsibility**

The evolution of the modern society is imposed by innovation. From the emphasis on quantity to quality management and to the recent tendency of social incentive and involvement, manifested rather late on the Romanian economic market, is a long way, but a compressed way, apparently successfully, first by the great transnational companies. The slow translation from selling a large amount of products and/or services towards social responsibility has been induced by the demands of the market generated by the new trend, respectively the interest shown for the protection of the environment, social support and philanthropic activities.

From the legislative point of view, trading companies are legal persons. Taking this aspect into account, the companies' social responsibility precisely aims to emphasize the "person" dimension to the detriment of the "legal" one. Therefore, as a "person", the respective company must be aware of the fact that it belongs to the local community and at the same time it must get involved in the durable development and in the prosperity of the environment.

Generally speaking, the social responsibility of any type of organization comprises the following types of initiatives: social policies and practices at the work place; fund donations; a skills exchange between employees and volunteers; equipment donations and know-how; marketing a cause, its support and its promotional campaign; sponsorship programmes; community training programmes; ethical programmes; initiatives concerning the protection of the environment, etc..

The birth of modern social responsibility has at its basis Mr. Ray Kroc's concept, the founder of the McDonald's campaign which says that "*you have to give something back to the community you are part of*". Through such programmes, a company earns the trust and support of its community, of the authorities, of the media and of its business partners. The social involvement campaigns are useful both to the community of a certain company and to the image of the company itself.

Starting from 2008, the International Standards Organization (ISO) intends to set an international standard for social responsibility. Thus, aiming at an intensive durable development, the socially involved companies interested in protecting the environment shall be able to "wear a qualitative standard badge" – **ISO 26000, social responsibility**. ISO 26000 shall not be a certification standard but a guide for any organization wanting to adopt it voluntarily. The purpose of this standard is precisely to encourage the optional undertaking of the social and environmental interest, on the basis of some common concepts and assessment methods.

## **Tourism and the social responsibility of Romanian companies**

If in the western communities the companies' social responsibility has reached the stage of economic maturity, in Romania the phenomenon has hardly become topical during the last three to four years. Certain primary forms of involvement in the life of communities existed even under the communist regime,

and they were performed by institutions or state companies as bonuses or holiday gifts for children - sweets and oranges. The first steps towards democracy had elements of social involvement with western touches. Sponsorship was the most frequent means of social involvement in the nineties but most of the times, the community was the one looking for the appreciation of the trading companies. Such marketing programmes oriented towards the socio-economic ethic were often a taboo because there was no experience and no professional entrepreneurial spirit.

Quite recently, the integration perspective allowed for a know-how breakthrough, encouraging at the same time the thoroughness of the principles of business social responsibility and ethics. The use of the instruments for promoting the company's activities by SR would represent a possible means of subsequent substantiation of an ethical climate and attitude.

The responsible activity is not a recent innovation. Most of the enterprises, especially the small ones, performed their activity serving the community, always trying to be good corporate citizens. Even from the beginnings of commerce, the entrepreneurs have learnt that "doing what is right" – serving the customers, motivating the staff, being fair with the suppliers, being good neighbours or respecting the environment – means being civic-minded and having a trade common sense.

The increased interest manifested in the least polluting economic activities obviously favours the development of global tourism. Nowadays, the most powerful instrument for promoting tourism is represented by the image of a country, of an area or of a touristic product.

Tourism is mostly identified with the accommodation activity: national and international hotel chains as well as a multitude of small companies, most of them family businesses. The small and medium enterprises represent over 90% of the Romanian tourism companies. The tourism industry also includes destinations which capitalize the natural and anthropic potential, as well as professional touristic operators.

In order to survive in the consumerist society, the touristic units are forced to respect certain deontological principles, certain quality standards, to demonstrate seriousness, hospitality, competitive skills, etc. In this field of activity under continuous transformation, the creation of a monitoring and assessment system in order to verify periodically the stage of the performances and of achieving the proposed objectives is absolutely necessary. Nevertheless, in order to be and to remain competitive, the small and medium tourism enterprises must affiliate with a larger network. Professional cooperation and partnership are the key elements for success in business.

There are certain opinions, according to which tourism might represent the engine of Romanian economy, stating that hospitality is one of the most dynamic and most widely spread features of tertiary activities. Based on this aspect, the companies BRD – Groupe Société Générale, Carpatcement Holding, Orange Romania, Tuborg Romania or JTI International Romania have already initiated project of corporate social responsibility having as purpose the sustainable development of this field of activity.

It is however hard to believe that, at present, the touristic consumers on the Romanian market need and are willing to pay for the SR. The Romanian economic environment is directly interested in becoming responsive to the principles of responsible government; therefore it has to show diplomacy and transparency in the debates concerning its problems.

### **The state of implementing the social responsibility principles in the accommodation units from Suceava city**

One of the chosen destinations, mostly appreciated by the Romanian tourists as well as the foreign ones, is definitely Bucovina. This region of a rare beauty allures annually thousands of tourists fascinated by the greatness and singularity of the monasteries whose churches with exterior fresco are included in UNESCO heritage. In Bucovina, the ecumenical tourism may be associated with a large variety of other recreational activities such as camping, rural tourism, ecotourism, agrotourism, cultural tourism or the business one.

For "The High Country", Suceava city represents the main point of tourists spreading in the territory and also the biggest concentration of accommodation locations in the area. The increase in the number of accommodation units, especially the smaller ones, determined an increase of the competition and an important improvement of the quality of tourism services provided by the hotel and extra-hotel units.

Intending to present as objectively as possible the housing units' degree of involvement in the problems of local community and the state of implementing the social responsibility principles concerning the housing locations, we developed a statistical research on housing units, pensions and tourism chateaux from Suceava city. The research was conducted between March 26<sup>th</sup> and April 6<sup>th</sup> 2007, with the help of 5 II year students from Commerce, Tourism and Services Economy. The results of the statistical research highlighted the fact that the social responsibility is not yet an emulative strategic differentiation concept.

It is obvious that Suceava's accommodation units encourage in a certain degree the existence of a competition environment based on "*quality services and Bucovinean hospitality*" principle, but the lack of

practice, a strategic long term vision with not enough fundament, and the jaundiced mentality oriented towards immediate gain obstructs for the moment the capitalization of the tourism regional potential at its true value.

Locally, it is seen a slight openness of the tourism economical units towards the environmental protection and local community problems, interest apparently showed because of the norms and directives imposed by the European Union, referring to the preservation of the natural landscape and durable development. The social responsibility principles of the companies are almost unknown, but it is interesting the fact that some elements belonging to the concept are still applied in a certain primary form.

Among the 22 accommodation units<sup>149</sup> in the capital of the county and its proximity, only 64% were occasionally involved in sponsorship programs, this being an occasion to promote and support organizing different performances - student dancing evenings, undergraduate fresher balls or concerts, church collections, sponsoring the local football team and others. The charitable actions are accidental and usually handled by people close to those managing the correspondent units. In this respect, it can be noticed that the owners of the tourism pensions are a lot more sensitive to the needs of the local community than the hotel managers.

The availability of the tourism units for apprentice courses or for facilitating the practical courses of pupils/students from the high schools or universities with a tourism-services specialization is obvious as the large majority of the employees are aged between 18 and 26. Therefore, 55 % of the questioned managers or administrators are opened to cooperation and are willing to offer the youngsters the possibility of gaining experience for jobs like receptionist, waiter or cabin girl. Another 14 % would partially agree to collaborate with the educational institutions or units that train youngsters for these jobs.

The most important abilities and knowledge requested by the tourism services suppliers when hiring are: foreign language, experience and qualification, communication skills and the ability to learn new foreign languages. Considering the experience, the students and pupils are unfairly disadvantaged.

A part of the top managers of housing units are yet willing to support a practice place for the pupils/students, even as a part-time job. The employers will definitely be encouraged also by the stipulations of the Law no. 72 from March 26<sup>th</sup> 2007. If the employer hires pupils or students in their holiday period, he receives, as stated in the mentioned law a financial incentive that is monthly equal to a 50% part of the national minimal gross wage for each hired teenager.

The communitarian policy initiated by the accommodations units neglect the collaboration with the local community on antagonistic, controversial or captious subjects such as storing waste outside the company quarters, blocking the streets and access ways, illegal parking and so on, the communication being limited only to the level of support and mutual help statements.

There is a lack of a correctly developed strategy meant to follow up the environment protection, prevention of pollution, waste reducing and recycling. Half of the pensions and hotels in the county capital do not consider nor apply any environment protection measure. Over 80% of these didn't establish in the immediate vicinity any green space. In the accommodation units from Suceava the waste is not sorted by its type in special containers, on categories: glass, plastic, paper and biodegradable waste. Also, the degree of water contamination with detergents or other toxic products is completely neglected.

Gladly, 75% of the hotel units and 50% of the tourism pensions are trying, using different methods, to save electricity. The most efficient methods are using bulbs without filament, bulbs with highly illuminant LED, movement sensor projectors, etc. These initiatives are welcomed, considering that most of the times some light sources and especially those from the lobbies or the receptions must work continuously.

The relations between the accommodation companies and their own employees are not always the ones expected by the company personnel. The prolonged work program in alternating shifts of 24 hours followed by a 48 hours repose, corresponds to a 48-72 hours of work a week, providing that the Romanian legislation together with the European one states a maximum working time of 48 hours, doesn't actively allow a life - work balance for the employees. Such a program generates in time a high degree of accumulated fatigue, stress and human biorhythm disorder. But more than half of the managers of accommodation units (55%) consider that the work program is flexible and convenient enough to most employees, young students, as it offers the possibility of participating at university courses.

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<sup>149</sup> According to the Tourism Breviary of Suceava Country, 2005 and according to the information provided by the Tourism Informing Centre "Infoturism" from Suceava.

Working without legal documents represents a characteristic of the transition period. Unfortunately, this phenomenon is also present in service providing units, especially in tourism pensions, being one of the main conflict sources between employer and employees.

According to the opinions of 59% of the hotel or tourism pension managers from Suceava, their own employees are encouraged to develop real skills and career plans. On the other side, 95% of those questioned state that they consult their employees in important company matters. But it is likely improbable that such a high percentage of hotel and pension managers take into account their own subordinates' opinions.

It is rather difficult to have an objective opinion regarding the discrimination at the work place and at hiring. It can be assumed that there are some forms of discrimination on age criteria, being known that the youngsters, having a higher effort tolerance, are preferred to the adults passed their first youth. Other noticed discrimination forms are appearance and ethnicity. 9% of the accommodation units managers, generally pensions, would by no means hire a *rrom* person.

A significant number of pensions and hotels disadvantage the persons having a locomotion handicap. The absence of an access platform or the very abrupt tilt obstructs the access of such disabled persons in the accommodation units.

It is concerning that over 90% of the accommodation units involved in this research do not possess or hesitate to display in a visible place *the suggestion and request book*.

### **Addendum**

The applicability of the social responsibility principles in the Suceava accommodation units is scanty. Generally, it can be noticed a slight mutual involvement manifested by the tourism undertakers towards environmental protection, policy and social working practices, and, in a certain degree, the increase of the interest for local community. Social responsibility is, for now, a desirable theoretical model, forerunner of the sustainable tourism development.

Recent studies<sup>150</sup> show that 70% of the European consumers prefer products/services of the companies involved in solving social or environmental problems and half of those are basically willing to pay more for the products or services of a company which is socially responsible.

It would be interesting to analyze if the tourists from Bucovina have the same view.

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<sup>150</sup> Studies made at European level by MORI (Market Opinion Research International) in 2003, source: <http://www.ipsos-mori.com>

# DO ROMANIAN COMPANIES UNDERSTAND WHAT CORPORATE SOCIAL RESPONSIBILITY REALLY IS?

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*Corporate social responsibility (CSR) became a very present subject in discussion of the business and academic level. But most of the companies don't understand what this concept really mean and associates it with some of its components: cause related marketing, sponsorships, philanthropy. This paper wants to clarify the terminology surrounding the CSR concept taking into account the EU opinion stated in the Commission Green Paper 2001 "Promoting a European Framework for Corporate Social Responsibility", COM (2001)366 Final.*

*Key words: corporate social responsibility, cause related marketing, corporate philanthropy, European Union.*

Lots of Romanian companies are starting to talk about their corporate social responsibility (CSR) activities. But in most of the cases the term CSR is viewed in a narrow vision.

Kotler introduced in 1972 the concept of **societal marketing** when he published an article in Harvard Business Review. Kotler stated that „the societal marketing concept holds that the organization's task is to determine the needs, wants and interest of the target markets and to deliver the desired satisfactions more effectively and efficiently than competitors in a way that preserves or enhances the consumer's and the society well-being. The societal marketing calls upon marketers to build social and ethical considerations into their marketing practice.” (Kotler; 2006). Many authors (Dunfee, 2002) define “**corporate social initiatives**” (CSI) as the corporate community involvement that entails a significant use of firm resources related to the organization's core competencies.

Kotler makes a synthetic description of the corporate social initiatives in his book *Corporate social responsibility: doing the most good for your company and your cause:*

Type	Description
Corporate social marketing	Supporting behavior change campaigns
Cause marketing	Promoting social issues through efforts such as sponsorships, licensing agreements and advertising
Cause- related marketing	Donating a percentage of revenues to a specific cause based on the revenues to a specific cause based on the revenue occurring during the announced period of support
Corporate philanthropy	Marketing gifts of money, goods, or time to help nonprofit organizations, groups or individuals
Corporate community involvement	Providing in-kind or volunteer services in the community
Socially responsible business practices	Adapting and conducting business practices that protect the environment, the human and animal rights.

**Table 1 Corporate Social Initiatives (from Kotler, Philip; Lee, Nancy. Corporate social responsibility: doing the most good for your company and your cause. Hoboken: John Wiley, 2005)**

Another concept that is used sometimes incorrectly is **social marketing**. The definition of social marketing is made in 1971 (Kotler,Zaltman;1971) and “it represents the design, implementation, and control of

programs calculated to influence the acceptability of social ideas and involving considerations of product planning, pricing, communication, distribution, and marketing research.”

Kotler makes this definition more clear and adds that social marketing is “done by a nonprofit or government organization to further a cause” (Kotler, 2006). For companies that want to participate in social marketing campaigns he introduced the term corporate social marketing.

Corporate social responsibility can be defined in various ways, but this paper wants to put in light the definitions of the European Commission on it.

The concept of **corporate social responsibility** ( CSR) was defined by the European Commission in the Green Paper 2001 “Promoting a European Framework for Corporate Social Responsibility”, as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. (Commission Green Paper 2001)

Looking at this definition issued by EC we can point out three dimensions of CSR. The first one is that CSR cover social and environmental issues, the second one is that CSR should be integrated into the business strategies and operations and the third one is that CSR is a voluntary act of a company. Also this definition defines the set of publics both internal and external (employees, customers, neighbors, non-governmental organizations, public authorities, etc.) that a company should talk to in order to develop a CSR strategy.

The EU Multi-Stakeholder Forum on Corporate Social Responsibility published a report on CSR on 29 June 2004 where the concept of CSR was extended. The Forum proposed the following ways of understanding CSR:

- CSR is the voluntary integration of environmental and social considerations into business operations, over and above legal requirements and contractual obligations. CSR is about going beyond these, not replacing or avoiding them.
- The commitment of management in driving CSR forward is essential.
- CSR is about the core business activities of a company, and while companies are there to make profits, an approach which integrates environmental and social considerations and is based on dialogue with stakeholders is likely to contribute to the long-term sustainability of business in society;
- CSR is one means amongst many for achieving economic, social and environmental progress, and for integrating these concerns into business practice.
- The dialogue with relevant stakeholders adds value to the development of companies' CSR practices and tools. As employees are an integral part of a company, it is important to pay particular attention to the role of employees and their representatives and dialogue with them. CSR is complementary to other approaches of ensuring high environmental and social performance: there are limits to CSR, and it alone cannot be expected to ensure environmental and social improvement and that it should not be used to shift public responsibilities to companies.
- CSR is an ongoing learning process for companies and stakeholders. The development of tools and practices is work in progress. Companies need to consider their approach carefully and choose tools which suit their needs and respond well to stakeholders' expectations. They need to refine and develop their approach over time, responding to changing circumstances and expectations. Scope for flexibility, innovation and refinement are important for successful CSR.
- Convergence of CSR practices and tools is occurring on a market-led basis through voluntary bottom-up and multi-stakeholder approaches, and other drivers, and that this can achieve quality and a good balance between comparability, consistency and flexibility.
- Companies taking a CSR approach, as well as other organizations, benefit from communicating about these activities in a transparent and meaningful way. There are different ways in which this can be achieved, of which reporting is one. A company's response to the transparency challenge will depend on its activities, capacity and the needs of its stakeholders, which may be difficult to reconcile.
- The environmental, social and economic impacts of a company's activities up and down its supply chain, as well as in its own operations need consideration.
- When operating in developing countries and / or in situations of weak governance, companies need to take into account the different context and challenges, including poverty, conflicts, and environment and health issues.

## **Discussion and Conclusions**

In Romania the CSR domain is at beginning and in many cases companies describe their CSR referring to some company donations or sponsorships, or at some cause related marketing events that they supported or at their corporate philanthropy. Many companies say that paying their taxes to the state represents an act of

socially responsibility. On a survey regarding the CSR implementation into the Romanian companies, with a sample composed from 205 companies one of the issues that we investigated was the means that a company uses to involve into the society. Most of the companies choose sponsorships and corporate donations (49%) as the main instrument of their CSR. Taking into account that Romania is a member state in EU, the Romanian companies should integrate the CSR concept into their corporate strategy. As we saw on the EU Multi-Stakeholder Forum on Corporate Social Responsibility, the CSR domain is a very large one. In EU companies are increasingly often asked to demonstrate that their actions and policies meet various social and ethical criteria. There are lots of standards and certificates that a company can obtain by testing its social responsible behavior. Standards like SA 8000 Workplace/ Employee Relations; ISO 9000 Organization & Governance, ISO 14001/14004 Environment; OHSAS 18001 Health & Safety; AA 1000 S Stakeholders; CERES Environment can increase the reputation of a company and create a good environment to its development. So, for Romanian companies it will be a very difficult time, because some foreign companies have the competitive advantage given by their CSR strategy.

In order to create this kind of element of differentiation and consolidate their reputation through CSR Romanian managers should start by knowing the concept of CSR and what instruments do they have to develop their CSR strategy.

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# COMMUNICATION MANAGEMENT WITHIN SERVICES ORGANIZATIONS AND THE IMPACT ON THE BRAND IMAGE DEVELOPMENT

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**Summary:** *The communication strategy of a services organization must rely on the adequate comprehension of the target public, of their characteristics, preferences, habits, as well as of environment factors. It is also necessary to permanently adapt themselves to market conditions and to those imposed by the behavioral modifications of services' consumers in order to carry out organizational objectives. Services organizations should pay a special attention to proposed objectives starting from target groups and using the most adequate means of communication.*

*Key words: advertising, promises, strategy*

## INTRODUCTION

The unfolding of a modern marketing activity presupposes not only creating a good product, settling an attractive price and offering it to customers, but also a complex and efficient communication system. The programme of marketing communications called communicational mix represents a specific combination of advertising instruments, personal sale, sales promotion and public relations utilized to fulfill marketing and advertising goals. Communicational mix is made up of four main elements:

- *Advertising*, defined as a form of non personal presentation of ideas, goods and services, paid by a sponsor, has the mission to inform, to persuade, to remind or to strengthen the decision to acquire a certain service;
- *Personal sale* represents the presentation carried out by one of the company's employees in a conversation with one or more potential customers, emphasizing the utility, possible results and supplementary value gained by a customer through the acquisition of the presented service;
- *Sales promotion* includes the granting of short-term stimulants in order to immediately and ephemerally grow a product or service sales;
- *Public relations* consist of establishing amiable relations with different public organisms from within the company's environment through gaining their goodwill and target public's, using a series of instruments and methods of attracting attention and creating a "value of media subject". Each of these categories contains instruments specific to the service sector.

## ESSENTIAL STAGES IN THE ELABORATION OF COMMUNICATION PROGRAMME

- *Identification of target addressees* – these can be potential purchasers or current users of a service, those who take the decision to buy or those who influence it. An essential side of identification consists in the evaluation of the image they have created about the company and its services. The image is a complex of conceptions, ideas and impressions that a person associates with a certain object. For example, the image of ROMTELECOM is unfavorable abreast of public, that is why the company tries to improve it. The company must have a lot of patience because the image persists a long time after the organization has changed. The persistence of the image explains itself through the fact that in services, once consumers have created themselves an image about a service, they perceive selectively subsequent data regarding the service according to the image created. Information is necessary to contradict rigorously their previous conceptions to make them doubt and open themselves to new pieces of information.
- *Determination of expected answer* – the final answer is represented by the acquisition of the service, after a long process of decision adaptation by the consumer. This covers six stages to the acquisition of a product: informing, knowledge, pleasure, preference, conviction, and acquisition.
- *Choice of message* - the message must be conceived in such a way so as to draw attention, to keep the interest, to raise desire and determine action (AIDA model). While creating the message, the specialist must take into consideration the following elements: the content, structure and form of message.

**The content of message** must include an element of attraction or a theme leading to the expected answer. It consists in the presentation of an advantage, motivation, identification element or a reason that could determine customers to think about the service and study it. E.g: The message within TELVERDE service

is a rational appeal that addresses the personal interest of the audience. It shows that the service will be used for free.

**The structure of message** involves decisions with regard to what and how the message will say, from the part of communication specialist. It is recommendable that the message should contain questions to stimulate consumers' implication and motivation to take into consideration the brand or the respective product, leaving them to decide on their own. TELVERDE TV commercial draws the conclusion that the new ROMTELECOM service "calms your pulse", because it is free. Researches have proved that the best messages only ask questions allowing readers or viewers to draw their own conclusions. E.g.: TELVERDE advertising panels use the question: "What begins with 0800 and it is free to dial?" Unilateral and bilateral arguments raise problems: the transmitter must praise the service or it is better to mention some of its shortcomings? E.g.: TV commercial for "call waiting service" offers a unilateral argument, namely to have two phone conversations simultaneously. The TV commercial for "call divert" offers bilateral arguments: against – lack of mobility of telephone devices and pro – possibility of being called where you are. The order of presentation raises the following problem: should the transmitter finish or begin the communication with the strongest arguments? In the case of newspapers or other information means where the audience does not pay attention to the whole message, beginning with the strongest argument has as an advantage the drawing of attention and interest. In the case of bilateral message, the problem is the presentation of the positive argument at the beginning or the end. ROMTELECOM advertisements from the press starts with the positive argument. E.g.: "Free impulses calm your pulse".

**The form of the message** should be as persuasive as possible and it depends on the used means of communication. Messages should be conceived in such a way so their effect should be maximum, but at the same time, not to offend, upset or mislead the public opinion.

**Message source:** people pay more attention to messages coming from attractive sources, memories left by these being more persistent. Advertising creators use personalities or celebrities (Nadia Comaneci) when they embody an essential attribute of the service they advertise. The credibility of the person appearing in the advertisement has the same importance.

The factors the credibility of a source relies on are:

- experience – specialized knowledge transmitters possess, which allows them to support their affirmations;
- honesty refers to how objective and honest the source is perceived by an audience. Acquaintances who have used ROMTELECOM services are believed rather than foreigners or sales representatives;
- charisma reflects the group where the audience is attracted by the source.

**Choosing the means of communication** – during this stage, communication specialist should select communication channels. There are two types of channels: personal and impersonal.

- **personal communication channels** presuppose that two or more people are able to communicate directly between them. The personal communication can be carried out face to face, by telephone, by post or using PCs. Utilization of this type of channel is efficient because it allows the personal transmission of message and its feed-back.
- **impersonal communication channels** are made up of means that transmit messages without using personal contact. They are: the main communication means, atmosphere and events, extremely important elements in services.

**Settling the promotional budget** – there are five methods that may be taken into consideration to establish the promotional budget: the method of fix amounts, of sales percentage, the method of availabilities, the method of competition and of objectives.

**Establishing the communicational mix** – the company intends to allocate the promotional budget on the main promotion instruments: advertising, personal sale, sales promotion and public relations. These should be combined in order to have a communicational mix able to allow the fulfillment of marketing objectives.

**Advertising** has the following characteristics:

Public presentation: advertising is a way of communication destined to the large audience. Its public character offers the service a sort of "legitimacy" and at the same time, it suggests that the offer is standardized. Since there are more people who receive the same message, customers have about the same reasons why they appeal to ROMTELECOM services. Power of influence: Advertising is an influential communication instrument allowing the company to repeat a message very many times. Advertising at a large scale supported by ROMTELECOM suggests something positive about its size, success and power. Increased expressivity: advertising offers the occasion to carry out a presentation of the company and its services, through printed text, sound and color. Advertising is the efficient modality to realize the contact with numerous buyers, geographically separated, at a low price for each exposure.

**Sales promotion** has three distinct characteristics:

**Communication:** It draws consumers' attention and offers them information that might direct them to the respective service. **Stimulant:** it incorporates a certain concession, temptation or strong contribution having a certain value for the buyer. **Invitation:** it includes a clear invitation to conclude the transaction on the spot. Companies use promotion instruments to acquire a stronger and faster reaction from consumers. The effects of sales promotion manifest usually on short term, being inefficient in creating a long-term preference for a certain brand.

**Public relations.** It relies on the following features:

- high degree of credibility: news and reportages seem more authentic and more credible than advertisements/ commercials;
- lack of public reticence: public relations are able to realize contacts with potential customers that might avoid sales representatives and advertising. The message reaches buyers more under the form of a news than as a communication referring to sales;
- presentation: public relations, like advertising, have the possibility to carry out the presentation of a company or of its services.
- **Personal sale** is from the point of view of costs, the most efficient instrument destined to the utilization in later stages of the purchasing process, especially in the determination of preference, persuasion and action of buyers.

**Feed-back** – after transmitting the promotional message it is necessary that communication specialists should analyze the effect produced by the message on target costumers. This presupposes that the target public should be asked whether they recall the message, how many times they have seen it, which of its elements they remember, what they have felt when receiving it and what their attitude past and present towards the product and the organization is.

**Organization and coordination of communication activity** – more and more organizations adopt the concept of marketing integrated communication. According to the content of this concept, the company settles the part played by each communication instrument and the measure it will be used.

#### ***The importance of communication instruments***

By communication instruments we understand all the means through which an organization acts to inform, to persuade and determine acquisition of services. From these means, product, price and distribution belong only indirectly. Communication instruments refer to: commercial advertising, specialized activities of sales promotion, public relations and unpaid publicity; efforts of personal sale, respectively through the customer's direct solicitation. In their turns, each of these components benefit from proceedings, techniques and specific means of action.

#### **Conclusions**

If promises made through communication do not fulfill, the difference between expectations and realities deepens and the consumer negatively perceives the experimentation of service, as in this sector the quality is determined by consumers' evaluation between what they have expected and what they have got. The field of services is a peculiar sector, sensitive and delicate due to the very peculiarities of services.

The sector of services faces a special situation where the importance of advertising is decreasing, a determining part in services acquisition being played by more credible information obtained from relatives and acquaintances. The problems advertising faces in general and that dedicated to services in particular are the lack of credibility. And in a field so delicate as the services', credibility is essential.

In the field of services communication is carried out also by the environment (space architecture, furniture design), price and the front office staff, all these communicating something to buyers. The point of departure in organizing communicational mix is represented by the realization of an efficient communication. For a marketing operator in services it is necessary to know and understand the way the communication unfolds. The analysis of components highlights the main factors of an efficient communication. The transmitter must know who addresses and what answer intends to receive.

Marketing communication in services must identify target recipients, know what answer to expect, select the message, choose the promotional mix, elaborate promotional budget, receive the feed-back in order to measure promotion results and coordinate the whole process of marketing communication. All these happen in conditions of a perfect transparency and correctness, oriented towards consumers' total satisfaction, since in such a delicate field the essential factor to gain success in the market is the consumer.

Desfășurarea unei activități moderne de marketing presupune nu numai crearea unui produs bun, stabilirea unui preț atractiv și punerea la dispoziția clienților, dar și un sistem de comunicare complex și eficient. Programul comunicațiilor de marketing numit mix comunicațional, reprezintă o combinație specifică de instrumente de publicitate, vânzare personală, promovare a vânzărilor și relații publice utilizate pentru a

îndeplini obiectivele de marketing și publicitate<sup>151</sup>. Mixul comunicațional este alcătuit din patru elemente principale:

- *publicitatea*, definită ca o formă de prezentare nepersonală a ideilor, bunurilor și serviciilor, contra cost, de către un anumit sponsor are misiunea de a informa, de a convinge, de a reaminti sau de a întări o decizie de achiziționare a unui serviciu;
- *vânzarea personală* constituie prezentarea efectuată de unul din angajații firmei într-o conversație cu unul sau mai mulți clienți potențiali, evidențiind utilitatea, rezultatele posibile și valoarea suplimentară câștigată de client prin achiziționarea serviciului prezentat;
- *promovarea vânzărilor* cuprinde acordarea de stimulente pe termen scurt în scopul creșterii imediate și efemere a vânzărilor unui produs sau a unui serviciu;
- *relațiile publice* constau în stabilirea unor relații cordiale cu diferite organisme publice din cadrul mediului companiei prin câștigarea bunăvoinței acestora și a publicului țintă, utilizând o serie de instrumente și metode de captare a atenției și creare a „valorii de subiect mediatic”. Fiecare dintre aceste categorii conțin instrumente specifice sectorului serviciilor.

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# TENDENCIES IN THE DEVELOPMENT OF ROMANIAN TOURISM – THE ECOTOURISM

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*Summary: Tourism is the activity sector with a spectacular development potential yet unexploited. A real barrier in this sense is the infrastructure, the powerful competition manifested by neighboring countries, Croatia, Bulgaria, Hungary and the efficiency in exploitation. Romania's great advantage regarding tourism development consists in the multitude of natural and cultural resources, their diversity and balanced disposing on the territory. Also, Romania still keeps rare samples of flora and fauna that are at risk of extinction or do not exist in other countries. And if to all that, we add a slow development of classical tourism, then we have the necessary conditions to develop ecotourism, which imposes our country as an important destination for this kind of tourism.*

*Key words: advertising, promises, strategy*

## **Ecotourism – The Present Trend In Tourism**

One of the competitive advantages Romanian tourism benefits from is the preservation of the natural environment unaltered by human presence and activity. In this way, within the framework of natural reserves, there are many species of plants and animals declared endemic or natural monuments.

Romania may also boast with the fact that in certain regions there are still rare samples of flora and fauna that are at risk of extinction or even inexistent in other countries. All these elements combined with a slow development of classical tourism have created the conditions for the development of ecotourism, which would impose our country as an important destination for this kind of tourism.

Nowadays, Romania holds 12 national parks with a total area of 306,989 ha and 14 natural parks with a surface of 772,128 ha. The total surface of national parks, natural parks, and biosphere reserves is of 1,665,333 ha, representing 6.43% of our country's territory. There are also about 800 scientific reserves, natural monuments and natural reserves so as the terrestrial surface of natural protected areas covers 7.14% of our country's surface.

In the national network of protected natural areas, the Danube Delta is distinguished not only by surface, but also by biological diversity, having a triple international status: Biosphere Reserve, Ramsar site (wetland of international importance), Cultural and Natural World Heritage site. In 2000, the Danube Delta reserve was awarded the European Prize by the European Council, in recognition of the good state of preservation of the Delta's ecological systems and species.

Accommodation capacity in the Danube Delta held in 2003 only approximately 2% of the total accommodations existing in the country. In 2006, the accommodation capacity has known a continuous increase of the Delta's units, being 41% bigger than in 2004.

Although hotels' share in accommodation places has diminished from 32.6% as it was in 2004, to 30% in 2006, it has been ascertained that the share of accommodations in structures of superior category (3-4 stars) grew from 17.3% to 36.2% for the same period.

Tourist arrivals in Delta's accommodation units have recorded ascendant evolutions during the last years. Thus, in 2006 we remarked an increase of 104% of the tourists' number in comparison with 2004 and a growth in number of foreign tourists of 135%. Once the number of tourists grew, it has recorded also an increase of 60.7% of overnights number in 2006. At the same time, it has been remarked a decrease in duration of Romanian tourists' sojourns, from 2.1 days in 2002 to 1.8 days in 2004.

We have noticed the same trend abreast of foreign tourists whose sojourn duration has diminished from 2.8 days in 2002 to 1.8 days in 2004. From the total of overnights on the seaside, 72% are in hotels.

Accommodation units of superior category (3 and 4 stars) hold a weight of 58.3% out of overnights, followed by those of 2 stars with 25.1%. The degree of occupation in the Danube Delta's area has increased from 18.6% in 2002 to 28.3% in 2004, and hotels have had a degree of utilization of the functional accommodation capacity that has grown from 27.5% to 37.3% for the same period.

The reported average duration of a sojourn is of only 1.8 days. In 2004, the level of Romanian visitors' overnights in Delta's accommodation units is below 0.7% of the total of Romanian tourists' overnights and only 0.9% of foreign citizens' stays.

The Romanians represent about 77% of the tourists arrived in the Danube Delta and almost 76.8% of overnights. As for tourists from abroad, Germany occupies the first place with 20% from the total of foreign tourists' overnights, followed by Italy with 18% and France with 7%.

## Swot Analysis Of Ecotourism

### Strong points

- Spectacular natural tourist resources of a great diversity;
- Uniqueness of flora and fauna species;
- Existence of special sights, namely wild, virgin areas;
- Carrying out of a legal frame with regard to the delimitation of natural parks and protected areas;
- Initiation of a proficient management system for these areas;
- Wealth of natural patrimony from natural and national parks;
- Relatively big number of tourist sights included on the list of world patrimony UNESCO, that are situated in parks;
- Permanent development of protected areas' network with direct implications in the natural patrimony's preservation;
- Existence of a legislative frame allowing the development of protected areas' network and their preservation.

### Weak points

- Invasion of protected natural areas by a series of constructions;
- Overexploitation of natural resources through inadequate grazing, illegal clearing, poaching, uncontrolled tourism, etc.
- Faulty activity management having as result exaggerated quantities of waste even inside protected natural areas;
- Faulty administration of separation lines, disregard of protection conditions, elimination of tampon areas necessary to protected natural ones;
- Faulty management of certain protected zones due to absence of administrative structures;
- A pretty low level of training of guides from ecotourism/ of specialty staff that manage accommodation structures;
- accommodation capacity in protected areas is reduced;
- minimal offer of activities and services;
- non perception of ecotourism/ park as a supplementary financial source neither by their administrators, nor by the local community;
- the marketing of natural/ national parks is reduced especially at a regional/ local level, which leads to the ignorance of their value;
- few market research and few regions where they are carried out;
- lack of consciousness/ education of what national natural patrimony and its importance now, but especially in the future mean;
- massive tree cuttings and the inadequate depositing of sawdust at the margins of brooks - leading to the environment degradation in many parks;
- chaotic location of constructions in certain zones;
- lack of methane gas in the area, situation leading to uncontrolled tree cuttings;
- lack of sewerage networks, with wastewater treatment plants – leading to pollution of brooks;

### Opportunities

- the increase of tourists'/ visitors' number whose motivation is ecotourism;
- the diversification of specialty offer by including tourist sights representative for the Romanian natural patrimony – the Danube Delta, Rodna Mountains or Retezat Mountains;
- promotion of events based on "nature's calendars" (e.g. the belling of the stags, flowering of mountain peony, etc.)
- possibility of granting facilities to investors in national/ natural parks by the administration of parks;
- participation of local and regional authorities in programmes of financial and logistic support of ecotourism.

### Threats

- competition at the international level;
- existence of a superior system of waste management, of protected areas in general in the countries from the region;

- urbanization of rural population with direct implications in the loss of cultural spiritual/ material patrimony existing in parks;
- decrease in income of local people who live in parks or near them, as a result of restrictions imposed by exaggerated economical activities;
- development near parks of different forms of tourism that may become attractive sights for tourists;
- destruction of protected areas by the lack of civilization and the carelessness.

### **Conclusions**

Romania holds a large potential of tourism development and implicitly of growth in number of tourists. The development of indigenous tourist services must centre on the cultural component combined with the natural one, on the surroundings and functionality offered by tourist arrangements and the application of European standards regarding the quality of tourist services.

In this way there are distinguished 28 national and natural parks, the Danube Delta biosphere reserve, wealth of cultural patrimony (monasteries, citadels, churches, monuments), human communities that preserve the values of the rural cultural civilization in every day life.

There are also distinguished opportunities offered by practicing adventure tourism on national rivers, speleological, equestrian, cruise tourism on the Danube, wine tourism, due to the fact that Romania is the fifth wine producer, opportunities offered for the practice of mountain biking, but also of out-of-road competitions.

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# GLOBAL BUSINESS ETHICS AND THE MULTINATIONAL COMPANIES

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*The globalization of the world's economies and the intense competition which ensues therefrom require the international business community to adopt standard rules. The adoption of these self-disciplinary rules is the best way that business leaders have of demonstrating that they are motivated by a sense of social responsibility, particularly in light of the increased liberalization of markets.*

*Much is being demanded of companies because they are prime movers in making globalization happen. Indeed, it is difficult to imagine the emergence of a global economy without the stimulus of business enterprise. The only effective response is for businesses to demonstrate that they are both responsible and accountable. This means that business must engage in dialogue and debate, unafraid to justify itself and explain its constructive and indispensable role in society.*

*Global business ethics is no longer just a matter of playing by the rules. It's a matter of making the rules to ensure that the global economy reaches its full potential and everyone gets a piece of the pie. The global companies have the mission to create a stable, healthy global community out of an untamed global frontier. Each emerging market is a new frontier and cyberspace is the wildest frontier at all.*

*Key Words: business ethics, codes, credibility, multinational*

## 1. The Specificity of International Business Ethics

Business ethics is an important part of the education of any manager, but managers with responsibility for foreign operations are confronted with many ethical issues that do not arise in domestic business. The distinctive ethical problems of international business are due to many factors, including: different ethical traditions and political and legal systems, diverse forms of economic organization and different levels of economic development, inadequate or ineffectual regulation, especially in less-developed countries, conflicts between national and regional economic and political interests, a lack of background institutions and guidelines for international business, the scope and power of multinational corporations and their ability to evade regulation, and pervasive corruption in some parts of the world.

Companies today are facing multiple challenges that go beyond the traditional objectives of running a profitable business, serving shareholder interests, meeting the needs of consumers and providing a fair wage and good working conditions for employees. Increasingly, companies are responding to these challenges by means of explicit business principles that set out their commitment to act as responsible members of society in the way they conduct their business. When establishing these principles - whether formally expressed or an unwritten part of the corporate culture - companies need above all to maintain a balance between economic responsibilities to customers, employees and shareholders and their responsibilities as global citizens and members of the local communities in which they operate. One reason why companies are increasingly being pressed to solve problems outside their economic area is that they are rightly seen as contributors to the positive aspects of globalization. Research by various international organizations on the activities of multinational corporations has found that they have contributed to raising standards in the countries in which they operate.

Above all, business must demonstrate that:

- global economic development is the best way to increase prosperity within and among countries and create opportunities for millions of people, especially in the developing world, to secure a decent life for themselves and their children;
- companies most effectively establish their credentials of good corporate citizenship by applying their own principles of corporate conduct. These may take the form of formal codes or unwritten values and internal monitoring, appraisal and reporting procedures that guide corporate operations.

## 2. The Ethical Codes of Conduct

Global businesses cannot abandon the global frontier. It's all around us. We are no longer insulated by distance. What happens on another continent or in another country is as important as what happens next door. We see this very clearly today. International scandals make headlines daily. Many of the recent incidents have one thing in common: they're a matter of ethics - or a lack of it. To combat this, many

global business are creating codes of conduct, like the ones such companies as *IBM*, *Xerox* and *Shell Oil* have had for years. These three companies, and others, including *Levi Strauss*, *Nestle*, *Siemens*, *Nortel*, *Matsushita Electric* and *Canon* are taking their efforts further, by incorporating their messages into everyday business practices and making them living documents with global applicability.

Consciousness of the growing interdependence of all people on the earth – globalization – calls for more uniform treatment of people and their environment in every corner of the world. Globalization is one factor that has pushed multinationals to initiate uniform standards of conduct in all countries in which they operate. It may have seemed acceptable decades ago for *Shell* to apply lower environmental standards to its drilling in Africa than those applied in Europe or North America, but in an era of acute consciousness of the interdependence of the world ecosystem, the same standards are rightly expected on every continent.

Several changes in the global economy have contributed to the growing interest in corporate social responsibility and ethical codes of conduct. The growth of global value chains, through which Northern buyers control a web of suppliers in the South, has led to calls for the latter to take responsibility not only for aspects such as quality and delivery dates, but also for working conditions and environmental impacts. At the same time, the increased significance of brands and corporate reputation makes leading companies particularly vulnerable to bad publicity. Changing public attitudes are also an important part of the context in which corporate codes of conduct have been adopted. Companies in the North can no longer ignore the impact of their activities on the environment with impunity. Developments in global communications, which have enabled corporations to control production activities on an ever-widening scale, have also facilitated the international transmission of information about working conditions in their overseas suppliers, increasing public awareness and facilitating campaigning activities.

There are two kinds of ethical codes of conduct for multinational companies. We can make the difference between *corporate codes of conduct* and *codes of conduct for multinational corporations*. *Corporate codes of conduct* are individual company policy statements that define a company's own ethical standards, while *codes of conduct for multinationals* are externally generated and to some degree imposed on multinationals.

### 3. Corporate Codes of Conducts

Companies have adopted their own codes "voluntarily" or in direct response to publicized scandals. Public relations preservation of brand image and humanitarian concerns have both been cited as motivating factors in the formation of such in-house guidelines. The implementation of these codes depends totally on the company concerned.

Worldwide interest in corporate conduct was initially awakened in the 1980s by scandals in the defense industry and on Wall Street. Companies viewed business ethics as a way of promoting self-regulation and diminishing government intervention and regulatory action. Corporate interest quickly led to the „institutionalization” of business ethics programs, consisting largely of codes of conduct, ethics officers and ethics training. Among the first companies to establish codes were *General Electric*, *General Dynamics*, *Lockheed Martin* and other defense contractors.

Following the pricing scandals that rocked the defense industry in the 1980s, *General Electric* became a prime example of an American corporation in need of an image overhaul. In response, the company created a corporate ombudsman's office, originally for the purpose of examining its government defense contracts. The company also drew up a summary of in-house rules on ethical concerns, called "Integrity: The Spirit & the Letter of Our Commitment", which is eighty pages long and is available in most languages that are spoken in the *General Electric* worldwide network.

The recent wave of corporate codes has tended to focus on the impact of multinationals in two main areas - social conditions and the environment. They are part of a much wider debate concerning the impact of globalization on labour and the environment, which is also reflected in the call for social and environmental clauses in trade agreements and within the World Trade Organization.

There are many issue areas dealt with in corporate codes: issues related to the employee's contract with the company (workplace safety, confidentiality of employee records, employee privacy) and issues focused on employee honesty (purchasing guidelines and security of proprietary information). Codes in the United States are more likely to include sections on the security of proprietary information, while workplace safety is a more frequent subject of European ethics statements. Most codes include some formal statement of the company's fundamental principles.

Fundamentally, a code of conduct depends on its credibility: the extent to which it is taken seriously by industry, unions, consumers and governments. Credibility, in turn, depends on monitoring, enforcement and transparency: the extent to which foreign contractors and subcontractors, workers, the public, non-governmental organizations and governments are aware of the code's existence and meaning. A code can be made transparent through its posting and dissemination and through training regarding its provisions.

Monitoring can be internal (for example, through a committee, ombudsman, regular reporting obligation, field visit or hot lines) or external (for example, through a non-governmental organization, outside auditor or consultant).

There are four major criticisms of company codes:

1. **Vaguely Defined.** Corporate codes do not specify precisely the limits of their responsibility. Does the code only apply to the direct employees or also to the employees of the subcontractors and suppliers? And if so, who is considered to be a subcontractor or supplier? Does the code apply to all products? A good code needs to answer these questions. Most company codes do not.
2. **Incomplete.** Many company codes exclude the right to organize, refer only to child labour or in other ways are not complete.
3. **Not Implemented.** An important flaw in company codes of conduct is the lack of information on how these codes are being implemented and monitored. Companies often say they instruct their buyers or send special teams to implement and monitor their codes. It is impossible to know if they really do so consistently, because records of these activities are not publicly available for scrutiny or follow-up. Research shows that sometimes they do, sometimes they do not. Sometimes only a questionnaire is sent which management is required to fill in. This implies that anything written about company codes could possibly be true: that the code could be nothing more than a piece of paper that serves a public relations function or, the other extreme, that an extensive implementation and monitoring system might have been developed by the company. Often companies do not have a consistent policy in this respect; they check in some places and monitor some issues, while other places and issues are ignored.
4. **Not Independently Monitored.** Even if a company has a good code of conduct and it has done its utmost to implement it, company-controlled or internal monitoring assumes a willingness to take the company at its word only. Staff of the company, special division, subsidiary or external company involved in such monitoring efforts only report to the company that has hired them. Those outside of company management have no way of knowing if violations have been found, how many, what kind and what steps have been undertaken to improve the situation, to name just a few obvious questions.

#### **4. Codes of Conduct for Multinationals**

*Codes of Conduct or Guidelines for Multinationals* do not have any fixed definition. These codes are not of the companies' own making, nor are they agreements between companies and the entities which create the codes. In some cases, however, multinationals are involved in the drafting process. The fact that these codes are externally established standards while other corporate codes of conduct are of a voluntary and internal nature has important implications when considering their implementation in corporate practice. The value of such codes is in: setting minimum standards and raising the level of general multinationals behaviour, raising consciousness about the need for standards and in providing guidance for laws that can be adopted at the national level.

Most intergovernmental guidelines for multinational corporations emerged in the 1970s. In the early 1970s, multinational enterprises were widely criticized for their behaviour in developing countries. Host governments and labour organizations claimed that these corporations failed to operate in harmony with local economic, social and political objectives. A number of interrelated developments – decolonization, new movements and organizations of developing countries – provided the background for these criticisms.

The mood to define a social purpose for multinational companies and control their activities was symbolized by the 1974 United Nations' resolution advocating a New International Economic Order and by the Report of the Group of Eminent Persons, which was convened by the United Nations' Economic and Social Council to report on the regulation of multinational companies. The Report gave rise to negotiations on a United Nations Draft Code on Multinational Companies.

In response to pressure from developing countries and human rights groups, several international organizations developed ethics guidelines addressing the conduct of multinational companies. In 1976, the OECD (Organization for Economic Cooperation and Development) adopted its "Declaration on International Investment and Multinational Enterprises". The Declaration constitutes a political commitment, adopted by the governments of OECD member states, to facilitate direct investment among OECD members. The Declaration contains the "OECD Guidelines for Multinational Enterprises", which deal with general policies, information disclosure, competition, financing, taxation, employment and industrial relations, the environment and science and technology. All of these requirements are voluntary. Multinationals are recommended to adhere to these guidelines. Member states, on the other hand, are obliged to treat multinationals on a basis equal to that of their own national companies and to the restriction

of investment incentives and restrictions. The code is aimed specifically at improving the climate for investment and to put an end to discrimination against multinationals.

In 1977, the “International Labor Organization (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises” was issued. The principles cover multinationals activities related to labor markets, such as employment, conditions of work and life, industrial relations, consultation, examination of grievances and settlement of industrial disputes. This code is voluntary, despite efforts by unions and developing countries to make it binding.

In relation to multinationals, these codes of conduct are recommendations. Even if the codes have been agreed by a number of sovereign states or such over entities as have been granted international personality by sovereign states, they do not have a status of international law, which would set a binding effect on multinationals operating in those states which have adopted or joined the code. Hence, codes of conduct for multinationals impose no legal, but only moral obligations on companies.

Codes of conduct for multinationals may address any issue relevant to their activities. Codes have in fact addressed a wide variety of issues, including: relations between multinationals in world markets (with regard to advertising, marketing, sponsorship and competition in general), labor markets (terms and conditions of work and equality), environmental standards (emissions, waste or safety in production and transportation) and health and safety issues related to individual products (toys, baby milk substitutes and other products). These codes of conduct can take various forms. Their credibility depends on three main factors: the governments that have adopted them or companies that have subscribed to them (in number, size or nationality), the nature of the substantive provisions of the code and any related monitoring mechanism (such as investigation methods, reporting on investigation result and dissemination of reports).

## 5. Conclusion

As deregulation and privatization continue, the global companies are expected to assume responsibilities and roles which used to be the province of the public sector. As business and its effects have greater global impact, corporations are expected to bear the responsibility for the consequences globally.

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# **HYBRID DISTRIBUTION SYSTEM – STRATEGIC METHODS APPLIED MORE AND MORE IN THE CONTEXT OF NEW MARKETS EXTENDED THROUGH THE EUROPEAN UNION**

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*The fundamental framework of the market relations drawn by the Romanian adherence to E.U. implies new approaches in distribution systems' establishment and administration. As a consequence it is to be noticed the need of every economical organization to grant special credit to the management of personal distributional systems' projection and coordination process. At the point of extension upon new markets through the European Union, in order to handle the requirements of divers and of the each time more selective public, quite seldom, the companies decide adopting multiple or hybrid distributional channels.*

*Key words: hybrid distribution channels, dual distribution, extension on new markets, vertical integration.*

Managerial options of a company regarding the palpable configuration of distributional system's structure at the point of extension on a new European Union's market, consider the existent and previewed situation of that very market. There is effectuated an analysis on the factors that influence the extension process of the company on new markets, such as: medium dynamics, degree of diversification of the organization's business, communication possibilities and coordination of company's activities in the context of each country's existent terms, etc. In the trial of solving as many complex problems as possible, issues appeared during the distributional process, creating new distribution organization systems such as the vertical distribution system, the equal system and the multiple channels distributional system.

## **Concepts clarifying of hybrid distributional systems**

Hybrid distributional systems are characterized by the existence of multiple distributional channel systems, belonging to the same entity and created to deliver merchandise to one or several market segments.

At the beginning of the substantiation researches concerning this kind of distribution management, they were called dual channels but, in the recent years, these channels were analyzed under the name of hybrid channels (Stern 1996; Moriarty and Moran, 1990), multiple channels (Anderson et al., 1997; Cespedes and Corey, 1990), plural governing systems (Heide, 1994; Bradach and Eccles, 1989; Bradach, 1997; Dahlstrom and Nygaard, 1999), and „tapered” integration (Harrigan, 1984).

Professor Niels Peter Mols, from University of Aarhus, Denmark, in his article entitled „Medium factors affecting the dual channels implementation” uses an incursion in the specialized literature dedicated to theories regarding the dual marketing channels and suggests a survey model, which would explain the factors that influence the implementation of dual marketing channels. The model suggests the existence of dual marketing channels made by competitors, due to technology, consumers, implementation.

According to Professor Niels Peter Mols' researches, we are talking about dual marketing channels from the point where producers sell their products through several methods: both through mediators, directly to consumers and users through personal effort. These are to be met in a variety of areas and take different formats (Preston and Schramm, 1965). Moriarty and Moran (1990) observe that here are clues testifying the development of dual marketing channels into dominating mechanisms in the 90s and that many companies are using nowadays for simultaneous sells both in integrated and nonintegrated distributional channels, as many authors specify for instance: Bradach, 1995, 1997; Brickley and Dark, 1987; Caves and Murphy, 1976; Hunt, 1973; John and Weitz, 1988; Lafontaine, 1992; Moriarty and Moran, 1990; Stassen and Mittelstaedt, 1995; Preston and Schramm, 1965.

In terms of an empiric research, many studies inspired from the franchise systems were both units from the personal system and from the franchised, used at the same time (Oxenfeldt and Kelly, 1968-1969). Still, nowadays, many of the dual channels don't include a franchise and, for the future, it is considered that this kind of dual channels will be widespread as more and more companies combine the classic marketing channels, with new distributional channels such as those through the Internet. Mainly industry, but also the banking district, mass-media, music where a considerable part of the production could have a digital

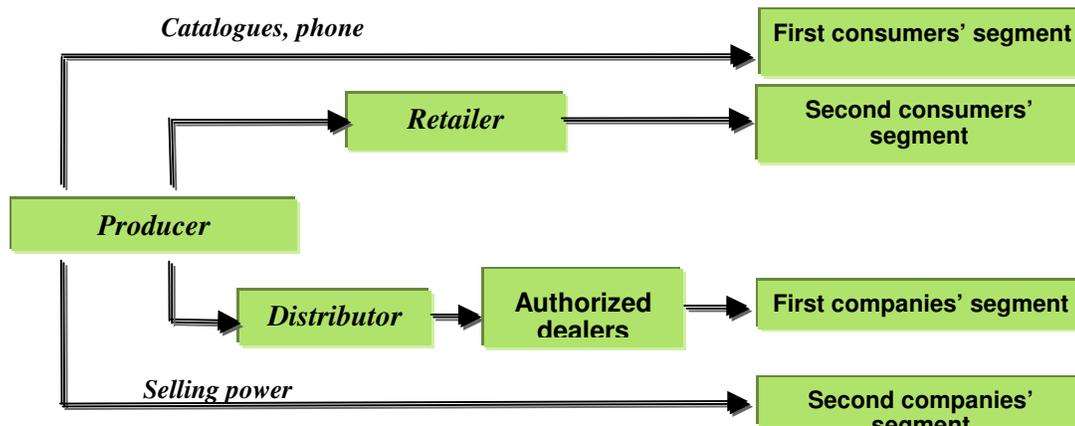
format, the new electronic distributional channels are combined with the traditional channels resulting in fundamental changes in the structure of marketing channels. In spite of their importance, there are still lacking the empiric studies on the factors affecting the implementation of dual marketing channels.

The existent theories on the dual distributional channels apply different starting points. Oxenfeldt and Kelly (1968-1969), Caves and Murphy (1976) and Minkler (1992) have based their speculations on the organization theory and especially on the organizations' life cycle. Agency theory was also a common starting point for studies on dual franchise system types (Rubin, 1978; Brickley and Dark, 1987; Martin, 1988; Norton, 1988; Brickley et al., 1991; Carney and Gedajlovic, 1991; Lafontaine, 1992; Gallini and Lutz, 1992; Shane, 1996, 1998; Shepard, 1993). The theory of transaction cost was interested in the system's ability to fence from opportunism (Dutta et al.; 1995b) and specialty literature in this area mainly focused on compassing the market and the conflicts that may have arisen within the channels (e.g. Moriarty and Moran, 1990; Webb and Didow, 1997).

### Methods of bringing forth hybrid distributional channels

Some methods of applying some hybrid distributional channels of a sole producer, addressing to certain distinct markets, are reunited in the below diagram (fig.no.1), forming altogether a hybrid distributional system which completes the assurance of optimal usage of the resources for the benefit of the company and of the altogether disserved markets.

The analysis of the constituents associated in the below diagram proves the existence of four distinct channels. The first two are created in order to satisfy the needs of two segments of final consumers: the first one is short and implies specific methods of the direct marketing and the second one is a long channel including retailers. The two latter channels are created so as to serve two segments of organizational customers but we must also match this time with a short channel, which uses selling power with a long one including two mediating links.



**Fig.1. Exemple of hybrid distributional channel**

Sorce: Kotler Ph., Armstrong G., Saunders J., Wong V.: Marketing principles. Teora, Bucharest, 1998, p.975.

Essentially, by using several distributional channels the companies benefit of many advantages such as: increasing the market penetration degree by using a new channel to reach new clients; attaining lower distributional costs as a result of using more favorable channels (selling on telephones in comparison to home selling through especially trained staff); the possibility of sells personalizing towards companies at the extent of using highly qualified sells staff for vending complex equipments.

It could, therefore, be claimed that the nowadays implied distributional systems by economical factors present a dynamic complexion which program the necessity of a permanent survey of clients' needs and of the methods and mechanisms through which the merchandise and personal services marketing could be attained. The decisions are usually taken regarding the existent distributional channels' dimensions and the possibility of creating new ones that would be more economic and with a higher impact on considered input markets.

## **Reasons for implementing certain hybrid distributional systems**

The reasons for implementing certain hybrid distributional systems may be classified in the following categories: the existence of some markets that are inaccessible to common distributional channels; the discount of sell products and service costs of a certain already existent but hardly accessible consumers category; the possibility of ensuring the service quality criteria required by all final beneficiary categories. Alongside these reasons we meet the accommodation needs of the distributional channels to the life cycle of the product. Since, as the famous Professor Kotler emphasizes, none of the distributional channels can keep competing all along the whole product's life cycle without having to adjust to the existent conditions of each phase. The introducing phase channels deal with market creating process and operate on high prices due to the consumer search and education phase to which they are compared along with those used in the maturity phase of the products when clients are searching for channels offering products with lower added value.

Aside of these aspects, there should also be considered the time distributional models that lose their actuality, therefore losing their "modernity". The vertical distributional system represents an example of the modern distribution method, emerged as an alternative to the classic methods. For example, the vertical integration in the same organization of several successive levels of the supply-delivery chain was determined by the profit increasing objectives, the discount and adjusts of the reaction time to the market requirements. Nowadays, the vertical corporate integration is no longer considered to be a viable solution in all situations due to the capital investments and to the imposed complex organization structures. It is being replaced by other integration methods such as virtual integration. Along with the increase of consumer categories, numbers and marketing capacities, more and more guilds apply the multiple channel distributional systems. By using the multiple distributional channels, the guilds benefit of three major advantages, meaning: a better market compression; much lower distributional costs; more pronounced process marketing.

The growing number of companies deciding to embrace a hybrid distributional system prove, once more, not only the strategic importance of this kind of distributional system but also its potential future, especially due to the mixture of traditional distribution channels along with the new channels based on modern technology promising great advantages for European market consumers.

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# THEORETICAL APPROACHES REGARDING COMPARATIVE ANALYSIS IN TERRITORIAL STATISTICS

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*The success of the companies on the Romanian market depends on the knowledge of the consumption of the population. The lack of information regarding the profile of the consumers and their territorial dispersed may lead to a failure of the business. Realizing a complete recognition of the collectivities analyzed in territorial profile, it is recommended the usage in pararel of more time series. The comparisons in territorial profile represent a special importance both at the national level and international one with the view to measuring the differences and building up an optimum development strategy.*

*Key Words: synthetic indicator, hierarchy, territorial – administrative unit, series*

In the theory of this field there have been suggested different methods regarding establishing the hierarchy of territorial – administrative units (region, county), of a statistical collectivity or countries with some economical factors, with the possibility of making afterwards comparisons in territorial profile, national or international. To establish the hierarchy of these, first of all we must determine the place that each unit occupies due to statistical variables, being in interdependent relationships.

At the core of these analyses there are territorial series also called space series. These are series of values of some static characteristics ordered with administrative or territorial divisions which they belong to. The terms of such series are either absolute indicators, that are obtained threw accumulation in each territorial – administrative unit of all the elements regarding the characteristic researched, either derivative factors, that result from the application of some mathematical procedures at the level of each of the researched unit. Therefore, territorial series operate with complex units, as: region, county, country, continent etc. This thing allows us to characterize each territorial – administrative unit, in independent mode, as a monographic study, as a part of a variable in territorial profile.

For example, the population of a region can be the object of a monography, in which there are presented all the aspects regarding the number, the structure of genders and age groups, socio – professional repartition, the consumption repartition of different types of towns etc. At the country level, the region population is regarded as part of the whole, which is represented by the population of Romania. The complexity of the territorial – administrative units determines the selection with much discernment of those factors, which have the capacity of expressing the specificity of the variation in space, starting from the compatibility and the relevance of the information of their quantatives expressions.

On the other hand, to realize a complete recognition of the collectivities analyzed in territorial profile, it is recommended the usage in pararel of more time series, which will reflect the variation in the same space of more characteristics, usually interdependent. The result of this conduct is a multidimensional territorial series.

Territorial series have some particularities of which it should be taken into account in analyzing the variation in space of different social – economical characteristics.

First of all a particularity of territorial series consists of the independence of the terms, which means that the specified levels of different territorial – administrative units are not conditioned both ways. This particularity allows to characterize separately different every unit, by comparing it with another one or by including it in the total level of the series.

Secondly, we can remark the homogeneity of the series, in the way that all the terms have the same social – economical content, the same statistical definition of the compressing area.

Thirdly, territorial series are characterized by simultaneous terms, which means that all the variables are referred at the one and only moment of the observation or at the same period of recording.

The fourth particularity consists of the variability of the terms, determined by the combination of the essential factors, which ensure the specific character of the whole territorial series, with the multitude of the random factors, which produce differences from an territorial – administrative units to another. Especially this particularity of territorial series can make possible the application of the mathematical and statistical methods.

The graphical representation of territorial series is done with the help of the cartodiagram. Each graphic is built by using a map of the territorial – administrative units. In the case of the cartodiagram, each unit is drawn distinctly, as the intensity of the level observed of the characteristic in the territorial – administrative perimeter and in accordance with the distinguished qualitative types of the space variation in space.

The cartodiagram supposes to construct in the space of each territorial – administrative unit a statistical diagram, which reflects an aspect of territorial analysis. Per example to illustrate the differences of the urban population, in each region a circular diagram is drawn in which we draw the sector according to the urban population.

The comparisons in territorial profile and making up the classifying of the territorial – administrative units represent at present represent a special importance both at the national level and international one with the view to measuring the differences and building up an optimum development strategy. Starting from the fact that each statistical indicator assures the quantitative information limited to a single feature of the analyzed collectivity in territorial profile, the hierarchy of the units based on the variation of a single factor is always susceptible to be completed, sometimes contradicted by the offered information the factors which characterized different aspects of the same collectivity.

Due to this fact, lately there have been more and more frequent multiapproaches analyzes of development in territorial profile, the classifying being done by a combination of a complex set of statistical indicators which assure the multilateral characterization of each territorial – administrative unit, in accordance with the objectives researched.

Within this context, the multicriteria hierarchy of the territorial – administrative units supposes following up the next stages of work:

- Selection of the indicators that are to be used in elaborating a multicriteria classification, are to be found at the base of the hierarchy and have to start from the objectives of the research supposing a deep knowledge of the field of the activity in which the researches are to be done, in such a way there must be assured a comparison of the indicators and the correlation of different features of the collectivity researched with the view to characterizing a much more complete variation in territorial profile.
- Choosing the form of expression of the result after comparing the territorial – administrative units and finally making up temporary classification based on each selected indicator.
- Establishing a common method through a small indicator of simple and unicriterion comparisons;
- Assessing the results of the multicriteria hierarchy.

Taking into account both theory and practice there has been proved the impossibility of establishing a unique indicator for consumption measuring. It is significant that relying on only data from desk research, to calculate a large number of indicators, each and everyone of them expressing a certain feature of the phenomena in case. Usually, it is apply to known principles of the econometric analysis which uses more independent variables and only one resultant. This type of analysis is fully justified and produces expected results, but does not cover the whole consumption knowledge well enough. A comparative analyzes is needed to make up for the flaws of an econometric analyzes, allowing to come to true conclusions for practical activity. In the present case the comparative analyzes is based on choosing a number of independent convenient variables which should be treated threw different calculations, to produce significant results, for accessing the degree of concentration or spreading the researched units due to the characteristics of the variables taken into account.

The sequence analyses of the main factors for recorded consumption at a certain point, has revealed numerous differences both from a variable to another and among the regions in development. There have been met circumstances in which a developing region recorded superior levels at some factors, but lowered ones at others. Thus through a simple analysis and comparison of variables it is possible to obtain a broader and comprehensive view, to take into account a sensible effect of these and to come to the right conclusions for all the variables. Under these circumstances the question arises if it is possible to build up a synthetic factor for comparative analyses in the territorial profile of the consumption. An affirmative answer requires showing all the necessary tools threw which a synthetic factor can be obtained, as well as, at the same time, conceptual and practical values of this one.

As for the building up a synthetic indicator, on whose base there can be obtained practical applicable conclusions regarding consumption, there can be applied specific existing research tools. The problem arises when it comes to selecting the best ones capable of producing conclusive results with an obvious operational character, thus practically can be applied all the methods techniques and procedures which comparative analysis works with, starting from the simplest tools, such as, the sum of ranking and going on with more complex methods like those associated with type analysis (here there can be mentioned the method of relevant distance) or with scale analyses. To sum up with, any used methods must be applied to

the wanted goal, the quantity and quality of the statistical data and information at hand, as well as the characteristic of the applicability of the obtain results.

To demonstrate and prove the possibility of building up a synthetic factor, for territorial comparative analyses of the consumption we shall have recourse to a method. The starting point in this analysis for each of these three methods, is represented by the matrix built from the 'n' developing regions to which 'm' variables correspond, in this way each development region can be expressed under the form of a vector:

$$V_i = (x_{i1}, x_{i2}, \dots, x_{im})$$

in which: "x" is the variable; and "i" has the values from 1 to "n";  
"m" is the number of the accounted variables.

The matrix can be represented as this:

$$1. X = \begin{bmatrix} x_{11} & x_{12} & \cdot & \cdot & \cdot & \cdot & \cdot & x_{1m} \\ x_{21} & x_{22} & \cdot & \cdot & \cdot & \cdot & \cdot & x_{2m} \\ \cdot & \cdot & & & & & & \cdot \\ \cdot & \cdot & & & & & & \cdot \\ \cdot & \cdot & & & & & & \cdot \\ \cdot & \cdot & & & & & & \cdot \\ x_{n1} & x_{n2} & \cdot & \cdot & \cdot & \cdot & \cdot & x_{nm} \end{bmatrix}$$

in which:  $x_{ij}$  shows the value of the variable "j" for the developing region "i";  
 $i = 1, 2, \dots, n$ ;  
 $j = 1, 2, \dots, m$ .

The method which can be applied for building up the synthetic indicator has following algorithm:

$$2. I_s = \sum_{j=1}^m \frac{x_{ij}}{x_{0j}}$$

in which:  $i = 1, 2, \dots, n$ ;  
 $x_{0j}$  = the smallest value out of m valuables.

According to the above algorithm the synthetic indicator, is calculated for each developing region by adding up the empiric values of the variables and diving it to the lowest value of all variables.

No matter what book we are going to study, be it of economy, statistics or marketing, in all we may come across different aspects regarding the consumption of the population. After all this consumption means the use of goods or / and services which should meat the personal needs of the people. Consumption being extremely complex phenomena can be considered from a statically point of view as a mass social economic phenomenon, with quantitative and qualitative features, with variables in time and space.

Consumption can be expressed through a series of variables which differs from a territorial – administrative unit to another. Thus, through a simple analyses and comparing the valuables it is impossible to get a broad view and at the same time to come to valid conclusions for all the variables.

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# APPLYING THE CONCEPT OF INTEGRATED QUALITY MANAGEMENT IN ROMANIAN COASTAL TOURISM

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*Quality in tourism-related services, like in services in general, is basically about balancing customer perceptions and expectations. Successful service providers are able to meet and, whenever possible, exceed consumers' needs and wants.*

*For a tourist destination, IQM can be seen as a systematic quest for internal quality and external quality, i.e. economic improvement in the short term and local development in the long term. Internal quality is the value that tourists receive throughout the chain of experiences characterizing their visit from the initial information that they receive prior to departure to the 'after-sales' service. Internal quality has short-term aims. External quality means the development of sustainable tourism with a rational and renewable use of resources such as territory, energy, water, natural resources, the heritage etc., in order to prevent problems of congestion. The aim of external quality is one of long-term equilibrium.*

*The Romanian Coastal Tourism is having now a difficult time; the quality of tourism services is low, according to the tourists and international tour-operators opinions. Considering the tourism potential and the big competition in this market, we will try to prove in this paper that the implementation of the IQM concept can improve the Romanian coastal tourism image.*

*Key words: Integrated Quality Management System (IQM), Tourism Destination, Coastal Tourism*

## **1. Introduction – The Coastal Tourism and the Sustainability**

Coastal tourism and recreation are important parts of the largest and most rapidly growing activity in the world - international tourism. Travel and tourism is the world's largest industry. As reported by the World Tourism Organization, travel and tourism involved more than 842 million people internationally and generated around \$700 billion in receipts in 2006. UNWTO's *Tourism 2020 Vision* forecasts that international arrivals are expected to reach nearly 1.6 billion by the year 2020. [14]

The mammoth global tourism industry is a "massive consumer of energy and resources", and is expected to continue to grow significantly in the future. This growth in world tourism is related to three main factors: increased personal incomes and leisure time, improvements in transportation systems, and greater public awareness of other areas of the world due to improved communications.

The challenge for tourism developers and operators is to develop the tourism industry in a way which conserves its natural resources and built heritage base and minimizes any negative environmental, ecological, social and cultural impact. Tourism will be ecologically sustainable if it [7]:

- does not use non-renewable resources faster than renewable substitutes can be found for them
- does not use renewable resources faster than they can be replenished
- minimizes operational energy consumption
- does not release pollutants faster than the biosphere can process them to a harmless state
- has no impact on biodiversity and ecological systems and processes
- maintains a full range of recreational, educational and cultural opportunities for the present generation and future generations
- benefits local communities and the region socially and economically
- does not affect the capacity of other sectors of the economy to achieve ecological sustainability.

At low levels and with careful design, tourism may be able to operate at a sustainable level. However, controlling the level and style of development over the long term presents challenges which, to this point, have not been successfully met. Because of its potentially high impact, tourism should be considered in the same manner as any other industry and should be subjected to the same environmental and social impact assessment processes during the planning stages.

A number of market forces also encourage tourism developers and operators to make their venture sustainable. These forces include [8]:

- increased consumer resistance to degraded environments
- evidence that sound environmental practices have long-term economic benefits
- financial rewards and concessions for 'good' environmental practices
- fines for 'bad' environmental practices
- the likelihood of media exposure for 'bad' practice developments
- the growing demand for sensitive and innovative designs for developments in fragile environments.

Coastal Tourism is based on a unique resource combination at the border of land and sea environments: sun, water, beaches, outstanding scenic views, rich biological diversity (birds, whales, corals etc), sea food and good transportation infrastructure. Based on these resources, various profitable services have been developed in many coastal destinations such as well maintained beaches, diving, boat-trips, bird watching tours, restaurants or medical facilities.

In the middle of the 20th century coastal tourism in Europe turned into mass tourism and became affordable for nearly everyone. Today, 63% of the European holiday makers prefer the coast (other main types of destinations are the mountains - 25%, cities - 25%, and the countryside - 23%) [13]. The coastal tourism sector in Europe is getting increasingly competitive, with tourists expecting more quality for the lowest possible price. Today's tourists expect more than sun, sea and sand, as was the case two decades ago. They demand a wide variety of associated leisure activities and experiences including sports, cuisine, culture and natural attractions. At the same time, local people in traditional tourist destinations are increasingly anxious to preserve their own identity, their environment and their natural, historic and cultural heritage from negative impacts.

The Mediterranean region is the world's leading tourist destination [4]. In less than 20 years, the number of tourists who visit the Mediterranean is expected to increase from 220 million to 350 million (expected in 2020). 84% of the tourists come from Europe, mostly from northern and western countries. Germany is the largest market followed by the United Kingdom, France and the Netherlands. Almost 80% of the Mediterranean tourists choose Spain, France, Italy or Greece (WTO, 2003). One third of global income by tourism receipts is received by the Mediterranean. Over the last three years, 2/3 of this income returned to the hands of less than 10 tour operators from northern Europe (WTO, 2003).

Currently, mass tourism is one of the main causes for ecological losses in the region. Some locations, which were once pristine, are now beyond repair. [13] Sustainable development of coastal tourism is dependent on:

1. *good coastal management practices* (particularly regarding proper siting of tourism infrastructure and the provision of public access);
2. *clean water and air, and healthy coastal ecosystems;*
3. *maintaining a safe and secure recreational environment* though the management of coastal hazards (such as erosion, storms, floods), and the provision of adequate levels of safety for boaters, swimmers, and other water users;
4. *beach restoration efforts* that maintain the recreational and amenity values of beaches; and,
5. *sound policies for wildlife and habitat protection.*

Clean water and healthy coastal ecosystems are essential to the maintenance of coastal tourism and recreation. Foreign tourists and the recreating domestic public stop going to areas where the waters are polluted, beaches are closed, or fish are tainted. [9]

It is not only ethical to consider the fragility of a given environment and the concerns and needs of local communities; it also often makes simple economic sense. Tourism, probably more readily than many other forms of development, can readily accept environmental, social and economic responsibility because such responsibility is vital to its survival and growth.

Like most economic activities, tourism uses up materials and resources and also creates waste products which have to be disposed of into the land, the air or the water, often creating pollution [11]. As economic activity grows and expands, the readily available materials and resources get used up and the environment deteriorates as a result of the pollution.

So it is important to look after the environmental attractions that created the need for a tourism development in the first place, and on whose continued attractiveness the development depends for its survival. Nowhere is this more important than in the fragile and dynamic coastal zone.

It is also important to consider the social dimension of any development. Experience has shown that developments that do not involve consultation with local communities and special interest groups often result in costly and time-consuming litigation.

## 2. Quality in Tourism. Management systems

Quality in tourism-related services, like in services in general, is basically about balancing customer perceptions and expectations. Successful service providers are able to meet and, whenever possible, exceed consumers' needs and wants. This way, it is possible to provide memorable experiences to visitors. In delivering services, due to certain specific characteristics of services (e.g., intangibility, simultaneity, variability and perisability), the human element, in particular the 'face-to-face' interaction with the customer, plays a fundamental role. [5]

Coastal tourism is considered to be one of the fastest growing areas of present-day tourism with its central attributes of sand, sea and sun. In order to create safe, stable and attractive coastal environments with clean waters and healthy coastal habitats, it is necessary to develop well-managed sustainable coastal tourism. *Integrated Coastal Zone Management* is the best available approach for achieving this aim. [1]

With the adverse environmental effects of tourism gaining increasing publicity, demand from consumers for products that respect sustainable tourism is also increasing (ethical consumerism). In practice many argue that tourists as consumers have failed to exert the fundamental pressure necessary to ensure significant change [3]. A survey carried out by MORI (Market Opinion Research International) concluded that consumers do not see tourism as a major cause of environmental harm, although there is evidence of increasing environmentally conscious behavior. For example, detailed political, economic and social ethical arguments have been highlighted in the UK-based voluntary organization Tourism Concern [13].

An other concept used in coastal zone management is *Tourism Carrying Capacity (TCC)*, defined as «...the level of human activity an area can accommodate without the area deteriorating, the resident community being adversely affected or the quality of visitors experience declining» [2]. The World Tourism Organization (WTO) proposes the following definition of the carrying capacity: «*The maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction.*» [10].

**In the past few years, *The Blue Flag Program* has become a very important instrument in coastal zone management, according to sustainability concept. Blue Flag is an exclusive eco-label awarded to over 3200 beaches and marinas in 36 countries across Europe, South Africa, Morocco, New Zealand, Canada and the Caribbean.**

The Blue Flag Program is owned and run by the independent non-profit organization *Foundation for Environmental Education (FEE)*. The Blue Flag works towards sustainable development at beaches/marinas through strict criteria dealing with water quality, environmental education and information, environmental management, and safety and other services. The Blue Flag Program includes environmental education and information for the public, decision makers and tourism operators. [15]

Quality tourism can contribute to sustainable development of coastal areas by improving the competitiveness of businesses, meeting social needs and preserving the cultural and natural environment. To be simultaneously successful in all these different areas at the level of tourist destinations requires a global approach, focused on tourist satisfaction and based on the principles of sustainable development, which is described in this publication as *integrated quality management (IQM)*.

Although IQM is a relatively new approach, a certain number of coastal tourist destinations are making real efforts in this direction. They have defined strategies with the key partners, are implementing good practice and are constantly developing monitoring and evaluation tools for adjusting that approach according to its economic, social and environmental impact. [6]

Total quality management systems are already part and parcel of the approaches that tourist service providers (tour operators, travel agents, hotels, restaurants, etc.) are developing. As far as tourists are concerned, however, the satisfaction derived from staying at a destination does not just depend on their experience of tourist services, but also on more general factors such as hospitality, safety and security, sanitation and salubrity, traffic and visitor management. A large number of factors have an impact on tourists' perception of a destination, on their level of satisfaction and therefore on their willingness to return to the destination or to recommend it to potential visitors. The success of a destination in terms of tourist satisfaction is therefore shaped by a number of interdependent components. This underscores the need for strategic and integrated planning of tourist destinations, and for specific tools and techniques through which IQM can be put into practice in the destination.

IQM should simultaneously take into account and have a favorable impact on the activities of tourism professionals, tourists, the local population and the environment (i.e. the destination's natural, cultural and man-made assets). The integrated quality management strategies implemented in destinations must have the requirements of tourists as one of their major considerations.

In this way, the tourist destination is described by two independent elements: its internal reality, i.e. a given space that is internally coherent (a set of actors working together) and makes its own decisions; and its external reality, based on its image and perception by the outside world, i.e. its meaning for the tourist. Also, for a tourist destination, IQM can be seen as a systematic quest for internal quality and external quality.

Many sustainability issues are particularly apparent on the coast, owing to the continued high demand for coastal tourism and extreme seasonality. In future it will be important to consider tourism development issues and opportunities relating to inland areas linked to the coast. This can relate to the Integrated Coastal Zone Management process. It can also help to spread and alleviate tourism pressure. Various opportunities arise from tourists looking for more active forms of tourism. Market and product differentiation can be used to diversify the coastal product and market. The effect of climate change, although important for all areas, may be most acutely felt in coastal areas, with specific implications for the pattern of demand, the location of new development and pressure on natural resources. [12]

### 3. The Romanian Coastal Tourism and the Need for IQM Approach

The Romanian Black Sea Coast is well known for its fine soft sand and safe gently sloping beaches. The water of the Black Sea has a low salinity in comparison with other inland seas (only 17%). There is a virtual absence of tides and currents, indeed on most days during the summer the sea is calm. The medium latitude and the low altitude are favorable to a dry climate and determine a long season, lasting from May to October. The eastern exposure of the coast provides for spectacular sunrises and maximum luminosity, amounting to over 14 hours a day at the height of summer.

Mamaia is particularly suitable for families because of its safe 8 km beach, fringed by wild pear trees and renowned for its fine soft sand. Mamaia Beach has the highest concentration of tourism activities and has been experiencing severe erosion (The coastline retreated to 59 m, between 1966 and 1998 and 88900 sq m of the beach surface eroded) [13]. If the erosion process continues and no proper action to protect the beaches is taken, there is a potential risk for the beach and the resort to be damaged in case of an eventual strong storm in the future. The same problems can be met in all Romanian sea-side resorts.

The Romanian Coastal Tourism is having now a difficult time; the quality of tourism services is low, according the tourists and international tour-operators opinions. In the recent years, some important tour-operators have cancelled their contracts with Romanian hotels from the sea-side because of the lack of services and environment quality.

It is well known the fact that European consumers are aware of the environment impact that can be caused by tourism, but also they expect a high environmental quality in their destinations, prefer eco-labeled accommodation services, and look for certified products.

For example, German tourists were asked, in 2002, the following question: When thinking about your next holiday, which of the following environmental factors is most important for you? The answers were as follows [13]:

- 64.5 %: Clean beaches and water
- 59.1 %: No rubbish in the resort or in the surrounding area
- 50.0 %: No urbanization of rural areas
- 45.8 %: Good nature protection in the holiday destination
- 51.0 %: No noise pollution from traffic or discothèques
- 35.1 %: Little traffic and good public transport in the destination
- 29.0 %: Possibility of reaching the destination easily by bus or train
- 41.8 %: Environmentally-friendly accommodation
- 18.7 %: Finding environmentally-friendly accommodation in tour operators or travel agents' catalogues
- 14.2 %: Easy access to information on offers with verified environmental-friendly accommodation (eco-labels).

As we can see, the most important factors for tourists are not-accomplished in Romanian coastal destinations: water and beaches are not always clean, rubbish is a big problem, nature protection still a dream, noise pollution of discothèques is more criticized, infrastructure is not perfect and the traffic can be insupportable.

It is hard to find a unique solution for all those problems. However, it should be absolutely essential to follow these points:

- First, an *Integrated Quality Management* of the beaches. This implies the reorganization of the whole territory and even of its periphery, in a way that the natural areas can benefit from that process and provide a concentration of tourism in a specific area. It is also necessary for

sustainable development that the incorporation of the costs of environmental services and damages (and their repairs) falls directly into the prices of the goods, services or activities which cause them. Beaches have an economic and an environmental value and they help to protect the coast against coastal erosion, so a greater investment is needed.

- Second, a *better dissemination of the existing information* should be achieved. For that purpose, a better coordination of the existing governmental bodies that deal with coastal management is necessary. Also, the information should be accessible to everyone. Concerning the latter aspect, scientific journalism has to be protected and favoured, as well as seminars where all the agents related with the coast can exchange their opinions, results or methodologies.
- Third, *an improvement of the environmental education* is essential for a sustainable development of the Romanian coast.

There is no recipe for the successful introduction of a quality plan in a coastal tourist destination. A sustainable quality improvement will be more likely, however, if a number of basic

conditions are satisfied. Generally speaking, integrated quality management is a repetitive and participatory process. Particularly in coastal destinations, this process involves an integrated management policy, i.e. a policy that concerns everyone involved in the basic services and products supplied to tourists, which are the source of attraction for the visitor, as well as in secondary services, which are an important part of the overall tourist experience.

The quality of visitor care, and therefore the *human factor*, is one of the keys to the success of a coastal tourist destination. Visitors will usually remember the quality of their contacts with people at the destination, and tell others about it. Training programmes will be drawn up with assistance from employers in the tourism industry; they have to understand that in the end, it is the quality of the services offered to customers which determines whether or not a destination is successful, and that this quality has to be supported by a strategy of continuous training of personnel.

The Romanian National Authority for Tourism (or the new Ministry for Small and Medium-Sized Comp., Trade, Tourism & Liberal Professions) plans for 2007 a Program for Tourist Service Quality Increase, based upon a new approach of tourist sector development, using the IQM principles [16]. This program is designed to accomplish the EU exigences in the sustainable development domain, to increase the competitiveness and attractiveness of the Romanian tourist destinations.

Conclusions:

The long-standing popularity of coastal tourism, the development of mass tourism and the structural fragility of coastal landscapes all mean that coastal destinations are becoming increasingly aware of the need to develop sustainable tourism. In our country, coastal tourism is an important market segment and needs to be rehabilitated and reorganized. This means that the IQM approach is necessary for Romanian coastal tourist destinations and it implies:

- a genuine plan, backed by a leader capable of rallying and influencing all the partners in the destination in question;
- a strategy and policies (human resources, natural resources, quality of life, cultural heritage, etc.) drawn up and placed on a formal footing by the partners involved, under the supervision of the lead authority;
- the implementation of measures by the various public and private providers of the different tourist services;
- the approach regularly measured, using a set of indicators, by the partners involved and the lead authority in order to survey the satisfaction of the various target groups, integration into the community and the conservation of resources from the point of view of sustainable development.

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## CRITERIA USED IN DECISION TAKING CONCERNING PURCHASE OF AGROALIMENTARY PRODUCTS

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*On the basis of a direct research organized at the level of Bacău County among agro-alimentary products consumers, this article highlights the criteria used and the importance given to them during the selection process of agro-alimentary products, as well as differences, from this point of view, on categories of population according to a series of relevant economic and demographic characteristics.*

*Key words: agro-alimentary product, agro-alimentary products consumer, criteria used in decision taking concerning purchase.*

During the period March-May 2006, at the level of Bacău market a research was organized in order to know the behavior particularities of agro-alimentary products consumers, at the threshold of Romania's integration in European Union. The research had mostly an exploratory and partly a descriptive character, in the conditions in which the available information concerning the researched issue is extremely limited.

From the multitude of the objectives that have been followed through this research (being given the researched issue's amplitude), some regard the identification and evaluation of the criteria's importance that are situated at the basis of decision taking concerning the purchase of agro-alimentary products consumers. It was also taken into consideration the identification of some differences concerning the importance given to different criteria that are situated at the basis of decision taking concerning the purchase on categories of consumers according to a series of relevant economic and demographic characteristics.

As selection procedures of the units from the sample the unprobability pattering on shares has been used, a series of characteristics being taken into consideration in establishing the selection quota, characteristics that bear a major importance on the consumptions' behavior generally, and on the agro-alimentary products consumers' behavior specially: dwelling environment, sex, age, household dimension from where the investigated person resides. The researched sample was constituted of 1000 person, sample that, considering the criteria used in defining the selection quota, constitutes a truthful representation of Bacău population over 18 year old<sup>152</sup>.

From the 1000 investigated persons, 50 declared that they do not purchase agro-alimentary products, the necessary of nourishment being assured from other sources (for instance: private production). In consequence, the results presented further on constitute the processing of data obtained from 950 consumers of agro-alimentary products.

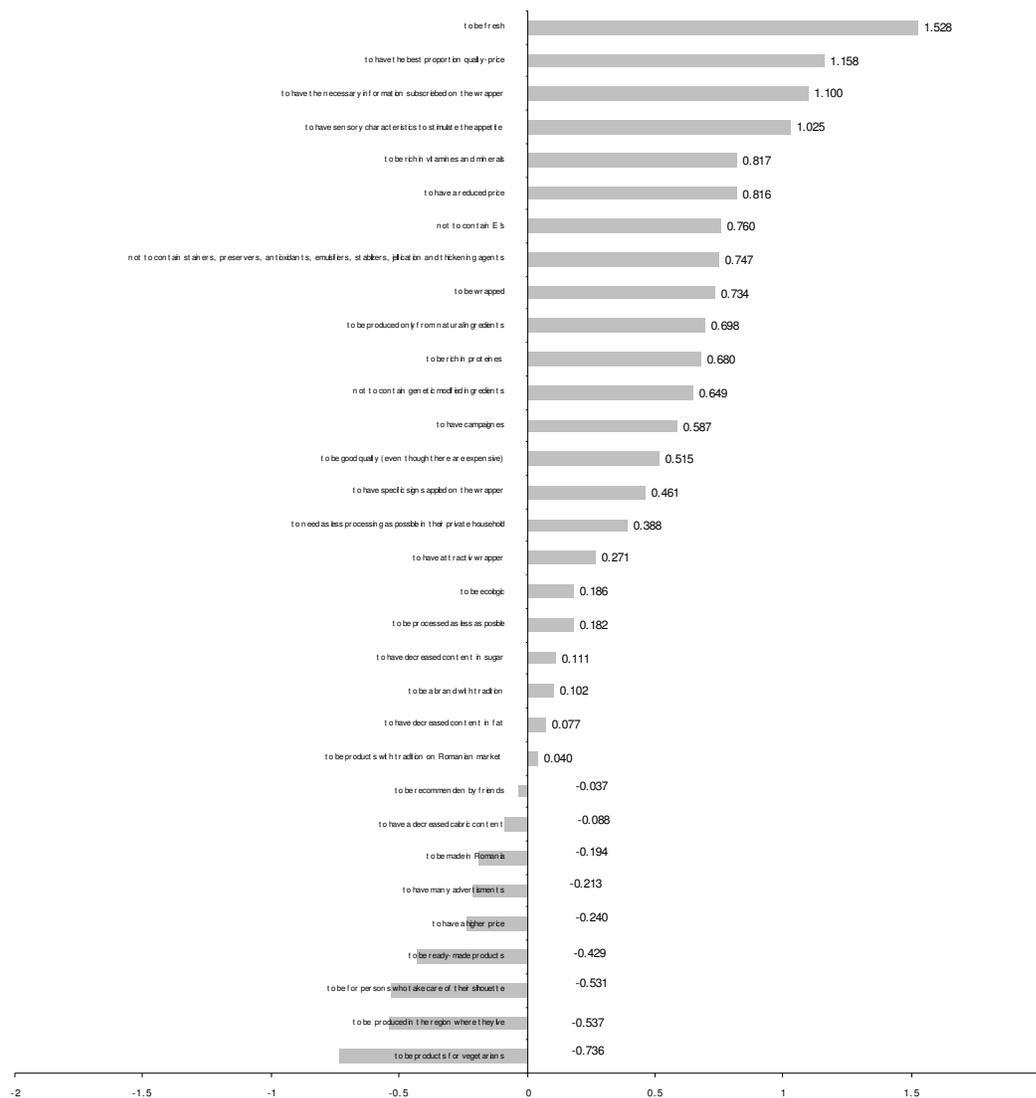
Data processing has been realized with the use of a Scale with 5 levels, from 2 what corresponds to the level "it is very important" to -2 that corresponds to the level "it is not at all important", being determined the medium scores that testify the importance assigned to each criterion in decision taking concerning the purchase of agro-alimentary products, on the total sample, as well as on the subsamples according to economic and demographic characteristic taken into consideration.

The research results concerning the criteria used and the importance given to them in decision taking concerning purchase is presented further on.

***Figure no. 1. The importance assigned, on a Scale from -2 (it is not at all important) to 2 (it is very important) to main characteristics of products in taking the purchase decision (medium scores)***

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<sup>152</sup> In this purpose, data of the last Census of Population and Dwellings from the 18th of March 2002 have been used.



From the figure no. 1 it has been ascertained that, in average, for those 950 respondents, the most important aspect in agro-alimentary products selection is freshness. In a decreasing order but with higher scores than the first level (it is important) the consumers confer importance to the following aspects in the selection of agro-alimentary products: the optimum proportion price-quality, to have inscribed on the wrapper information such as: fabrication date, warranty terms, the ingredients and their proportion, energetic contents, nutrient value etc, sensory characteristics that would stimulate the appetite.

With scores between 1 (“it is important”) and 0 (“it is neither important, nor devoid of importance”) the consumers have taken into consideration the following aspects: (high) content of vitamins and minerals, reduced price, the absence of staining, preserving, antioxidants, emulsifiers, stabilizers, jellification, thickening agents<sup>153</sup>, to be wrapped in, to be made only from natural ingredients, to have a high content of proteins, the absence of genetic modified ingredients, promotions, good quality not matter the price,

<sup>153</sup> In the questionnaire that has been given, the criterion “not to contain E’s” has been inserted in order to draw the eventual confusions between “E’s” and the content of “staining, preserving, antioxidants, emulsifiers, stabilizers, jellification and thickening agents”. After data processing the obtained scores have been relative identical (0,76 and respectively, 0,75), testifying that irrespective of the manner in which the information is subscribed on the wrapper there are insignificant differences in product appreciation concerning this point of view.

distinctive signs applied on the wrapper (IGP, DOP etc.), to ask for as less processing in your private household as possible, an attractively wrapper, to be ecological, to be little processed, to have a decreased content of sugar, to be a brand with tradition on Romanian market.

In average, at the level of the entire sample, do not bear importance aspects such as: friends recommendation, low calories content, to be produced in Romania, promotion through advertisement, higher price in comparison with similar products, to be ready-made, to be for persons that take care of their silhouette, to be produced in the region they live, to be produced for vegetarians.

What can be pointed out from the presented aspects is the fact that Romanian population started to assign an increased attention to aspects concerning alimentary safety and security. Even though they are not concerned on a large scale for ecological products (on the other side, these are present on the Romanian market on a very reduced scale), criteria such as: freshness, minerals and vitamins contents, wrapper's existence, lack of E's in the products or genetic modified ingredients are important aspects in products selection.

In the some time, the investigated consumers are receptive when allocating the reduced time as possible for food preparation. Also, what has been observed is the fact that it is not important for the products to be ready-made testifying in this way population's orientation towards those products that do not need a high number of processing in order to be consumed.

Another relevant aspect is the importance that campaigns (discounts, prizes, raffles etc.) that are frequently perceived as kindness deeds from the producers/dealers, have in comparison with the advertisement, in the selection of agro-alimentary products. Thus, offering an advantage, campaigns are appreciated by the consumers as important, while promotion is considered to be devoid of importance in the selection of agro-alimentary products. However, this result should be analyzed with some reserves. The effects that publicity has upon the purchase decision are not always conscious considered by the consumers, case in which the research results might be affected by errors. A real result of the degree in which publicity influences purchase decision impose the development of a qualitative research.

It has been ascertained that, even though the concern that consumers have for the alimentary safety and security, however, an important part from the respondents, do not consider important for the products to be dietetic, with a low content in sugar or fat.

It should also be remarked that the producing in Romania or in the region where they live does not present any importance in purchase decision of agro-alimentary products.

**Table no. 1. The importance assigned, on a Scale from -2 (it is not at all important) to 2 (it is very important) to main characteristics of agro-alimentary products in taking the purchase decision on population categories according to various demographic and economic characteristics (medium scores)**

Characteristic	sex		urban and rural areas		age (years)					
	male	female	urban area	rural area	18-24	25-34	35-44	45-44	55-64	65 and more
<i>to be"</i>										
a brand with tradition	0.100	0.104	0.288	-0.084	0.259	0.094	0.160	0.238	-0.056	-0.103
wrapped	0.688	0.776	0.867	0.600	0.906	0.757	0.761	0.762	0.619	0.583
fresh	1.515	1.541	1.678	1.379	1.525	1.599	1.558	1.579	1.460	1.410
produced only from natural ingredients	0.619	0.772	0.827	0.568	0.604	0.777	0.712	0.732	0.619	0.692
ecologic	0.133	0.236	0.263	0.109	0.151	0.282	0.252	0.262	0.087	0.026
rich in vitamins and minerals	0.797	0.835	0.937	0.697	0.791	0.916	0.785	0.866	0.778	0.724
rich in proteins	0.663	0.696	0.768	0.592	0.662	0.748	0.632	0.701	0.698	0.622
good quality (even though there are expensive)	0.501	0.527	0.718	0.312	0.590	0.713	0.656	0.561	0.302	0.167
products with tradition on Romanian market	0.037	0.043	0.147	-0.067	-0.072	0.020	0.018	0.146	-0.008	0.115
made in Romania	-0.214	-0.175	-0.154	-0.154	-0.460	-0.292	-0.184	-0.110	-0.135	0.026
produced in the region where they live	-0.569	-0.507	-0.602	-0.472	-0.734	-0.629	-0.540	-0.518	-0.429	-0.346
for persons who take care of their silhouette	-0.696	-0.376	-0.364	-0.697	-0.489	-0.381	-0.331	-0.512	-0.746	-0.814
processed as less as possible	0.176	0.187	0.333	0.032	-0.029	0.252	0.350	0.268	0.071	0.103
products for vegetarians	-0.845	-0.635	-0.651	-0.821	-0.892	-0.644	-0.730	-0.591	-0.873	-0.763
ready-made products	-0.391	-0.465	-0.371	-0.488	-0.367	-0.228	-0.436	-0.470	-0.587	-0.571
recommended by friends	-0.037	-0.037	0.032	-0.105	0.000	-0.099	-0.018	0.049	-0.103	-0.045
<i>to have:</i>										
a reduced price	0.753	0.874	0.695	0.937	0.719	0.698	0.632	0.780	0.889	1.224
a higher price	-0.237	-0.242	-0.217	-0.263	-0.158	-0.262	-0.196	-0.232	-0.294	-0.295
a decreased caloric content	-0.233	0.047	0.013	-0.189	0.000	-0.015	0.012	-0.024	-0.278	-0.282
campaigns	0.503	0.666	0.625	0.549	0.568	0.629	0.595	0.665	0.341	0.660
attractive wrapper	0.244	0.295	0.404	0.137	0.482	0.441	0.178	0.329	0.095	0.038
the necessary information subscribed on the wrapper	1.068	1.130	1.259	0.941	1.230	1.149	1.172	1.152	0.960	0.904
specific signs applied on the wrapper	0.496	0.428	0.573	0.349	0.568	0.495	0.607	0.476	0.286	0.295
many advertisements	-0.157	-0.265	-0.141	-0.284	-0.014	-0.218	-0.196	-0.122	-0.500	-0.263
decreased content in fat	-0.115	0.257	0.215	-0.061	0.058	0.069	0.178	0.244	-0.127	-0.013
decreased content in sugar	-0.057	0.267	0.259	-0.038	0.029	0.099	0.061	0.250	0.032	0.167
sensory characteristics to stimulate the appetite	1.037	1.014	1.046	1.004	1.137	1.020	1.000	1.079	1.063	0.872
the best proportion quality-price	1.146	1.169	1.269	1.046	1.187	1.109	1.221	1.287	1.151	1.000
<i>not to contain:</i>										
genetic modified ingredients	0.618	0.679	0.771	0.528	0.619	0.718	0.706	0.652	0.548	0.609
E's	0.734	0.760	0.874	0.646	0.784	0.847	0.767	0.689	0.738	0.712
stainers, preservers, antioxidants, emulsifiers, stabilizers, jellification and thickening agents	0.734	0.760	0.874	0.621	0.741	0.832	0.828	0.707	0.706	0.635
to need as less processing as possible in their private household	0.394	0.383	0.465	0.312	0.496	0.371	0.405	0.396	0.341	0.327

continuance of table no. 1

Characteristics	according to children's presence in the household		according to children's age from the household -for the ones that have children* (years)			according to their incomes (RON monthly / person)				
	yes	no	0 - 6	7 - 13	more than 14	under 300	300 - 600	600 - 900	900 - 1500	above 1500
<i>to be:</i>										
a brand with tradition	0.112	0.098	0.181	0.060	0.077	-0.115	0.172	0.547	0.400	0.654
wrapped	0.719	0.739	0.819	0.655	0.654	0.589	0.776	1.000	1.018	1.077
fresh	1.483	1.546	1.548	1.476	1.405	1.399	1.583	1.716	1.778	1.846
produced only from natural ingredients	0.693	0.700	0.810	0.690	0.538	0.519	0.782	1.053	0.818	1.115
ecologic	0.225	0.171	0.381	0.214	0.026	-0.014	0.329	0.442	0.309	0.577
rich in vitamins and minerals	0.816	0.817	1.019	0.738	0.633	0.673	0.931	1.021	0.855	1.000
rich in proteins	0.727	0.662	0.943	0.679	0.487	0.587	0.750	0.905	0.564	0.800
good quality (even though there are expensive)	0.502	0.520	0.695	0.286	0.474	0.217	0.680	0.989	0.909	0.923
products with tradition on Romanian market	0.041	0.040	0.142	-0.071	0.026	-0.038	0.045	0.242	0.236	0.154
made in Romania	-0.251	-0.171	-0.171	-0.190	-0.423	-0.203	-0.172	-0.168	-0.327	-0.115
produced in the region where they live	-0.532	-0.539	-0.514	-0.548	1.068	-0.519	-0.568	-0.495	-0.709	-0.231
for persons who take care of their silhouette	-0.461	-0.558	-0.390	-0.560	-0.449	-0.793	-0.391	-0.179	-0.036	-0.154
processed as less as possible	0.258	0.152	0.362	0.143	0.244	-0.027	0.341	0.516	0.236	0.385
products for vegetarians	-0.792	-0.714	-0.779	-0.847	-0.750	-0.872	-0.679	-0.457	-0.382	-0.917
ready-made products	-0.423	-0.432	-0.462	-0.459	-0.333	-0.516	-0.455	-0.074	-0.309	-0.192
recommended by friends	-0.022	-0.042	-0.190	0.107	0.064	-0.126	0.003	0.095	0.218	-0.038
<i>to have:</i>										
a reduced price	0.769	0.834	0.790	0.726	0.785	1.034	0.659	0.611	0.564	0.385
a higher price	-0.184	-0.262	-0.257	-0.155	-0.115	-0.271	-0.242	0.021	-0.364	-0.385
a decreased caloric content	-0.165	-0.058	-0.087	-0.176	-0.256	-0.196	-0.067	0.295	0.145	-0.440
campaigns	0.569	0.594	0.771	0.476	0.397	0.551	0.668	0.537	0.582	0.385
attractive wrapper	0.232	0.286	0.238	0.238	0.218	0.061	0.411	0.526	0.545	0.538
the necessary information subscribed on the wrapper	1.090	1.104	1.210	1.131	0.885	0.914	1.214	1.340	1.364	1.385
specific signs applied on the wrapper	0.472	0.456	0.724	0.369	0.244	0.262	0.538	0.813	0.764	0.923
many advertisements	-0.210	-0.214	-0.133	-0.250	-0.269	-0.333	-0.100	-0.105	-0.109	-0.192
decreased content in fat	0.019	0.100	-0.010	0.060	0.013	-0.099	0.196	0.305	0.473	-0.115
decreased content in sugar	0.034	0.141	-0.019	0.107	0.026	-0.002	0.193	0.253	0.436	-0.231
sensory characteristics to stimulate the appetite	1.030	1.023	1.067	1.119	0.885	0.966	1.048	1.147	1.109	1.115
the best proportion quality-price	1.176	1.151	1.190	1.119	1.218	1.034	1.236	1.284	1.418	1.269
<i>not to contain:</i>										
genetic modified ingredients	0.644	0.652	0.743	0.548	0.615	0.443	0.782	1.011	0.855	0.769
E's	0.768	0.739	1.000	0.679	0.551	0.564	0.912	0.947	0.764	1.000
stainers, preservers, antioxidants, emulsifiers, stabilizers, jellification and thickening agents	0.768	0.739	1.000	0.679	0.551	0.564	0.912	0.947	0.764	1.000
to need as less processing as possible in their private household	0.393	0.387	0.610	0.333	0.167	0.246	0.432	0.821	0.327	0.808

\*the marks given by the persons from the households with children that can be situated in more than one age category have been taken into consideration according to age category of the younger child.

Analyzing medium scores presented in the table no.1, it can be observed that major differences concerning the importance assumed to some criteria in selecting the agro-alimentary products registers, specially, on incomes, milieus and sex, and, in a smaller size, according to children's presence in the household. At the level of households with children there are remarked, though, real differences from this point of view concerning the children's age.

Thus, income increasing generates the conferring of a higher importance to some criteria used in purchased decision. Brand with tradition it is not used for the poor population categories, though, for those with increased incomes it becomes an important criterion for selection. Also, superior incomes generate the tuning of an increased attention in purchase decision of agro-alimentary products according to some criteria such as: quality (no matter the products price) and distinctive signs (IGP, DOP etc.). population with higher incomes pay more attention to aspects concerning the alimentary safety and security, orientating mostly towards products obtained only from natural ingredients, ecologic, wrapped products (in an attractive wrapper) on which all the information necessary to alimentary products appreciation should be inscribed, products without E's or genetically modified ingredients and products that do not require too much processing in their private household or towards ready-made products. Reduced price is a criterion whose importance decreases in taking decision concerning the purchase in the same time with the increase of population income.

Age is another criterion that generates differences in the importance given by the consumers to specific criteria used in purchase decision of agro-alimentary products. It has been observed that senior population is more oriented towards tradition conferring a higher importance to aspects such as: “made in Romania” or “produced in the region they live in”, criteria that are devoid of importance for the younger ones category. The reduced price is also an essential selection criterion for the seniors and with a lowered importance for the younger ones category. On the other side, younger population confer an increased importance in purchase decision (in comparison with senior population) to some criteria such as: quality, the existence and the attractive of the wrapper, brand (with tradition), the information inscribed on the wrapper, specific signs (IGP, DOP etc.), sensitive characteristics (to stimulate the appetite), low content of calories of the agro-alimentary products.

On milieus, differences concerning the increased importance conferred by the persons from urban environment is observed: quality, brand(with tradition), freshness, wrapper, attraction and the information inscribed on the wrapper, low content of sugar and fat, preservers, staining, acids etc. absence, natural ingredients, reduced degree of processing the products.

On sexes, differences are relatively reduced; it was remarked an increased importance conferred by the women to products with a reduced content in sugar and fat.

Taking into consideration the age of the children from the household, the younger they are, the more increased importance is being observed concerning aspects connecting alimentary safety and security (the products should be rich in proteins, to have applied on the wrapper various specific signs and also to contain information concerning the fabrication date, validity term, the list of the ingredients and their proportion, energetic content etc., not to contain E's, to be rich in vitamins and minerals, too be ecologic and produced only from natural ingredients), as well as to campaigns.

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# SPECIFICITY ELEMENTS OF MARKETING ACTIVITY AT THE LEVEL OF AGRO-ALIMENTARY PRODUCTS PRODUCERS IN THE FRAME OF EUROPEAN UNION EXPANSION

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The information presented in this article constitute a part of the results of a direct research organized at the level of Bacău market whose purpose was knowing the main marketing specificity elements developed by the producers of agro-alimentary products, in the frame of European Union expansion. The presented information reflects the existing situation at the moment of the gathering of data, respectively May-June 2006.

*Key words:* agro-alimentary product, agro-alimentary marketing, agro-alimentary safety and security, quality.

During the year 2006 (respectively the months May-June) I organized a research with an exploratory character among the agro-alimentary products producers from Bacău whose main purpose was knowing the main specificity elements of marketing developed by them, in the frame of European Union expansion.

As research procedures I used: secondary data analysis and semistructured individual in-depth interview.

The selection collectivity was constituted from the totality of units producing agro-alimentary products that were developing their activity on the territory of Bacău County being investigated some of the representative firms on Bacău Market (and even national one), respectively: Agricola International S.A. Bacău; Aicbac S.A. Bacău; Europrod S.A. Bacău; Conagra S.A. Bacău; Alimenta S.A. Bacău; Almera International S.R.L. Bacău; Pambac S.A. Bacău; Bere Lichior Mărgineni S.A. Bacău.

Processing and analysis of the data has been realized through *content analysis*, some of the research results being presented further on.

The main specificity element of marketing activity of the agro-alimentary products producers, during the period marked by European Union integration, is **intensifying the efforts for a quality increase, assuring the alimentary safety and security of the population**. This concern results, partially, from the necessity of adapting to continuous increase exigency of the consumers, but also from the necessity of adapting to EU legislation. One of the alignment efforts at the standards imposed by the EU is the implementation of the HACCP system.<sup>154</sup> In most cases, during the interviews development, this issue has been dealt by the interviewed specialists with the higher frequency or was considered as the main aspect through which European Union integration influences firm's activity, in general, marketing activity, in special. Hereby, in most enterprising where the research has been realized the HACCP system was to be implemented and attested (Pambac, Conagra, Alimenta) or it is in course of implementation and attesting (Agricola International, Aicbac, Europrod, Almera International). Among the investigated enterprising, only Bere Lichior Mărgineni S.A. did not start, yet, implementation process of HACCP.

The concern for reliability increase the offer of products from society determining the investigated firms to realize efforts in order to obtain other certifications, respectively ISO 9001<sup>155</sup>. Even though implementation and certification ISO 9001 are not compulsory, the reason for which the societies implemented this standard (Agricola Internațional, Pambac), or, in other cases in course of implementation (Bere Lichior Mărgineni, Almera Internațional, Europrod, Conagra) is constituted by the advantages that these are having in the commercial relationships, the fact that certification ISO 9001 constitutes, before and after European

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<sup>154</sup> According to HG 924/11 from August 2005, published in 804/05 from September 2005, concerning the approval of General rules for agro-alimentary products hygiene, all the enterprising from alimentary industry have the obligation of implementing HACCP (system of analysis risks and critical control points), starting with the 1<sup>st</sup> of October 2006. HACCP is a method of assuring the security of agro-alimentary products from the raw material until the product reaches the final consumer's table. Conform to HG. 1198/2002, basis principles of HACCP are: "analysis of potential alimentary risks of an operation from the frame of an activity from a unit from agro-alimentary sector; the identification of the points from this operation where alimentary risks might occur; establishing the points considered as critical for aliments security, named critical points; the identification and implementation of effective control procedures and monitorization in these points; recurrent revision and every time when occurs a modification in alimentary sector of analysis of alimentary risks, critical points and monitorization procedures".

<sup>155</sup> Management quality system - ISO 9001:2000, is a standard that foresees the requires for the management quality system, in such a way that organizations will assure products and services according to consumers' requires.

Union integration a proof of the fact that in the respective enterprising quality is statute as fundamental value.

In the some time, the preparation for integration in European Union signified and signifies at a large level efforts for modernization and retechnology with a view to obtain superior quality products in safety and security conditions (aspect that results also from the necessity of implementation of the HACCP system), adapted to the most various tastes and at the some measure **the assurance of environment protection**. In the given conditions the representative Romanian producers of agro-alimentary products for the national market are in the situation of adopting the conception of social marketing – long term satisfaction of consumers. At the level of all investigated societies it was adopted as solution the realizing of investments for performance installation acquisitions agreed by EU, modernizing of production capacities, installations for environment protection imposed by the implementation of ISO 14001<sup>156</sup> and in the some measure, that offers the possibility of realizing superior quality products in exceptional safety and security conditions.

Beyond the necessity of recognition by means of various systems of certification, agro-alimentary products quality constitutes a priority for all the firms that produce agro-alimentary products, in the frame of development of activities at the level of a concurrencies market and more than this, in the frame of European Union integration.

All firms where the research took place adopted a **strategy of assortment innovation**, with the purpose of offering products that will rise to the increasing exigencies of the consumers. Agro-alimentary products producers are confronting with changing in consumers preferences, with an increased exigency, as a result of the Romanian consumers' awareness of the importance of a healthy alimentation. In consequence, it can be seen that agro-alimentary products producers are addressing to a market with new products, superior qualitatively, with a high benefic potential for health. Actually, healthy alimentation is a characteristic of European consumption, Romanian producers through the new products that they offer, answering as well to Romanian consumers' exigencies, and preparing in the some time to answer the requires from the European market. It is pointed out, thus, a sustained effort of agro-alimentary products producers in order to offer on the market products that should respond to Romanian consumers' exigencies, respectively, **products with a benefic potential for health**: products processed according to technologies that reduce to minimum nutritive substances looses, nutritional products (with the addition of vitamins, minerals, alimentary fibers etc.).

For instance, strategy used by Agricola International concerning bird meat is increasing the weight of refrigerated products in the total of sales, in the detriment of deep-frozen products. This option answers, in this way, to the new preferences of consumers, for a healthier alimentation (by refrigerating procedure meat preserves to a great extent the initial properties, while deep-freezing determines bigger loses of biological value of the products). Answering to the some exigencies of consumers, Agricola International Bacau is the only enterprising of this type from the country that owns slaughterhouse that uses the quick freezing system and the one that is utilized with all refrigerating facilities for producing fresh meat, thus, the delivered meay does not contain any tenderness agents, and the refrigerating chain is strictly checked-out (element that makes the difference between their offer and the one of its competitors).

Alimenta society oriented, also, towards the realizing of some meat specialities that would preserve to a great extent the initial nutritive properties of the meat. For instance, at all the products it was pursued the reducing of the nitrites' quantity from the finite product<sup>157</sup>, and also, the concoction have a reduced content in additives, and the quantity of collagen vegetal protein is at the minimum limit (2%- according to legal settlements).

Aicbac society that records vegetal production activities as well as breeding and agro-alimentary products activities addresses to market with products whose nutritional properties are closer to the ecologic ones. Thus, the surveillance of the entire chain (from the agricultural production up to the alimentary product) is assured. In this integrated system a correct nutrition of animals is followed and the cultivated varieties are adapted to standards imposed by EU. Concerning the agro-alimentary production nitrites and assonants content of the products is adapted to EU requires being under the level imposed by EU, and the finite

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<sup>156</sup> Environment management system – **ISO 14001, is an international** standard that specifies the requires that refer to an environment management system that allows an organization to formulate and to implement the policy and objectives according to legal requires and to requires to which the organization subscribes, as well as information concerning important impact upon environment.

<sup>157</sup> Reducing nitrites quantities from the finite product is compulsory starting with the 1st of January 2007, according to the settlements imposed by EU, yet, society started earlier (the 1st of May 2006) alignment process to the sanitary-veterinary imposed standards.

products do not contain preservers. The increase of production costs (with 3-5%) has been preferred only for obtaining high quality products.

Pambac society answer to a healthy alimentation requires with equilibrated products nutritionally speaking, products made of ingredients recommended for the assuring of a good health shape. Thus, a divers range of bred and bred specialities is realised, with alimentary fibres, with sesame, with Graham, with rye etc. all this being recognized for their benefic properties on human organism.

In the case of Almera society fabrication technology used takes into account destruction, in a reduced extent, of the micro-organisms form the product, also, preservers are not used, both with the purpose of saving the benefic potential for health properties of the products. The checking-up of the raw materials quality is realised on the basis of some contracts concluded with specific firms, the check of the raw materials properties being realised on field, in order to correspond qualitatively and from a microbiologic point of view.

Along the some line, Europrod society offers to consumers ready-made products of meat and vegetal ones (hamburgers, nuggets, meatballs, sausages), whose fabrication technology assures a decreased cholesterol content (in comparison with traditional recipes) and are also safety from a microbiological point of view.

In the some time with the worry for increasing the benefic potential for health of the products offered to the market, agro-alimentary products producers are interested in satisfying some necessities specific certain segments of persons. Hereby, most firms address to market with **dietetic products**.

For instance, Pambac society offers to consumers that suffer diverse affections, products such as: bred without salt (diabetes, renal affections, hypertension), hypoglycaemic bred (diabetes), as well as a whole range of bred and specialities addressed, mostly, to persons with digestive affections.

Orientation towards dietetic products is highlighted also in the case of milk producers: Aicbac and Almera (that offer yogurt, sour-cream, milk with a reduced quantity of fat) or meat producers: Conagra (addresses specially to children with dietetic meat specialities, boiled, with reduced content in fat).

In the adapting process to more and more heterogeneous exigencies imposed by an expansion market, agro-alimentary firms adopted a **differencing strategy**. Specific to markets that attained a superior level in their evolution, differentiated approach on market is a condition imposed by the level of development of agro-alimentary Romanian market, as well by the EU integration context. At this moment all the investigated firms are addressing differently to the ones with lower incomes and to those with medium or high incomes.

The adapting of the offer of products to different sectors of consumers' exigencies does not aim only market's segmentation on income criterion. Agro-alimentary production firms address differently to consumers and accordantly to their age, their culinary habits etc.

For instance, Conagra society produces chicken specialties adapted to children necessities (through taste, aspect, fabrication technology), but also products for adults. Europrod society addresses to those who are fasting, as well as to vegetarians with semi-processed vegetables based on Soya and vegetables: hamburger, croquettes, meatballs nuggets, sausages etc. Almera offers products for children adapted to their taste and necessities: Chocó-milk, desserts wit a high content in calcium.

What has been remarked is the fact that, both because of the increasing the standards of living, but also, probably, because in short time (from the moment of adhesion) the potential consumers' weight with high incomes, the majority of the firms **either launched, or had the intention of launching new products from premium category, or, according to the case, to reposition some products from the medium incomes segment to superior one.**

Thus, Pambac society launched in 2005 flower from Grania brand. In the some time with launching this product, Pambac invested in 2005 48% from the total amounts allocated for promotion on flower market in order to increase the value of Grania label. In the next period, Bere Lichior Margineni follows a restrain in products range, at liquors category (addressed to ones with low incomes) and launching on the market of a new type of beer SuperPils, addressed to high incomes persons, assortment characterized by a superior quality of beer, as well as a special wrapper. Almera International has the intention of repositioning medium products through a better display, a wrapper that will assure a longer period of warranty, and in this way through a superior quality.

In the case of the firms that are already displaying premium or super-premium products, products' qualitative improvement may regard psychological aspects. For instance, Almera society intents for the following year label image development on their products, by means of intense publicity and promotion activities. In the case of Agricola group of firms the strategic objective of the year 2006 is positioning Agricola Bacau as brand leader in categories, and for the year 2007 positioning as brand leader, aspect that involves a significant promotion effort concerning the label's value.

As a result of manifestation, more evident, of Romanian consumers' preferences for traditional alimentary products, the agro-alimentary products producing firms have adopted their offer to the new tendency. Thus, are being offered during a whole year or with the occasion of religious fests, alimentary **products obtained according to traditional receipts**. Products' traditional character is suggested by their names, by advertisements' messages content, by the information inscribed on the products' wrapper, by the images presented on different promotional materials. For instance, Agricola International, Conagra and Alimenta societies are offering meat specialities from smoked meat realized according to traditional recipes, natural smoke being used, without synthetic staining. Traditional character suggestion of recipes used for products fabrication is realised, in a great extent, by means of products' names: "Traditional", "Rustic", "Bucolic" etc. Alimenta society offers to consumers during religious celebration periods traditional products: mosaic salami (Christmas), haggis (Easter). Pambac society offers various bred specialities with traditional aspect: round twisted Transilvanian bred, bred in griddle etc., and on different products' wrapper (wheat flower, corn flower) traditional recipes are presented. Along the some line, Almera society was the first to launch on Romanian market a new wrapper for its products (milk, yogurt, sour-cream), wrapper whose design reminds the traditional clay pots in which peasant used to keep the milk.

In the some time with offering products that are addressing to ones who prefer traditional products, agro-alimentary products producers are also offering **products that are addressing to those who borrowed from culinary habits of other nations**. Europrod offers to consumers croquettes and cordon bleu based on French recipes, schnitzels prepared according to Wien recipes, as well as hamburgers and nuggets based on American recipes, and Alimenta society offers various products based on Italian tradition.

Answering to convenience need in food preparation and in aliments purchase, agro-alimentary products producers firms are offering a various range of **ready-made products or partially prepared**, shortening at maximum the time spent by the consumers for food preparation. Europrod offers partially prepared products such as: hamburgers, meatballs, schnitzels, cordon bleu etc., which, in order to be consumed, have to be submitted to a short thermo treatment. Agricola International offers mixings of products, ideal for traditional week-end barbeque. Pambac society offers to consumers a various range of pastry products.

Aliments producers answered to the need of diverse alimentation, as well as a result of reducing the number of persons per household, of renouncing at traditional family dinners, by offering products in reduced dimensions. Milk producers (Aicbac, Almera) are offering self products in wrappers of different shapes and dimensions, from small buckets of few liters, until glasses of reduced dimensions. Agricola International offers products and mixings of products in casseroles of reduced sizes, enough to be served at one dinner, and Pambac society offers bred and bred specialities of dimensions starting with 50 grams up to 1 kilo.

Because these are some of the commune aspects drawn out from the interviews contents with specialists from the 8 investigated societies, we can draw the conclusion that one of the **main elements specific to marketing activity developed by the agro-alimentary products producers in the frame of adhesion to European Union** refers to:

- concern's intensification of quality increase, assuring the security and safety of agro-alimentary products;
- concern's intensification for environment protection and realizing investments for alignment to the standards imposed by EU at this level;
- realizing balanced agro-alimentary products from a nutritional point of view, with a high benefic potential for health, dietetics;
- realizing products according to traditional recipes;
- adapting to consumers' need for convenience in food preparation and an offert of products partially/ready-made;
- adapting to consumers' need of diversification the alimentation and offering products in various wrapping dimensions (up to quantities that can be servet at only one dinner).

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# THE GENERAL PROBLEMS OF THE ROMANIAN HIGHER EDUCATION, AN APPROUCH THAT HAS IN VIEW THE GLOBALIZATION DEMANDS, CREATING THE EUROPEAN SPACE OF THE HIGHER EDUCATION, THE ECONOMY AND THE MANAGEMENT BASED ON KNOWLEDGE

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ABSTRACT:

In the present socio- historic context when the world entered into the third milenium of our era, the higher education problems, the universities reform or the international status of the universities are vaste, discussed and made public in many countries where it exists this institutionalized form. The proportion of this discussions should not surprise us having in view that the University is, next to the Church, one of the institutional units with the longest existence.

The new milenium challenges the romanian higher education system with many problems but few solutions that is why we stake on innovation and we adopt an optimist attitude in forseeing not only the threats generated by this problems but especially the challenges of the new millennium. The first challenges have appeared during the last decade of the past century under the form of globalization, the transition to a society based on knowledge and setting up the European Space of the Higher Education System.

**KEY WORDS:** *High Education System, Globalization, European Space of the Higher Education System, Society based on knowledge.*

In the present socio- historic context when the world entered into the third milenium of our era, the higher education problems, the universities reform or the international status of the universities are vaste, discussed and made public in many countries where it exists this institutionalized form. The proportion of this discussions should not surprise us having in view that the University is, next to the Church, one of the instituional units with the longest existence.

The new milenium challenges the romanian higher education system with many problems but few solutions that is why we stake on innovation and we adopt an optimist attitude in forseeing not only the threats generated by this problems but especially the challenges of the new millennium. The first challenges have appeared during the last decade of the past century under the form of globalization, the transition to a society based on knowledge and setting up the European Space of the Higher Education System.

The massification has been determined by reconsidering the social function of the higher education system and the transition from a high level education to a mass education system. Therefore it grew very much the number of students, study programs have diversified and the educational strcutres try to find a convergence as a result of the globalization. As the specialists say<sup>158</sup> the most important effects of globalization over the higher education are: *the nuiversities' network development which can negotiate the market's section on which it is built the strategic competitiveness, keeping its national identity; organizing some hybrid universities which can combine the process of generating and transfering the knowledge with the firms and corporations which develop activities in this fields; the development of the virtual universities, organised as corporated structures; developing the global universities, having as a model the firms as IBM and Microsoft.*

**The globalization and the development of the societies based on knowledge** will be manifested as new force fields which will transform the universities both in strucutre and their functionality. We are sure that the third's millennium universitie will not be simple enlargements of the actual structures but new developments which will answer to the new demands.

The globalization is a phenomena that it is present at a global level being the process that is important today both for different human categories starting with the politicians till the average citizens.

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<sup>158</sup> **Scott, P.**, (coord.), *The globalization of higher education*, The Society for research into Higher Education, The Open University Press, London, 1999;

The term globalization has its origin in the literature for the transnational organizations. In the beginning it represented a limited phenomena, a market's globalization, but with the time this concept enlarged its meaning until today is identified as a new faze of the world's economy, even as a new dominant international system, a system which will replace the Cold War after the fall of the Berlin's Wall. We emphasize that this new system is a dynamic process, repetitive and if the Cold War was characterized, as specialists say by a unifying feature – the division , and it was the symbolised by one word – The Wall (Berlin's Wall) the globalization's system is different, it has as a unifying feature – the integration. The world became an interconnected place both the threats and the oportunities come from the one with which you are connected.

In this period , the globalization of the economy, social and politic life becomes more obvious and the role of education, and especially the university's role is vital: education and the universities are the one that should develop the self awarness , the knowledge, and the practical skills of the one who are thought in the spirit of tolerance, good understanding and of respect between people in spite of cultural, religious, ethnic and linguistic differences between them.

At the beginning of the third millennium all over the world, the educational system is challenged on one hand by the impact of the new technologies of knowledge and comunication, and the fast rythem of the changes that take place, and on the other hand by the effect of society's globalization, the growth of the interdependeces that appear between the nations and cultures.

In promoting the education's globalization it is more often considered to be in the same time *factor* (promoting instrument of globalization) and *effect* (which will present some significant changes under the globalization power). It is natural, in this context that education and especially the higher education to be invited not only to react at the globalization trends, but on the contrary, to play a decisive role in developing future desirable societies.

Opening the education market at the european and world wide level – the competition exponentially emphasized for the markets (the students) and the resources generate great changes at the high education institution management's level in our country, establishing a clear orientation towards *responsability, efficient, transparent and performance*. The specialists in high education management sustain that: the services data processed, of the academic administration and introducing the administration of knowledge and the concept of inteligent organization will bring closer the universities from the international standards from the well developed countries.

All this make that the actual evolution of the high education management to be defined by a key word “the change” : the change of technics and the management's methods used by the management of the high education institutions. It is obvious that in this period the high education management it is in front of great challenges- all depends of its capacity to adapt and especially the development and the romanian higher education system's image in the XXI-st century.

The fast rhythm of the change developed by the globalization creates new and great oportunities for the universities which are capable to find good answers but it can expose the universities which can not deal with it, at new and serious risks.

The globalization of the higher education system as specialists say, is just a small part of the university's activities and should not exaggerate or on the contrary the regional and national dimension of culture. In this context the universities fulfill a double role: first the one of prommoting the national cultural values and second the one toprommote the global, universal dimension. The universities represent institutions with a double perspective and they had to maintain the balance between the universal context and the national context. The responsibility of globalization the education starts from realizing the fact that the problems with which we confront are in the interaction, so, the changes proposed in the educational plan, are a part of a strategy for facing the future. The success of change depends by the quality of the human resources that will take part, which is being cultivated in educational system.

*The internationalisation, transnationalization, globalization* are terms which try to reflect the aspects of complex evolutions, having many forms and often in contradiction. We should analyze the trends and the practices for a better understanding of the complexity and the proportion of the change which will not over pass anyone.

What it is known today as “*The process from Bologna* ”it is a necessity besides any discussions for the european countries, generated by the trend of unifying the labor market, to open it, by the politic will manifested more vizable in building a united Europe which will assure the free move of the citizens and their unlimited right at education. This aspect it is emphasized in the Bologna Declaration (june 19-th, 1999): “The european institutions of higher education, from their perspective, have accepted the challenge of playing an important role in building the high education european space, and also in applying the principles named in Bologna Magna Charta Universitatum (1998). This is a very important matter, because

the independence and the universities' autonomy assures the continuous accommodation of the higher education and of the research systems at the needs, societies demands and scientifically progress."

The declaration from Bologna adopted in 1999 sees an Europe of knowledge as an important factor for development, not only to face the new challenges and defies in science and technology but also for developing the democratic and stable societies. The main purpose of this process is to create an educational space for the year 2010.

The Bologna process it is not and can not be considered a purpose, it is an education construction which takes into consideration the student's needs and which has to assure his free option possibility in accessing the education, in the education system of an high education institution. or between the high education institutions between different countries. This are in fact the main principals around which the Process from Bologna develops, principles that sustain and develop the idea of the individual's free option in its own education (diplomas system easy to be compared and recognised through the idea of diploma supplement, implementing the european credits- ECTS, prommoting the mobility)

Having all this in view, in all the universities from our country has started a reorganization of the activity, it purpose is to balance and create a compatible educational offer, also the diplomas received from other colleges from the world.

For all the romanian universities the year 2005/2006 it was an historic year facing a great challenge freely assumed and more then that inciting. If we will succed the universities will become a part of the European Space with full rights where all the high education actors will benefit of an difficult dream to achieve – the mobility and the cooperation in training the research in the universities.

The major objectives which are in this period in the romanian universities' atention:

- to achieve an european system of diplomas and high-study certificates, a system which can fulfill the demands of compatibility at a continental level;
- perfecting the european system of transferable credits, so the credits to express better the effort for learning at each subject;
- the international cooperation, first of all the european, for developing joint programs in education and research;
- to promote few systems and complex mechanisms of assuring the quality of education.

The direction which Romania should follow as the specialists say: more access at education, more coherence, more continuous education, more money for research- this are the european trends and demands.

In my PhD work I have sustained that in this period full of transformation, develops "the revolution of knowledge", a process through which we can name the evolution from the economy based on the financial resources to the economy based on knowledge. Being at the beginning of this revolution, the effects of this process become more visible and they manifest through: the carieres and jobs uncertaine felt by people.

In this new context, the education, research and innovation are the base for economy and society in general, the role of the university becomes more and more important. but for accomplishing this major role the universities should get to a high level of integration with the exogen environment. The partnership, the experience exchange, the mobility are directions which lead toward the economy based on knowledge.

The interaction between the romanian universities with the business environment and research, the interaction is at the beginning, will be used as a instrument for growing the ability of responding of the university education and of research at the changes which take place at the societies level. Giving a modern and high quality education we realize that will contribute very much in creating a human capital well educate and competitive, main element in creating a starting base.

The universities are the one which gives to the society the results of the research and knowledge created and developed in their interest and the capacity to creat and develop knowledge, to promote will help in innovation, very important element in a society based on knowledge. We should say that in the economy based on knowledge the university's role is decisive:

- to produce new knowledge;
- to transmit the knowledge;
- to give the knowledge through technology;
- to use the knowledge through new industrial products and services

The experience of other country demonstrated that, we ca not build an economy based on knowledge without finding a solution for the break between the business community and the education and research. Our system should be redesigned having in view the demands from the european labor market. We say that developing a high eduactional system network with few excellency centers in the romanian space,

which to be developed on efficient selection criterias, should be the base for the educational system from our country in the XXI-st century.

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# DRAWING UP THE POSITIONING STRATEGY OF A SPA-HOTEL -THE PRELIMINARY DATA

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*Abstract*

*The concept of “wellness” has several meanings, but, generally, it is seen as a way to acquire a healthy balance between body, mind and spirit. It means the acquirement of a real and durable state of good. This concept sees an individual’s health as a whole. In this view, it offers a holistic <sup>159</sup> vision on health.*

*Not any kind of difference can be used as a differentiating element to design a strategy. Identifying and presenting the main differences that should mean advantages for the consumers are the topics of our paper.*

*Drawing up the strategy for a spa-hotel competition we could take into consideration the repositioning, mentioning in the campaign the attributes that only the mentioned product it has. It is essential, to obtain a leader position on at least one attribute appreciated by the consumers. When the supremacy cannot be obtained, it is suggested the fourth strategy that of “the close club” (Ph. Kotler - 2000). The preliminary market research is presented and this is the preliminary step for drawing up the strategy.*

## **1. General things**

The concept of “wellness” has several meanings, but, generally, it is seen as a way to acquire a healthy balance between body, mind and spirit. It means the acquirement of a real and durable state of good. It appeared in the context of alternative medicine, as a recovery homeopath variant.

Its directions of action regard problems that an important number of active people are affected by. It is about: obesity, smoking, stress, cellulites, chronic tiredness, insomnia, weak muscular tonus etc.

This concept sees an individual’s health as a whole. In this view, it offers a holistic <sup>160</sup> vision on health.

The differences should mean advantages for the consumer but not any kind of difference can be used as a differentiating element. The differences must be in accordance to certain requirements in order to be efficient:

- to be important, that is to be appreciated by a sufficient number of buyers;
- to be characteristic, to be presented in a certain way. Here, we could add that these characteristics should be connected to the identity of the firm, to the image that they created or they wish to create;
- to be superior to other modalities to obtain these advantages;
- to be able to be communicated to the consumers;
- not to be copied easily by the competition;
- to be accessible to prospective buyers, the cost that they involve should not be too high;
- to be profitable for the initiating firm.

The role of positioning is that to project a set of significant differences with the aim of distinguishing a firm’s offer from that of the competition. The promotional concentrated strategy implies the promotion of those differences that will attract the most the attention of the consumers had in view. “Positioning starts with the product” say Al. Ries and J. Trout[2], the promoters of positioning strategy. When there is a certain market place that is targeted, the reporting to what exists is done.

We consider that when there is no similar product on the market, we must compare ourselves with the product suppliers that compete on certain characteristics. Then, when the market is already full, we must target the number 1 position in the minds of the consumers. If there is already a very powerful competitor on the market, one of the solutions would be to identify an unoccupied position but appreciated by a large number of consumers.

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<sup>159</sup> Holistic Health is an „alternative“ or „complementary“ approach to health and fitness which focuses on lifestyle, mental well-being and spiritual awareness. The person is treated as one or a „whole being“, hence the name.

<sup>160</sup> Idem

Also, in the competition fight we could have in view the competition repositioning, mentioning in the own campaign the attributes that only our product has. It is essential, the two specialists say to obtain a leader position on at least one attribute appreciated by the consumers. When the supremacy cannot be obtained, it is suggested the fourth strategy that of ‘the close club’<sup>161</sup>. We will promote the idea that this particular company is one among “the first three” or “first ten” companies etc.

The marketing mix is based on tactic details of the positioning strategy. If we have in view a certain image, then all the other elements of the marketing mix must assist in its support. The positioning can be accomplished:

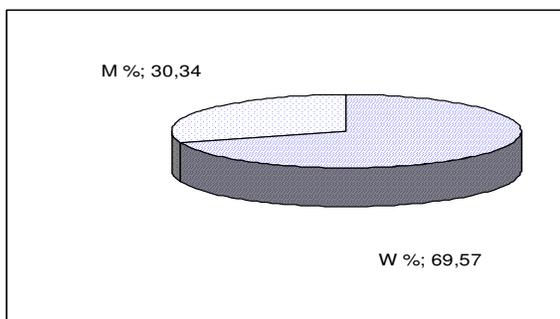
- varying with the advantages of the product offered;
- varying with the use or application;
- varying with the beneficiary;
- varying with the competition;
- varying with the product category, with its quality etc.

## 2. Market research – identifying the needs, perceptions and expectations of the customers of the Spa-hotel

The investigation method based on questionnaire was used as a preliminary stage in order to identify the attitude and the perceptions of the consumers, together with the general degree of information regarding the study subject, also the questionnaire targets to identify specific aspects regarding the current services, prospective needs etc.

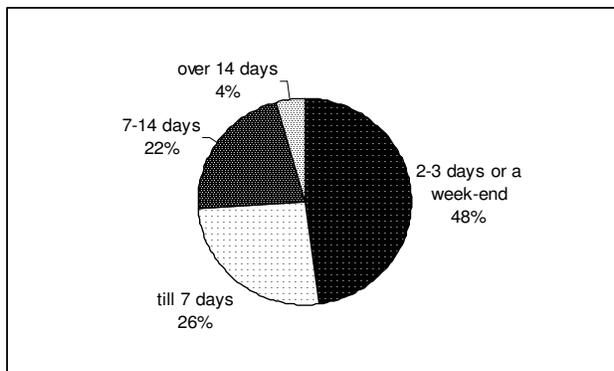
The investigation method based on questionnaire was used as a preliminary stage in order to identify the attitude and the perceptions of the consumers, together with the general degree of information regarding the study subject, also the questionnaire targets to identify specific aspects regarding the current services, prospective needs etc.

The questionnaire has 10 questions, it has a common structure: that is, the headlines of the company undergoing the research, the period of time is mentioned (February 2007), it has an introductory-explanatory phrase meant to justify its implementation.



The implementation interval is chosen at the beginning of February 2007, in off-season, in Băile Felix, Romania (the location of the spa-hotel). There are 230 persons who agreed to answer to it. The best-represented category is that of 25-34 years (39,13%), the distribution on ages being a normal one, the Romanians over 55 years old do not travel much. The surveyed population is preponderantly feminine (69,57% F vs. 30,34% M);

The respondents are in an overwhelming percentage with their address in the urban environment (82,26%),



The geographical areas represented Ardeal - 73, 91%, Banat 13,04%, Muntenia, Maramureş and Bucharest being each represented in a percentage of 4,35%, Oltenia and Moldova having 0%.

The duration of the trip that the most choose (47,82%) is of 2-3 days (probably, the week-end), then a cure of up to 7 days (26,09%) almost at equality with those who wish the 7-14 days trip (21,74%), in 14 days time we have a choosing percentage of only 4,35%.

Regarding the monthly revenue of the respondents, they are framed into the 5-15 million lei group (43,48%), the 15-25 million

lei group, respectively (21,74%).

<sup>161</sup> Kotler, Ph., op.cit.1, p.395.

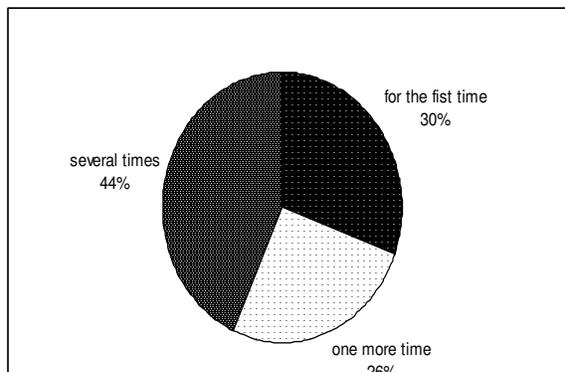
The best-represented marital status is 47,83% married, followed by singles 30,43%.

Regarding the studies, we notice a high percentage of people with superior education 60,87%, next to the post-university education 21,74%, those in the primary and secondary education are not represented.

At the 1<sup>st</sup> question. The clients questioned who used the services of a hotel in Felix resort, we have the following answers: see the graph

We notice the relatively high percentage of coming back of those who use the services of the hotels in Baile Felix.

At the 2<sup>nd</sup> question, What services do you usually use at this hotel? We have: an equal weight use packages of services (accommodation and meals, or accommodation and meals and treatment), those who come from the neighbourhood only for swimming-pool/+restaurant being 13,04 %, and only for accommodation 8,69%, the conclusion being that **the packages of services are more requested.**



At the 3<sup>rd</sup> question – What determined them to choose this hotel?, asking them to choose from the list maximum three main reasons by giving points in the order of importance (3 points for the most important one), we have the following: the hotel is chosen for the quality of the services (43,47%, for its location within the resort - 21,73%, friends' recommendation being at equality with the promotion through promotional materials 13,04 % each, the tariffs charged and the recommendation of the local tourist agent at equality – each with a weight of 4,35 %. The diversity of services being ignored, together with the experience with that particular unit, the respondents were not able to provide an answer. There are not mentioned other selection criteria.

At the fourth question – Which criteria regarding the appreciation of the services are important for you? The most appreciated criteria ranked as highly important are: cleaning, together with the well trained personnel. On the following positions is the personnel's availability, then equally, the communication with the clients and the kindness of the personnel. The multitude of services and their diversity are not very well ranked, maybe this fact denoting a relative lack of the respondents' experience to consume varied tourist services.

At the 5<sup>th</sup> question – What do you have in mind by spending your trip at this hotel?

It mostly seems tat that the tourists have in mind the relaxation, then physical maintenance ad psychical recovery, the least being beauty.

The prophylactic role is also very poorly ranked, it would be better than looking for social contacts!

The treatments and the training in business are also mentioned.

In the case of the 6<sup>th</sup> question referring to the ways in which the clients believe they can reach the objectives had in view by spending the time in the hotel chosen and mentioned at the previous question: the above mentioned objectives are appreciated by the respondents as being mainly achievable in the following ways: massages, thermal and relaxation baths, healthy and controlled diet, but through spa recovery procedures, too. The least quoted are the medical gymnastics and the fitness. An explanation of this resides from the correlation that can be made between precarious physical culture and a weaker orientation towards movement and sport of the main age group answering the questionnaire. (52,17 % of the total of young people and adults up to 34 years old).

The ways chosen and mostly appreciated that they can reach the objectives through which the tourist wish to spend their holiday are based, as we can notice, on the principles of the wellness/ spa concept. Taking in consideration these answers, we can deduct a certain orientation of clients towards the service demand belonging to the wellness/spa concepts.

If we have in view the detailing of the relaxation procedures mentioned here, we can notice that the most appreciated are reflex therapy and aromatherapy, followed by kineto-therapy, we associate again the high rate of non-answers (26,08%) with the poor experience of the respondents in this field of relaxation procedures. The least appreciated relaxation procedures are meditation, energy control. Not even the importance of the facial and corporal beauty treatments is high, though the rate of non-answers is getting lower from 26,08% (non-answers to relaxation procedures) to half - - 13,80% from where we can notice that the previous appreciation is correct (that the respondents are not familiar and have no experience in relaxation techniques) and that cosmetic treatments are better known.

Other ways to reach the objective are mentioned: business tourism and modern conference rooms. □

Regarding the (7<sup>th</sup> question) the manner to contract services, an important emphasis is placed the individualised package of services suggested by a specialist with a percentage of 17 %, followed by organized packages of services, 39,13 %, the smallest percentage is that of isolated services of only 8,69 %. We believe that these answers confirm the answers to the 2<sup>nd</sup> question.

Regarding the 8<sup>th</sup> question, there is the idea that in a recovery centre there should be techniques meant to address not only the body, but also techniques destined to mind and wellness techniques, the position of the respondents is of total agreement with a percentage of 56,52 %, together with those who do not agree 43,48 %.

9. The overwhelming majority (73,91 %) would be ready to pay supplementary to benefit from these services, and only 26,09 % does not agree to pay supplementary.

10. The means of transport used to get to the resort are seen in the graph

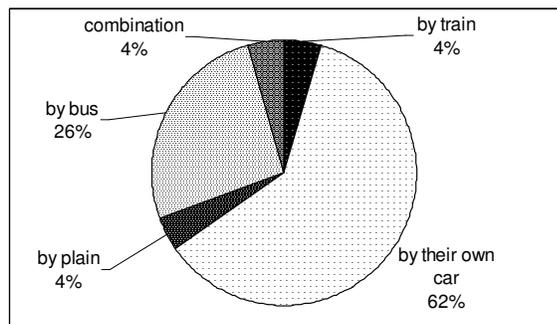
There are no other means of transport besides the ones in the questionnaire, we can notice, therefore, that most of them come by personal car 60,87 %, and by bus 26,09%.

### 3. Actions in drawing up the positioning strategy of a Spa-hotel

The product of the Spa-Hotel can be differentiated by the thermal water resource.

We will take into consideration the possible attributes which can be converted into benefits for the consumers and can position the complex on the first position on the market of maintenance service consumers (see Table 2).

In order to see the position targeted, it would be useful to build up a map with the positioning of all maintenance centres in Oradea and surroundings (on separate segments: fitness, cosmetics, massage, acupuncture etc.). the methodology regarding the drawing up of the positioning map requires the consecutive evaluation of the units based on two attributes considered to be important from the consumers' perspective.



The attributes that we will take into consideration are the following:

- thermal water resource and therapeutic mud;
- modern apparatuses and machines which proved their efficiency, but innovative methods also;
- very diverse services provided in the same location under the form of packages;
- stimulating prices on packages;
- the association between accommodation (four stars) and beauty centre;
- an ambient favourable to relaxation (an isolated location far from the urban traffic);
- accessibility;
- work programme.

**Table 2. The comparison between the new and old image (desired) of the spa-hotel**

OLD IMAGE OF THE SPA- COMPLEX	NEW DESIRED IMAGE OF THE SPA- COMPLEX
<ul style="list-style-type: none"> <li>- two star hotel – modest category;</li> <li>- treatment centre destined to ill people;</li> <li>- old equipment and facilities in spite of modernizations made in 2005, which were not promoted sufficiently;</li> <li>- old procedures but not necessarily inefficient;</li> <li>- ill and/or old clients.</li> </ul>	<ul style="list-style-type: none"> <li>- four star hotel – superior quality facilities and services;</li> <li>- maintenance centre (wellness) destined to those preoccupied with their physical appearance, tonus muscular in search of sources and resources of energy;</li> <li>- latest equipment and apparatuses;</li> <li>- old efficient procedures combined with new or rediscovered methods;</li> <li>- young, active, healthy or with minor illnesses clients.</li> </ul>

The promotion strategy regarding the repositioning of the Spa- hotel is a component part of the marketing strategy of the Spa-hotel.

The next steps of drawing up strategy are the following:

- I. identify the competitors of the spa- hotel
- II. Communication & promotion objectives
- III. Market segmentation and target market selection
- IV. Market positioning
- V. Setting the promotional budget
- VI. Message drawing up
- VII. Identify the constraints and risks in implementing the strategy

### **Conclusions**

Gathering preliminary data and analysing the situation, the following conclusions can be drawn regarding the repositioning of this hotel:

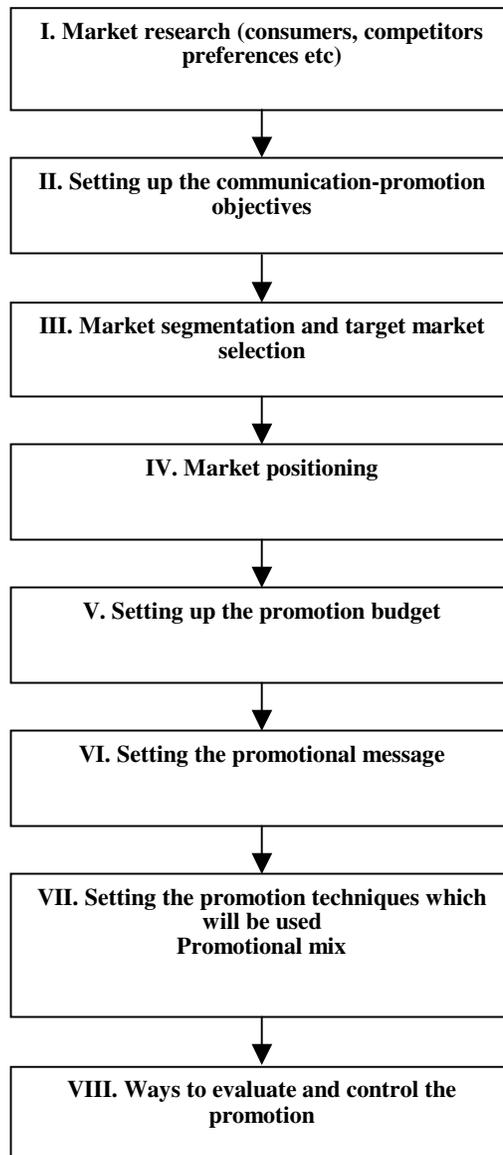
- The Spa-hotel comes up with a new offer on the Romanian market which draws up advantages but risks too.
- Spa-hotel must rely on the advantage and opportunity to launch \* the spa-, wellness but in the same time to align to the latest tendencies in the world.
- The repositioning must be definite and made based on the attributes of the spa type offer. This is essential together with natural resources and the holistic vision on health.
- The features of the target public make it one longed for and hard to please, but extremely profitable on short and long term. The target public is relative new for the spa-hotel segment.
- To promote the spa-hotel we recommend the capitalization of the public relations techniques, the attraction and use of mass-media to increase the notoriety and then of the popularity, but the other elements of the promotional mix will have to be used to achieve the objectives aimed at.

### **The formal repositioning plan would be the following:**

- I. Market research (consumers, competitors preferences etc)
- II. Setting up the communication-promotion objectives
- III. Market segmentation and target market selection
- IV. Market positioning
- V. Setting up the promotion budget
- VI. Setting the promotional message
- VII. Setting the promotion techniques which will be used. Promotional mix
- VIII. Ways to evaluate and control the promotion

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**Figure 1. The stages of the formal plan of promotion-repositioning of the SPA- Complex**

# PROFESSIONAL FORMATION AND IMPROVEMENT, COMPONENTS OF PROFESSIONAL TRAINING

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*Professional training has - in the view of many specialists - two components: professional formation and professional improvement, components which sometimes overlap in practical activity. In order to avoid conceptual confusions, in the first section their most eloquent definitions are analyzed, and in the next sections the content of these two components is presented, in order to highlight more profoundly the differences between them.*

*Key words: professional formation, professional improvement, professional training*

## **1. Conceptual delimitations of professional formation and improvement**

Professional training has – in the view of many specialists – two components: professional formation and professional improvement, components which sometimes overlap in practical activity.

The definitions encountered in the special literature highlight the particular features of the two terms, and to avoid confusion regarding these concepts we will only present here the most eloquent of them.

In 1958, *Henry Giscard* defined professional formation as “the development of new abilities” while improvement is considered to be “the improvement of existing abilities” – definitions which clearly underline that a distinction must be made between the two. Therefore formation refers to acquiring new knowledge, new abilities, and improvement refers to perfecting, adding to or furthering one’s existing, previously gained, knowledge and abilities.

PhD.Univ.Prof. *Radu Emilian* (1999), points out that “professional training is a teaching process by which employees gain theoretical and practical knowledge, new techniques or abilities that will make their work more efficient”. This definition includes both components – professional formation by acquiring theoretical and practical knowledge and professional improvement by learning new techniques or abilities which will make their work more efficient.

Another definition of professional training that also refers to both components is the definition formulated by PhD.Univ.Prof. *Corneliu Russu* (1993), which shows that it is “an activity engaged into in order to gain theoretical knowledge and practical abilities, of a certain type and level, able to insure the qualified execution of their duties by the employees while performing within a profession or trade”. The formation component, which is an activity performed in order to gain theoretical knowledge and practical abilities, of a certain type and level, is found in the first part of the definition – and improvement, the other component, is found in the second part of the definition – underlining that professional training must insure the qualified execution by employees of their duties while exercising a profession or trade.

*Robert Mathis* and his collaborators (1997) define professional training as “a process of training during which the participants acquire theoretical and practical knowledge necessary for carrying out their current activity”. The Explanatory Dictionary of Romanian Language defines the training process as the action of “preparing oneself in a field; to learn; to educate oneself”. In this definition the two components of professional training clearly present themselves: formation, highlighted by the process of learning, and improvement, represented by education – which according to the same source means “to keep oneself very occupied with; to make something grow, develop”.

*Viorica Ana Chișu* (2002) shows that “formation of the personnel represents the collection of processes by which employees acquire, in an organized setting, knowledge, abilities, habits and behaviors necessary for exercising professions specific to the company” and “improvement of personnel is the group of processes by which the employees supplement – as a result of going through a series of programs organized by the company – their knowledge, aptitudes, habits, behaviors and working techniques for which they already have a basic qualification, in order to carry out their duties and objectives at a superior level”. The two definitions highlight the fact that the purpose of professional formation is for the employees to acquire some new abilities, habits and behaviors that they did not initially possess, while improvement refers to updating some knowledge, abilities, habits, behaviors or working techniques that the employees have gained at a previous stage.

As one can see, all the above mentioned authors maintain that there are two components to professional training, but there are other opinions according to which professional training encompasses all the educational activities that an adult undergoes, starting with basic education, initial professional formation and continuing with the professional formation during the adult life of the individual, also called continuous professional formation. One of the adepts of this opinion is *Lakhdar Sekiou* (2001) who defines personnel forming as “an ensemble of actions capable of bringing individuals and their groups to a level at which they can perform their current and future tasks competently, for the welfare of the company”. Analyzing this definition, a component of initial professional formation which can insure the fulfillment of current duties in the company can be distinguished, but also one of professional improvement that will occur when the duties change (future duties), a component which the author considers to be future professional formation.

## 2. The essence of professional formation

Professional formation is concerned with “training personnel in order to obtain a qualification, offering the possibility to practice a profession or occupy a workplace” (Vărzaru, 2005). The formation process takes place through the education system, which insures basic, general, and specialized training of the students in order to obtain the knowledge and competency necessary for occupying a workplace but also at a company level when its purpose is to insure that personnel is adjusting to the requirements and specific features of the workplace. This type of professional formation is granted to young persons who have not obtained any professional qualification within the national education system or outside it.

The activity of teaching a young person is considered initial professional formation if it fulfills the following conditions (Professional Formation (*FORPRO*) in 2005):

- Its purpose is to confer formal professional qualifications accredited at a national level
- It occurs in parallel with a practical activity (training at the work place), meaning it’s an activity that combines training and working

The following categories of people can benefit from FPI:

### 1. employees of the company

- trainees (with or without a training contract)
- young, professionally qualified, employees with contracts

### 2. persons that are not employees of the company but, by proposal of the teaching organization or the company or the person itself, combine the learning process with practical work

- the students of vocational schools, who train at different companies
- students of colleges and universities who train at different companies.

The main forms of initial professional formation are:

- apprenticeship at the workplace– regulated by the stipulations of Law no. 53/2003, which under Art. 207 states that “any young man who does not have professional qualifications and who, at the beginning of the training period, is not yet 25 years old, can be signed on as an apprentice”.
- practical training at the workplace – it involves the practical (and at a lesser degree theoretical) professional training of young persons over fixed lengths of time which are planned in advance, where they use regular tools, instruments or equipments, whether at the workplace or in close proximity to the workplace.
- classes, seminars etc meant exclusively for young persons that do not yet have a professional qualification.

## 3. The essence of professional improvement

Professional improvement as it emerges from the definitions presented above involves the improvement, growth and updating of existing knowledge, habits and abilities, for a qualitative improvement in professional activities. *Mihai Vărzaru* (2005) underlines that the immediate objective of professional improvement is “the acquisition of traditional - but unknown to a certain person - knowledge, or new information necessary in order to adapt to the new technologies of the profession or trade”. Therefore the concept of professional improvement includes the activities that refer to continuous professional formation of adults. This represents the collection of training activities or measures that companies organize and, fully or partially, finance for their employees.

Characteristic for this type of formation is that it is based on the level of knowledge and competence previously attained.

The means by which continuous professional formation of adults can be achieved are (Panduru Filofteia și Porojan D.):

1. Attending courses
2. Planned periods of preparation, training, or workplace experience
3. Planned training by rotating personnel through different workplaces
4. Participating in professional knowledge training and improvement groups
5. Self-education using long distance learning
6. Participation at conferences, presentations, seminars, scientific communication conferences.

The objectives of improvement or continuous training of the personnel are employee professional acclimatization and promotion, access to new qualifications, raising the level of company knowledge, increasing the chances for obtaining new jobs but also increasing the economic efficiency of the company and economy as a whole.

Continuous training “is a method for increasing the professional mobility of employees vertically as well as horizontally” and also “the main means of a company to adapting its human resources to the demands of new jobs and professions”. (Vărzaru, 2005)

#### **4. Conclusions**

Professional formation, according to some authors, or professional training, through its two components, is determined by the following factors:

- modernizing and diversifying the range of products and services
- modernizing and diversifying the methods and means of working
- changes within the company related to the expansion of technical innovations and information technology in all fields, new consumption models and life styles, environment issues and human and natural resources management
- changes in the structure of companies

This activity answers the needs of the persons involved (related to their want for obtaining a qualification, gaining knowledge, practice and abilities necessary for getting a job but also for improving, building on and updating these) as well as the needs of the company (to improve their economic performance).

Thereof we can speak about the efficiency of the two activities only if they are proceeded by increasing the volume and quality of acquired knowledge, skills, abilities, by improving the organizational climate, by increasing the economical performances of enterprises.

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# THE INFLUENCE OF ELECTRONIC MARKETING ON AGRICULTURE AND RURAL DEVELOPMENT

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## **Cap. I Electronic marketing in Romanian agriculture**

Even though in Romania the electronic marketing is making it's "entrance" quiet slowly in agriculture, it's potential should raise the interest of companies and authorities, if they really want that the romanian agriculture could face the european agricultural environment.

The agricultural fields where the new communication technologies and electronic marketing is already working are primary those of government information and non-economic organizations.

Most of the agricultural companies are too far of using these technologies which could bring them high economic advantages.

In a report made by Forrest Research Inc. is brought out that the on-line selling will become the battlefield of agricultural products. The level of e-commerce with agricultural products had reach in Europe in 2005 5,4% of the total amount of the commerce with agricultural products.

In the Central and Eastern Europe the development of agricultural e-business is detain by cultural factors but first of all by weak development of new communication technologies.

In Romania the developement rate of agricultural e-commerce is bellow 0.1% but with an enormous potential once the authorities will start to develop new communication infrastructure in the rural areas.

The domains where electronic marketing could supplie a great assistance in the development of agriculture are:

- agricultural servicies;
- zootechnie;
- raw material supplie;
- transactions with agricultural products;
- banking;
- marketing.

**Agricultural servicies** are one of those domains where electronic marketing is already working. These servicies have a great influence on the farm production either direct or indirect.

The farmers could go on-line and find out all the informations they need at any time regarding the servicies they want without going themselves at the companies who supplie this servicies.

By simply accessing the web sites of the service-suppling companies or of the Teritorial Agricultural Consultant Officies, farmers could resolve problems regarding their production; could chat with the specialists of the officies or could change informations with other farmers.

**The Zootechnie** is one of the agriculture branches where electronic marketing could ease and make more effective the entire economic process in a farm especially in suppling with raw materials but in selling too.

The farmers by accessing the internet could easy the selling process, by simply, for example, accesing the web site of Stock Exchange ( [www.bursademarfuri.ro](http://www.bursademarfuri.ro)) where they can find information regarding the quotation of any agricultural products.

We have to appreciate also the existance of The Romanian agricultural Stock Exchange web site - [www.bursaagricola.ro](http://www.bursaagricola.ro)-, whose main purpose is to create a clean market by bringing togheter the offer and demand.

The web sites are a very good information channel , bringing to farmers statistics, tendencies and forecast, which are very useful in their business.

Therewith farmers could participate on on-line public auctions using a special design web site [www.elicitatii.ro](http://www.elicitatii.ro).

Having a good web site farmers could be easilly find on the internet by all the companies interested in buying produces.

## **Cap.II Electronic marketing and rural development in Romanian**

Electronic marketing and the communication technologies could lead, directly or not, to the economic development of the rural areas.

The support of electronic marketing to rural development depends on the level in which the new communication technologies are spread out among those fields who could help the development of rural area. Those fields are:

- agriculture;
- country-side tourism;
- agricultural companies;
- agricultural and rural development research institute.

### *Agriculture*

In 2001 those 1.400 official agricultural web sites reflected the enormous potential of the internet in agriculture.

Even if in other domains (banking; trade; shipping; etc) the applications of electronic commerce were successfully resolved, regarding agriculture the problems are far from being resolved.

Also with the help of the internet farmers could be more informed and could market easier their products.

### *Country-side tourism*

Altogether with classical ways of promoting tourism in one zone or another, tourism operators could use – to improve their activities- new marketing ways offered by the internet.

In Romania there are many web sites dedicated to country-side tourism but with a weak impact on the abroad potential tourists, because of the lack of english version of the web site.

Web sites offers some advantages comparing with classical marketing promotion: relatively low cost of promotion; highly communicative; 24 hours availability; etc.

Even though are many sites dedicated to country-side tourism, they don't are not fully profiting of potential of electronic marketing. Many of them are not offering english version of the web site and others are not registered in searching engines, not using advertising banners, mailing, chat and forum applications, etc.

### *Agricultural companies*

The electronic marketing has made it's greatest entrance in business because the changes that took place in this environment. Those changes led also to the change of marketing strategies in agriculture business, especially regarding promotion, publicity, clients relations, price and product strategies.

The new electronic marketing strategies could support companies to plan and create a better on-line presence on the internet.

A inovative web site altogether with other online instruments can improve the company image, which is so necessary if the company wants to large profits and improve business relations.

The multitude of selling ways and the possibilities of promotions available today make possible many marketing strategies. By forecasting the final integrated and comprehensive strategy, it could be design a unique marketing strategy capable to point exactly the market segment.

The most effective electronic marketing strategies which can be used by the agricultural companies are:

- on-line branding;
- registering the site in searching enging sites;
- e-mail advertising;
- etc

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# THE QUALIFICATION – COMPETENCE REPORT, EXPRESION OF A NEW WAY OF MANAGEMENT ORGANIZATION

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## ABSTRACT

*The modifications in what concerns the organization of the company and the work places, of management, have determined the passing from the notion of qualification to the notion of competence, manifested through exigencies growth towards employees and an organizational responsibility growth professionalizing their own human resource. Qualification is situated at the confluence of mobilized and used qualities by an individual and their value. The competence appears in an economy of reactivity and appeals to the initiative and creativity of employees. The model of competence administration aims at realizing a permanent productive effectiveness by growing the value of the products for the clients and for the shareholder and not by reducing the costs. All expenses with its projecting and implementation, with the development of human resources must be considered an investment and not a cost. The success of this model depends on the capability of managers and personnel to see its importance, to settle ambitious and coherent goals and to build satisfactory compromises for all.*

*KEY WORDS: qualification, classification, competence, evaluation, relationships generated by the workplace.*

## 1. THE CONTEXT OF QUALIFICATION – COMPETENCE RELATIONSHIP

In practice it is difficult to identify the pot of the game that is between an individual willing to put his capabilities in order to accomplish the professional tasks and an owner or a manager who wants to benefit from these capabilities. The conditions of this exchange are expressed, generally, in terms of contribution, meaning what an occupant must offer to the owner, and in terms of retribution, meaning what the enterprise is willing to give back: wages, bonuses, but also symbolic elements such as status, career, the interest of committed missions etc.

The relationship around the job is a “progressive social construction within the exchange of mutual commitments, which allow highlighting the given qualifications (and the clear manifestation of the ones that are wanted)<sup>162</sup>. As a result there is a crossing between a supply of resources, the ones of the individual, obtained due to accumulated forming and professional experience, and a demand of resources, specific to a contain and to a labor organization. Contracting the relationship between the owner and the individual rises two important problems:

- a. defining in the most specific way what is asked and what is offered
- b. appreciating the value of this exchange, differentiating the contributions one from another.

The clarification is situated at the bases of relationships afferent to workplace once with the introduction on a large scale of rationalization of work in companies, a process started by F. Taylor and ended in 1950 – 1960. It is started to talk about competence in the '80, as a reaction to the insufficiencies of qualification, within the moves of renewal of company's management, of labor organization forms and models of human resource administration.

The proposed thesis is structured around the next hypothesis:

- a. passing from qualification to competence means a modification in the relationship generated by the occupancy of workplace, manifested by a growth of company's exigencies towards the employees; the commitment of individual and collective resources in labor activity becomes a condition of productive efficiency;
- b. qualification and competence must not be considered as two opposite notions, but complementary, competence allowing the relationship generated by the workplace to characterize itself in a different way.

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<sup>162</sup> Maruani M, Reynand E-Sociologie de l'emploi, Edition LA Decouverte, collection „Reperes”, 3° edition, Paris, 1993

- c. the model of administration through competence remains yet in an unfinished stage as it is considered a cost and not in innovation; also, the company's efforts in terms of recognition of the efforts (wages and perspectives of becoming professional) aren't always at the level of consented commitments.

## 2. ABOUT QUALIFICATION AND ITS LIMITS

The concept of qualification is taking a central position in the taylorist production system and in organizations where the activity is based on rationalization through task division and on using of an important share of unqualified workers. It points out the restructuring of "unitary jobs" and their progressive replacement within a work division through unqualified tasks. The definitions of qualification are numerous, but none of them seizes upon the rest of them, which proves that the notion is seen from different senses, sometimes in contradiction, but also that it is very rich in content.

An important part of authors take into consideration their individual dimensions. The qualification is bound to the individual, to its specific, its originality and its personal route, to its experience, its capabilities and even its potentials. Besides its forming personal factors come up, socially produced, but not controlled by an adequate policy. The sensible character of the notion is well valued from this criteria's point of view, but the context in which it expresses itself also must be highlighted. In its studies M. Vermières sees "under the notion of qualification of workers, (...) the combined result of professional forming and experience in work, essential component of a person's competence or a labor personnel's. Truly, it is important to remind the joint dimension of qualification. This definition invites to underlining the fact that the analysis and identification of qualification has a meaning only for a productive system and a certain society"<sup>163</sup>. The accent is put on constitutive elements of qualification and on the context where it is produced and evolves, putting aside the work relationship where it gets value. These aspects are privileged by Reynaud (1988), for whom qualification represents "the admission of the employer or the claiming of the employee of all its labor qualities which count for production: the eagerness he fulfills it (effort, attention, the absence of errors), competence and experience mobilized and even the potential it can show (its initiative and forming capability). In this way, qualification has always been negotiated and has been the object of some qualification agreements."<sup>164</sup> In this interaction dominates the interest diverging, which transforms qualification into a conflict source which is resolved by compromises and cooperation. Another point of view is sustained during 1990 by Y. Lichtenberger, which presents qualification as "the social answer people give for the next question: in what conditions do they accept to cooperate? Thus they are in the intersection of two questions: what do they have to bring (competences that they put into practice), and what do they have to get (wages and status they obtain)". In other words, exchange means effective work for a wage and a status, remaining to be settled the conditions.

In 1956, P. Naville sustains that the qualification phenomenon does not really exist, letting without saying that the debates caused by this concept are bound to the époque and to the specific socio-economic conditions. Qualification is situated at the confluence of the double register of qualities mobilized and used by individual and of the values assigned to these qualities by the social corpus. The bases of the relationship must be clarified, if it is wanted that this concept to become a determinant of payment.

In practice it is a custom to decline qualification in two manners:

- as a description of qualities an individual owns
- as a prescription of asked qualities for the occupied job, specific to work.

Undifferentiated using determines some confusions, that is why the distinction between the qualification of an individual and the classification of the workplace must be done. What concerns individual qualification, identification can use more elements, but as a bases remaining its forming and experience. *Initial forming* (the nature and the level of the diploma) offers a first indicator of a person's qualification, a more powerful indicator while the diplomas remain "the forte currency" on labor market, currency without which most of the times the access to a labor isn't possible. *Continuous forming* raises problems of legibility and measurement, as its appreciating means choosing some pertinent variables, hard to find among the number of stages, its nature, lasting, pertinence or the reputation of the supplying organism. *Experience* is as hard to highlight in a constant way, as long as seniority does not say a word about accumulations or about what could be preserved. Exterior accumulation to professional life and social experience are rarely taken into consideration because of the difficulties concerning their emphasizing and valuing.

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<sup>163</sup> Vermières M. – Formation – emploi, enjeu économique et social, Edition Cujas, Paris, 1993

<sup>164</sup> Reynaud J.-D. – "Les régulations dans les organisations: régulation de contrôle et régulation autonome", Revue française de sociologie, V, XX, p. 5-18.

The second manner of declining qualification, work classification, wants to analyze and form on the hierarchical system work places, giving them a value with a payment level. The operation this classification is made has as a result a salary plan.

The notion of classification offers some certainties, but its insufficiencies are obvious. The definitions of work places they are fond on are too synthetic and do not allow the explaining of the whole diversity of tasks which must be accomplished. In its whole, these definitions remain too focused on technical dimensions of work and do not offer any behavioral or social element. Also, they do not allow taking into consideration of local adaptations in the multiple manners of workplaces' occupancy. The qualification of an individual isn't predicted by its capacity of learning and its possibilities to evaluate in this way and neither by the effective commitment of the constituents of this qualification in action. All these characteristics are nowadays the most required in the new contexts of labor.

### **3. PRESENT EXIGENCES OF LABOR**

The content and organization of work are no subscribed in a certain economical environment, in a certain technology and they are not the object of a determinist. They are the result of some selections of managers or owners. Although they are more open to negotiations, the options of human resource administration are also the subject of some selections. The problem that rises is knowing the degree of cohesion between organizational selections and the human resource administration ones.

Passing from a model of standardization to a model of variety, then to a model of reactivity was accompanied by big debates in economical literature in Europe and around the world. *The model of standardization* is defined by a stable economic environment, where the growth is constant, the demand is simple, and the rivalry is based on price. Organization must be based, in this case, on a structure of work division and on a scale economy. *The model of variety* appears when the demand becomes multiple and exigent, the rivalry is based on quality, terms and offered services. Standardization is realized upstream the production system, in order to allow the diversity downstream. The company evolves to a dynamic form, adapting its studies to the environment in which they evolve. The model of reactivity corresponds to a capability of fast reconfiguration of resources and to an as fast as answer of clients' exigencies. The company must be able to sustain a continuous adaptation to the environmental evolutions. Moreover, it must know to impose itself, to stimulate the evolutions that are in favor and not to be satisfied being just reactive but also proactive. In this way, the company must appeal to initiative, creativity and reactivity of employees, through which it can do activities that are hard to preview and prescribe.

The work system, individualized by many aspects (content, conditions, organization, qualification, forming, administration) is at present in a period of crisis and mutation at the level of these components and at the level of the relationships among them. The incidents of these evolutions upon the relationship generated by the workplace are flat, because it is passing from a system based on work division and specialization, on minimal requirements of education and forming, on a strong hierarchical control and on conflictive work relations, to a system where different tasks are recomposed, which require a high level of education and forming and which favors a competence development. Such a system must determine a certain stability of the work place and must have a large applicability, from industry to modern services.

### **4. COMPETENCE AND ADMINISTRATION THROUGH COMPETENCES**

The transformations that take place in the educative and productive systems have determined the appearance of some studies and researches whose object is the notion of competence. What concerns the competences offer, it is noticed a growth of the forming level of active population. The educative contribution has known important disturbing, translated, on one side, in a development without precedent of forming offer and its correlation with the productive month's requirements, and on the other side, in a growth without precedent of the number of students. Individuals on labor market are better formed, easier to integrate in the company and in modern organizations. Meanwhile, they manifest higher exigencies towards the company, especially what concerns the growth actions of their own competences and the insurance of their modalities on the same market. On the other side, the company, which is dealing with the exigencies of reactivity, service quality and rivalry improvement, asks a higher professionalism from its personnel. It expects more than a simple capability to occupy a workplace, willing to transfer to employees part of the rival exigencies they deal with.

The existence of organizations is, at present, marked by the appearance of more phenomena which manifest at the same time:

- a. an accelerated growth of exigencies, meaning a continuous addition of performance and quality in a shorter period of time

- b. a supplementary attention accorded to immaterial components of individual qualification, which are more and more indispensable for the production process: initiative, autonomy, adaptability, reactivity, capability to put a diagnosis, to interpret information, to face up the unpredictable.
- c. a continuous and alert evolution of competences according to technical and organizational changes.
- d. an invitation to implication, to knowledge and experience mobilization in work situations, to their concrete investment in the productive act.

The model of competence corresponds to a search of permanent efficiency. The qualification concept does not offer any certainty in what concerns the effective mobilization of personnel. The competence appears like a notion which allows explaining the expectancies of employers in front of their employees. Y. Lichtenberger (1999) also highlights the risks which come with this model: the unqualified employee had its place in the company, but the incompetent employee can't find such a place.

Before presenting the administration through competences, some clarifications are needed concerning the concept of competence, which has a rich literature and convincing contributions about its content. M. de Montmollin (1984) considers competences "a stable whole of knowledge and experiences, of standard behaviors, procedures, of kinds of reasoning, which can be used without a new forming". They lean on the resources of the individual and they are ready to use when it is necessary. Competences sediment and structure the accumulations of the professional route, allowing to preview phenomena, insuring the implication in instructions and the variability in tasks' accomplishments. This allows to be known who the company is dealing with, whom can count on doing some tasks. A competent individual is fiable and knows how to deal in any situation.

G. Le Boterf (1997) focuses on the operational character of competence, which "consists in knowing how to mobilize and combine resources". These resources have a double nature, because, on one side, are the personal ones (theoretical knowledge, technical and social experiences), and on the other side there are the ones outside the individual (installations, equipment, documentation, information, relational webs). The employee must search, select within himself or in the environment the pertinent capabilities, mostly heterogeneous, in order to demolish the difficulties he is dealing with.

P. Zarifian (1999) defines competence around three types of behavior through which it manifests: autonomy, responsibility assumption and communication. The first two of them are part of the basic definition of competence and represents social attitudes totally integrated in professional competences, expressing the new choices in organizing. These attitudes can really accumulate and develop only by assuming the professional situations they ask. Autonomy and responsibility aren't native behaviors, they build with action commitment, within the organizations in evolution. So the company is responsible for forming these personal characteristics. The labor context is decisive for the way capability to insert is built due to the webs of actors, sharing the pot and common responsibilities. The content and labor organizing does not represent only the dimensions where competences are mobilized but also the ones where competences are developing.

Company movement in France (MEDEF) has transformed competence into a renewing axis of policies and managerial practices considering it as "a combination of knowledge, experiences and behaviors in a certain context. It is noticed when put in professional situation to be validated. It is a company's task to notice it, to evaluate it, to validate it and make it evolve." Owners' organizations have analyzed the problem of competence and gave it some specific characteristics. Their definition indicates first of all what competence is not: a diploma or a qualification. This point of view puts the company in the frame of full responsibility in competence management, its mobilization, development and recognition. In this situation remain at a distance national education and syndical organisms alert to collective conventions.

The steps for using and developing competences must not be considered just a mean of growth of exigencies towards employees. They do not look for operational costs' deduction, but value growth of products for clients and shareholders. Without an articulation with strategy and organization, such steps are just a social cost.

The steps for implementation of administration through competences are dynamics for modern organization of work, within which initiative and autonomy of employees take the first place, and for more cooperate and decentralized management forms. They want to give priority to competences of employees, and from this point of view the company is the one who must adapt to personnel's competences. The latter wants to use them better and develop them.

Administration through competences has an important instrumental frame when is wanted to be used. Such a project must go through a minimum of steps, as follows:

1. defining the referential which specify and ordinales the competences wanted by the company. These are described by work analysis. The practice highlights a big variety of models, which differ in what concerns the referential, competences shares, the manner they are described;
2. evaluating the competences held by an individual, in comparison with the ones in the referential; this positioning usually takes place face to face with the direct hierarchical responsible;
3. making some decisions on different plans, such as the priority of accumulating and developing competences, eventually upon predictable individual routes and upon progressiveness payment of a person.

These practices prove the passing from a collective form of evaluating the qualification of an employee to the individualized form of evaluating its competences. Using in practice of administration of competences looks like a normal necessity, a saving solution, but conceiving its devices raises more problems such as: its connection with strategy, elaborating referential, its connection with classifications from collective conventions.

## **5. SOME CONCLUSIONS**

The qualification and competence concepts have to be considered complementary. The fact that inside the company the word competence is used more often does not rule out the interest for qualification. This way, employees are able to enjoy the acknowledgement and desirability of their professional backgrounds and the company benefits from a development in performance and efficiency.

Qualification is built on the resources a person accumulates through initial preparation, professional development, through work and his activities outside. This acknowledged qualification offers collective guiding marks.

Competence is a combination of a person's resources and the means offered by the organization. She marks the way each person is involved in their missions.

The evolution of organized work and of the content of jobs, in favor of the management of competences, has not determined the companies to go into such an approach. The reason lies in the cost, which is considered to high, of the long and difficult negotiations with the trade unions, the risk of disagreement and conflict, the difficulty of creating and putting it into practice and a possible inflation of the salary fund.

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# COMPETITION BEHAVIOR OF THE ROMANIAN COMPANIES FOR EUROPEAN INTEGRATION

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*The success of the Romanian companies on the European market depends on the knowledge of the competition phenomena, with all that this implies, through honest or less honest means. The lack of information regarding the profile and the activities of the competitors, as well as the lack of a clear view over the competition arena may lead to a failure of the business. That is why, competition studying and adopting a competition behavior have to constitute the starting point for the economic agents, and mainly an important factor in adopting and implementing real competitive goals and strategies.*

*Key words: competition behavior, competitive strategies, competitive environment and strategies*

European integration surely stands for a real challenge for Romanian companies force to face new demands of a strong competitive background, characterized by a large number of competitors, with wide range of offers and focused on satisfying the needs of the exigent customers. Likewise the competitive rivalry is to be found on European market, the fact that makes companies adapt and find new solutions to obtain advantageous competitive positions.

The competition in European zone offers real opportunities that must be turned to account by the Romanian companies but at the same time the must not be overlooked the specific threats of a strong competitive environment either. Thus a better analysis of the competitive environment and the better understanding of the latter, are necessary also for analyzing the direct and indirect competitors for adopting a competitive behavior based on fair – play and loyalty as well as targeting the most profitable markets.

The complexity of the environment and an ever stronger competition, the rising exigencies of the consumers as well as other factors force companies to develop and implement competitive strategies capable reaching the wanted targets. An important step forward in accomplishing the best competitive strategies constitutes the analysis of the competitors found on the market in case, starting from several important aspects such as:

- Identifying the direct and indirect competitors found in the same field of activity
- Understanding the competitive level existent in the field
- Understanding the sources of getting information referring to the competitors of the company in case
- Understanding of the competitive environment and the existent rivalry
- Identifying the competitive behavior adopted by the competitors and finally, the anticompetitive behavior of these ones.
- Identifying the competitive strategies adopted by the competitors.

The objective of this paper is to approach different aspects which imply adopting a competitive behavior by the Romanian companies, and the importance of knowing the competitors in the same field.

In order to have a clear view of these approaches, there has been accomplished a marketing quantitative research, done over a group of 75 companies located in Bucharest, the results of the research may be considered representative for the capital of the country, but if we consider that Bucharest's companies are in the front line of Romanian companies when it comes to implementing marketing, then these results can be analyzed from a qualitative point of view when we compare them with the existent situation at the national level.

Gathering, analyzing and interpreting the data, have been done between January and March this year based on a questionnaire of 23 established questions. The respondent company was represented by companies in Bucharest, and the probe unit was the marketing executive or person in charge with marketing activities from the company in case.

The target group consisted of companies from the following fields of activity services ( telecommunication, insurance, tourism, estate agencies, advertising) those with the highest rate of activity (54,7%), trade with the rate 25,3%, production 17,3% and construction and interior decoration with the rate of 2,7 % of the whole targeted companies.

The objectives of the research were:

- Identifying the competitive position of the companies in Bucharest

- The degree of understanding of the activities of the main competitors in the same field of activity
- Establishing the importance of adopting a competitive behavior by all the companies in Bucharest
- Identifying possible anticompetitive behavior and the fields targeted (the product, price, distribution, promotional communication) by the competitors through this behavior
- Identifying the types of competitive strategies adopted by the companies in Bucharest market.

The hypotheses of this research were:

- Most of Bucharest companies correctly assess their competitive position held on reference market.
- Direct and indirect competitors are relatively known, especially due to the information regarding the products and prices practiced.
- Competition is regarded as being strong, and that is why there is a necessity for implementing a competitive strategy
- Bucharest companies consider it especially important and necessary adopting a competitive behavior with a view to getting and consolidating a competitive position.
- Anticompetitive behavior is not to be wished for due to the competitive legislation and a negative opinion among the consumers.
- The targeted fields by the competitors through adopting an anticompetitive behavior refer to the product itself (counterfeiting, piracy) and to the price (dumping prices).

In this paper there are going to be presented only a few approaches considered important, for building up an image on the competitive behavior of the targeted companies.

**Table 1. Level of competition within the field of activity**

Answers	Frequencies	%	% Valid answers*
Very Strong	47	62,7	62,7
Rather Strong	23	30,7	30,7
Rather Weak	4	5,3	5,3
Very Weak	1	1,3	1,3
Inexistent	-	-	-
TOTAL	75	100,0	100,0

\*by reporting to the number of the valid answers (75).

From the table above we can draw conclusion that about 93% of the targeted companies consider that in their field of activity there is a strong real competition, only 6,6% of them mentioning a very weak competition. A point to make is that no company mentioned the lack of competition in each field, which reflects the reality in the fields analyzed.

**Table 2. The opinion regarding the level of knowing the activities of the direct and indirect competitors**

Answers	Frequencies	%	% Valid Answers*
None	9	12	12
Weak	14	18,7	18,7
Satisfying	31	41,3	41,3
Well	47	62,7	62,7
Very well	47	62,7	62,7
TOTAL			

\* by reporting to the number of the valid answers (75).

The companies interviewed appreciated that they knew very well and well enough their direct and indirect competitors, that fact that shows a steady concern for the competitive phenomena at least regarding a clear identification of the competitors, the frequencies presented in the table show cumulative answers for both types of competitors existing on the market. Yet we may also observed the existence of uninterested companies in getting acquainted with direct and indirect competitors existent on the market, what means a terrible marketing mistake as it leads, ultimately to bankruptcy.

**Table3. The main information regarding the activities of the competitors**

Answers	Frequencies	%	% Valid answers*
Realized Products	55	73,3	73,3
Market share	31	41,3	41,3
Practiced Prices	59	78,7	78,7
Market Targets	47	62,7	62,7
Competitive advantages held	36	48	48
Others	5	6,7	6,7
TOTAL			

\* by reporting to the number of the valid answers (75).

As shown in this table, the main information regarding the activities of the competitors has in view the prices practiced and the products accomplished by these, what was anticipated in the previous hypothesis of the research. We can notice that there is also a concern towards understanding the market targets, viewed by the competitors, this is of course in accordance with their own products. The competitive advantages held and the market held by the competitors, are less analyzed by the companies, which reflects a marketing fault. Other information regarding the competitors activity refers to the quality of the products, the strengths and weakness of the competitors, the distribution mode and promoting.

**Table 4. The opinion regarding the importance of adopting a competitive behavior**

Answers	Frequencies	%	% Valid Answers*
Very Weak	1	1,3	1,5
Weak	-	-	-
Average	1	1,3	1,5
Important	35	46,7	53,8
Very Important	28	37,3	43,1
Not answered	10	13,3	
TOTAL	75	100,0	100,0

\* by reporting to the number of the valid answers (65).

Out of the analyzed data that 84% of the interviewed companies consider as being important and very important to adopt a competitive behavior, this supposing in their view adapting themselves to the business environment 42 answers, loyalty towards their customers (40 answers), adopting an active behavior (33 answers), fair – play (26 answers). Only 13 answers were recorded for their own social and ethical involvement, proving that new marketing approaches are still unknown and not applied.

Likewise, 84% of the studied companies consider that they will not have recourse to an anticompetitive behavior, no matter the circumstance, explaining this decision through arguments that belong to the policy of the organization, ethics, fair-play, reputation, their own image.

Still companies mentioned the existence of some competitors that applied to such illegal and non loyal behavior, their actions referring to fields like: price (dumping, discriminating prices – 23 answers, distribution ( horizontal and vertical agreements between economic agencies) 19 answers, promotion communication ( comparative advertising and misleading advertising ) – the product ( counter fitting, piracy) – 12 answers.

It can be noticed that the anticompetitive actions rather focus on fields like price and distribution, and less then the product, as it was expressed in a hypothesis of this research.

Table 5. The influence of the competitive environment upon the marketing strategy adopted according to the competitive position held on the market

Marketing Strategy	Competitive Environment			TOTAL
	Neither	Strong	Very Strong	
Offensive	3	23	24	50
Defensive	1	-	2	3
Not applied	-	3	1	4
TOTAL	4	26	27	57

( for the option “weak” and “very weak” no answer was recorded)

The existence of a competitive strong competitive environment stimulates the capacity of the company to adapt itself to the competitive environment by adopting and implementing of an offensive competitive strategy. Companies targeted an offensive strategy, in a percentage of 82,5%, suggesting a perspective view upon the evolution of the competitive environment in the way in which in future on the European market the competition will intensify. The respective companies want to win a important position within these markets, pursuing the rise of their market shares.

Table 6. The correlation between the market share held and the adopting marketing strategy adopted on the market, depending on the competitive position held on the market

Marketing Strategy	Market Share Hold				TOTAL
	Under 3%	3-14,9%	15-30%	Over 30%	
Offensive	20	16	6	8	50
Defensive	2	1	-	-	3
Not applied	1	1	2	-	4
TOTAL	21	18	8	8	57

We can notice that the direction of the companies towards an offensive strategy which should allow the rise in market share, a correct direction of those companies which hold a low market share under 15%. We cannot explain the defensive strategy adopted by those companies with a market share under 14%, which should follow a rise in their market share with a view to getting a more advantageous position on the market.

A defensive strategy plays the role of defending the company from possible attacks of the competitors, which seems true under the circumstance of holding more than 30% of market share. We can also understand that there are not well enough understood the advantages of the offensive and defensive strategies, when it comes to competitive markets.

The conclusions of this research have been significant regarding the competitive behavior adopted by the companies in Bucharest. There has been noticed a special concern for understanding and analyzing the activities of the competitors, under the circumstances in which the competitive environment is getting stronger and stronger. The fierce competition constitutes a stimulating factor for marketing activity, of

these companies, making them adopt, competitive strategies capable of leading them to reaching the marketing goals. The main direction towards offensive strategies proves concern and the efforts done for assuring of an ever higher market share, thus 77,3% the studied companies have acknowledge that the adopted a marketing strategy, and the direction towards an offensive strategy was 87,7% (out of 57 of valid answers ).

The adaptation to the European competitive environment is a necessary condition, the interviewed companies appreciating that it can be done through developing some managerial and marketing competence (74,66%) and also through a competitive culture and discipline (69,33%).

The marketing activity of these companies must be continuously improved, the focus being on the differences of their existing competitors and also through obtaining of some competitive advantages held, through concentrating the efforts for a rapid integration of the marketing vision through the entire company and last but not least the direction placed on the customer must become a certainty.

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# NEW OPPORTUNITIES FOR ROMANIA IN THE FIELD OF REGENERATIVE ENERGY MANAGEMENT IN PROSPECT FOR THE YEAR 2010

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*Summary*

*The paper presents the role of regenerative energy into the contemporary economies and societies. Solar energy, Aeolian energy, geothermal energy, wave energy, tide energy, hydro energy, biomass and biogas are the main types of regenerative power sources that are analyzed in this paper at European Union level and also in Romania in prospect for the year 2010. The potential power of regenerative energy sources in Romania and the share of regenerative sources of energy in the total consumption of primary resources in Romania are also analysed. In the end of the paper there are presented the main actions at European Union level in important fields of activity regarding the energy that outcomes from regenerative resources and some measures at Romanian level in the field of regenerative energy.*

*Key words: energy management, renewable sources, energetic development sustainability*

Nowadays, the European Union and the world as a whole find themselves in front of a crossroad concerning the future of the energy. The climatic changes, the increasing reliance on oil and other fossil fuels and the growth of imports and energy costs are main factors that create increasing vulnerability to contemporary economies and societies. All these challenges require a comprehensive ambitious answer. Within the energetic policy, the field of regenerative energy sticks out through its possibility of reducing the greenhouse effect produced by gases and pollution, using locally decentralized sources of energy and encouraging world high technology industries. That is why European Union strongly recommends the energies that evolve from regenerative sources. [12] Those kinds of energy are already a significant constituent within the world economy bringing more and more important *contributions to the diversification of the energy-supply process, to the emissions reduction and to the long range energetic development sustainability*. On the other hand, taking into account short and medium periods of time, the modern regenerative sources of energy will remain quite an unused constituent of the energy supplying process in industrialized countries. Their role is not at all to replace the basic forms of energy that are using nuclear and fossil fuels, but *to complete those forms* of energy. In undeveloped countries, the role of regenerative resources in covering the demand of proficient and price advantageous energy will be more and more important, especially in rural regions, where there usage is supported by temporary orientated subsidies. [2]

In **European vision**, for framing a source of energy in the category of regenerative resources, the natural products and processes should meet two basic conditions: they must have energetic potential and they can be converted in energy by using technologies that are accessible today. Accordingly, there are defined [6] as being regenerative the following category of energy sources: *solar energy, Aeolian energy, geothermal energy, wave energy, tide energy, hydro energy, biomass, warehouse gas (gas that outcomes from the offal's fermentation), energy contained in gases that outcome from the fermentation process of the mud in the installations for purging worn-out waters, biogas*. The elements that differentiate those sources from the conventional ones is their strong spread of the exploitable potential over quite extended areas and the immediate dependence of the season and weather conditions, excepting geothermal power. The types of regenerative power sources in Romania and their potential power are synthetically described in the table below (table 1).<sup>165</sup>

**Table no. 1. The potential power of regenerative energy sources in Romania**

Regenerative power source	Yearly potential power	Equivalent energy saving (thousand toe)	Application
Solar power: - thermal	60x10 <sup>6</sup> GJ	1.433,0	Thermal power Electric power

<sup>165</sup> Source: Specialized Studies - ICEMENERG, ICPE, INL, ISPH, ENERO.

- photovoltaic	1.200 GWh	103,2	
Aeolian power	23.000 GWh	1.978,0	Electric power
Hydro power, from which:	40.000 GWh		Electric power
Under 10MW	6.000 GWh	516,0	
Biomass	318x10 <sup>6</sup> GJ	7.597,0	Thermal power
Geothermal power	7x10 <sup>6</sup> GJ	167,0	Thermal power

The most developed sources that create electric energy out coming from **solar sources** are “solar farm” systems; “solar energy towers” systems, reaching even 10 MW and “parabolic dish” systems, reaching 50 KW. It is estimated that the power set up in Europe will reach 300 MW (from 3000 MW, at the world level) by 2010, leading to a production of 0.5 TWh/year electric energy in Europe and 0.4 TWh/year on the Globe.[5] Another technology for producing electric power is based on the photovoltaic effect.<sup>166</sup> Nowadays, we use photovoltaic batteries made of photovoltaic cells. The technology shows good results for up to several KW power and are being used especially in regions without electric energy. It is estimated that the power set up in European Union will reach 1200 – 2000 MW, while in the whole world it will reach 3000 MW. [5] Taking into account all types of applications, the fastest growth can be observed in building integrated applications. Currently, the photovoltaic connection is stopped by the cost of the electric power unit. This cost is from 10 to 20 times more expensive than the cost of the mature connections; in fact, photovoltaic cells are very expensive. Another constraint is given by the low productivity, which is from 12% to 15% lower than the productivity of mature connections. [4] In Romania, the opportunities of using solar energy are directly conditioned by the technical potential, being necessary to take into account the random distribution of those resources. The latitude and the favourable climatic conditions lead to a high potential (over 400 TJ/year) of this energy source, but it is strongly affected by the solar radiation of the seasons (the average fluctuation is between 1100 and 1300 kWh/m<sup>2</sup>/year).

**The Aeolian energy** has successfully been used during the last decade because of its ecological nature and, also, because of the possibility to be used as individual electric energy supply source, especially in the rural areas of the Globe. At the same time, Aeolian energy development is limited as a consequence of the discontinuous wind flows and because of the variable wind speed. Also, with the increasing impact of Aeolian energy, the electric systems will have to face new challenges. In Denmark, for example, the Aeolian turbines produce up to 20% of the electricity that affects the electric network permanence. [1] Romanian’s Aeolian technical potential is evaluated up to 100.000 TJ/year, existing such favourable areas where the wind speed outpaces 6 m/s and the ratio between the investment value and the yearly amount of produced energy is quite attractive (0,32 – 1,90 \$/KWh). Analyzing and evaluating the collected data it shows up that in Romania Aeolian installations can be set up with a total power that can reach 14.000 MW, which means a contribution of almost 23.000 GW/year of electric power. Based on the preliminary evaluation near the shore, the medium and short term Aeolian technical potential is about 2000 MW, with an average amount of electric power of 4.500 GWh/year. [9]

Our planet’s linear theoretical **hydro energetic potential** of water flows and water falls is 6,2 mil MW, but the technical potential, of 554.000 MW, is much lower. [4] In Romania, the main rivers’ hydro energetic potential is approximate 40.000 GWh/year, amount of energy that can be produced in high-power hydro energetic arrangements (> 10 MW/hydro unit) or low-power hydro energetic arrangements (< 10 MW/hydro unit), as follows: high power hydro energetic arrangements (34.000 GWh/year); low power hydro energetic arrangements (6.000 GWh/year).[9]

By 2010, in the European Union will be set up approximately 2400 MW in new powerhouses that work on **biomass**, and in case of adopting new favourable policies this growth can be even bigger. It is estimated that by 2010 the amount of electric power produced by using the biomass will reach 27 TWh/year in European Union and 291 TWh/year in the whole world.[5]

Worldwide, the powerhouses that generate **geothermal power** have a totally installed capacity of over 8000 MW. The systems that are capable to convert the geothermal power can provide electricity with a

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<sup>166</sup> The term „*photovoltaic*” comes from the Greek *phos – photos* (light) and from the name of the Italian physicist *Alessandro Volta*, appointing the direct transformation of solar power in electric power through solar cells.

charge capacity factor of over 90%. [1] The supply of geothermal energy that can be currently used in Romania is about 167.000 toe ( $7000 \times 10^6$  GJ/year). The amount of produced and distributed equivalent energy at the derrick pick-up head is about 30,171 thousands of toe ( $1.326 \times 10^6$  GJ/year), with an average degree of yearly usage of 22,3%. [9]

The compulsory quotas that will be used in Romania by 2010, according to the assumed target in the adhesion to European Union negotiation process, in reference with the share of electric power produced by using regenerative sources, display as follows: 2,2% for the year 2008, 3,6% for 2009, 4,3% for 2010. [10] The share of regenerative sources of energy in the total consumption of primary resources in Romania will be up to 11% in 2010 and 11,2% for 2015 (Table no. 2). [9] In absolute values the consumption of energy that evolves from regenerative sources will reach 4964,5 thousands toe by 2010 and 5537,2 thousands toe by 2015 (Table no. 2). From the structural point of view, the biggest share in the total of regenerative sources made energy will be hold by biomass energy (67,42% in 2010 and 68,66% in 2015), followed by hydroelectric power (31,53% in 2010 and 29,04% in 2015), Aeolian power (0,54% in 2010 and 1,55% in 2015), geothermal power (0,35% in 2010 and 0,43% in 2015) and solar power (0,16% in 2010 and 0,32% in 2015).

**Table no. 2. The share of regenerative sources of energy in the total consumption of primary resources in Romania**

<b>Regenerative sources of energy</b>	<b>Year 2000 (thousand toe)</b>	<b>Year 2010 (thousands toe)</b>	<b>Year 2015 (thousands toe)</b>
<b>Solar energy</b>	-	<b>7,50</b>	<b>17,00</b>
- solar – thermal	-	7,34	16,00
- solar – electric	-	0,16	1,00
<b>Aeolian energy</b>	-	<b>27,00</b>	<b>86,10</b>
<b>Hydro energy, from which:</b>	<b>1.272</b>	<b>1.565,20</b>	<b>1.608,20</b>
- high hydro energy	1.185	1.470,60	1.470,60
- low hydro energy	87	94,60	137,60
<b>Energy from biomass:</b>	<b>2.772</b>	<b>3.347,30</b>	<b>3.802,00</b>
- thermal – biomass	2.772	3.249,80	3.487,80
- electric – biomass	-	97,50	314,20
<b>Geothermal energy</b>	-	<b>17,50</b>	<b>23,90</b>
<b>TOTAL (including high - hydro)</b>	<b>4.044</b>	<b>4.964,50</b>	<b>5.537,20</b>
<b>Share of regenerative sources of energy in the total consumption of primary resources (%)</b>	<b>10,01</b>	<b>11,00</b>	<b>11,20</b>

The mentioned data lead us to the conclusion that Romania has a quite important technical potential that includes all kinds of regenerative resources (hydro energetic, Aeolian, solar, geothermal, biomass), but only a small part of this potential is being put to good use. As a consequence of the fact that the regenerative resources made-up energy is a “clean” energy, the good use of those resources offers a feasible alternative to the energy made by using fossil fuels. At the same time, the good use of the available regenerative resources of energy will help some isolated areas to enter the economic cycle. As the European Union’s target by 2010 is that 22% of the total electric power consumption should be regenerative resources made-up energy, *it is necessary for Romania to enhance the actions of regenerative resources good use* in order to contribute to the encouragement of the innovative technological development and of the practical use of these new technologies. The national energetic field should face the main national and global challenges, which are the security of power supplying process, the economic competitiveness growth and the decreasing impact over the environment. These challenges are extremely

important taking into account that Romania should recover the economic performance gap towards the European Union's developed countries.

European Union aims immediate **actions** in important fields of activity regarding the energy that outcomes from regenerative resources [8, 12], such as: *the strengthening of the legal provisions* allocated to the removal of any unwarranted barriers in front of the integration of the regenerative sources of energy in European Union's energetic system; *the adoption of legislative measures in order to remove the barriers placed in front of the regenerative resources using growth in warming up and cooling field*; *actions made in order to improve the good working of the internal electricity market* according to the development of regenerative energies; *the re-examination in 2007 of the existing situation through the member countries regarding the support systems for regenerative energies*, with a view to the evaluation of their functionality and the necessity to propose harmonized support systems for the regenerative energies in the context of European Union's internal electricity market; *the insertion of an encouragement/support system for bio-propellant*; *the promotion of the good practices change in the field of regenerative energy sources* through different informational platforms and debate platforms (forums); *the complete application of the action plan regarding the biomass*; *the consequent using of the "Intelligent Energy for Europe" program* for reducing the differences between the development of innovative technologies and their effective penetration of the market in order to be world wide commercialized. Also, this section role is to stimulate, as part of the European Union, the high span investments in high-performance new technologies.

Beside this initiative, it should be underlined the fact that the member countries and the local and regional authorities have an important part in increasing the usage of regenerative sources. Nowadays, the member countries use different instruments of action to promote the regenerative energy sources such as fixed acquisition prices, bonus systems, green certificates, exemption from taxes, imposed duties to fuel providers, public acquisitions policies, as well as technological research and development. Accordingly, it is necessary for Romania to assume some **measures in the field of regenerative energy** such as [11] the increase of the regenerative energy resources taking into account the degree for the energy production in terms of economic efficiency; strengthening the role of the green certificates market for promoting the private capital in the investments made in the regenerative resources field and the usage of some support mechanisms in the field of thermal energy and warm house water. By 2011 it is desirable to be ensured on the fuel market the utilization of bio-propellant and other regenerative fuels in share of at least 5,75% of the total energetic content of all types of petrol and diesel oil used in transportation. The main objective in inserting the utilization of the bio-propellant and other regenerative fuels for replacing the petrol and diesel oil used in transportation regards the accomplishment of the engagements related to the climatic changes as well as the promotion of the regenerative sources of energy. The actions and measures that aim the promotion of the sources of energy will contribute both to the decrease of the negative impact of the pollution items over the environment and the growth of the security degree in supplying process, reducing the Romania's degree of dependence of energy imports.

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