

MARKETING RESEARCH ON THE RETAIL MARKET IN BRAŞOV WITH A VIEW TO OBTAINING SOLUTIONS TO DIMINISH THE NEGATIVE EFFECTS OF THE ECONOMIC CRISIS

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Abstract: *Under the present circumstances of the economic crisis, studying the retail market is a must. The tendencies emphasize a diminution of consumption. Retailers face a long series of problems in the present context. These problems refer to the reduction of turnover, as the number of clients reduces as well. The research in the domain shows what instruments retailers use in order to diminish the negative effects of the crisis. The present work presents some of the results of the qualitative research, as well as of the quantitative one.*

Key words: *retail, research, crisis, solutions.*

1. Introduction

The underlying hypothesis of the research was that the managers of retail companies use, in most cases, adequate marketing instruments. Using these instruments, as well as using marketing, can lead to a diminution of the negative effects of the economic crisis our country is going through. The quantitative research was carried out after a qualitative research, a focus-group amongst retail companies' managers. The research was conducted in order to obtain a better observation and understanding of the phenomena on the retail market. The focus-group led to the formulation of a set of hypotheses that represented the basis of the quantitative research. One of the main hypotheses is that marketing is highly important for all companies. The use of marketing leads to an improvement in the activity on the

market. The importance given to marketing instruments, strategies and plans emphasizes the fact that the marketing activity has become a primary condition for the success of any company in our country.

The present work only underlines some of the important aspects of the research, the ones that allow us to have a clear opinion on the retail activity in Brasov.

2. The Population and Its Size

The population analyzed comprises all active retail firms in Brasov. From the selected companies the interviews involved only General Managers, Executive Managers or Marketing Managers, in the case of companies that have marketing departments. The structure of the population is as follows:

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Structure of active companies registered in Braşov Table1.

Class	Lei	No.	Retail form	No.
Small	0 – 250.000 lei	2648 (75.77%)	Food	1239 (46.7%)
			Non-food	1409 (53.3%)
Average	250.001 – 800.000 lei	500 (14.3%)	Food	248 (49.6%)
			Non-food	252 (50.4%)
Large	More than 800.000 lei	347 (9.93%)	Food	178 (51.3%)
			Non-food	169 (48.7%)
Total		3495		3495

Source: Camera de Comerţ şi Industrie Braşov, 2008.

3. The Qualitative Research of the Local Retail Market

From the total number of companies in Braşov, only 16 persons, all in top management positions, took part in the focus-group. Two interviews took place, each of them on a sample of 8 persons. Some of the main conclusions of the qualitative research are presented in the following lines:

A profile of the consumer was drawn. Nowadays, the consumer is: snob, pretentious, undecided and susceptible to influence. Therefore, we may state that clients want high quality goods with low prices and very short delivery terms.

The marketing activity is mainly accomplished by a marketing department, and only in the case of 25% of the companies marketing is the responsibility of the General Manager, which cannot lead to a proper development of the company. In the case of 25% of companies interviewed, decisions are based on intuition, as there is no proper marketing strategy or plan.

As regards marketing instruments in the case of small companies, we may state that primary data and data bases are obtained with their own means, while larger companies use all marketing instruments: data bases, primary data, secondary data, marketing research, and so on. The most efficient instruments are data bases (in the

case of small companies – 37.5% of the subjects) and marketing research (in the case of large companies – 63.5%).

The subjects rely very much on the exactness of the information obtained by means of marketing instruments. This helps them on the local market because it sets the bases of their market vision and mission.

In drawing up the market strategy, data bases are used only by small companies, while larger companies use mostly marketing research, as well as all other marketing instruments.

After using marketing instruments, two problems are visible: information may not be representative and it may also be irrelevant. Subjects stated that data bases are sometimes incomplete, or contain old or wrong information, which makes data irrelevant.

All subjects agreed that those who own information are not willing to share, and the lack of communication (plus low budgets in the case of small companies) is an obstacle against development.

Most of the subjects intend to change their marketing strategy given the present circumstances. Small companies are willing to appeal to marketing research and larger companies are going to further use all marketing instruments.

Starting from the hypothesis that subjects possess a complete data base, they would

like to find more information regarding the partners' history, the consumers' exact needs, their satisfaction as feedback, and other such information.

4. The Quantitative Research of the Local Retail Market

The quantitative marketing research was conducted on a representative sample of 384 subjects, with an error of $\pm 5\%$. The exactness of the sample was assured by

giving all individuals equal chances to take part in the research. This leads to a minimization of the subjective elements in the selection process, by using the principle of random draw.

4.1. Choosing the Sampling Method

Proportionally random multistage sampling was used in order to create the sample, taking under consideration 2 aspects: the size of the companies and the retail form.

Structure of the sample by turnover and retail form Table2.

Class	Lei	No.	Retail form	No.
Small	0 – 250.000 lei	291 (75.8%)	Food	133 (45.7%)
			Non-food	158 (54.3%)
Average	250.001 – 800.000 lei	54 (14.1%)	Food	27 (50%)
			Non-food	27 (50%)
Large	More than 800.000 lei	39 (10.2%)	Food	20 (51.3%)
			Non-food	19 (48.7%)
Total		384		384

Source: Camera de Comerţ şi Industrie Braşov, 2008.

4.2. Presenting relevant questions in the research

Do you own a clients data base at the moment?

Frequency of owning a clients data base Table 3

Do you own a clients data base, at the moment?

	Frequency	Percent
Valid no	95	24,7
yes	289	75,3
Total	384	100,0

From all analyzed companies 24.7% do not own a clients data base, while the rest of 75.3% do. This means that retail companies in Brasov are interested in knowing information about their clients, most retailers owning data bases of their own clients. The preoccupation towards

owning clients data bases emphasizes the importance given to having devoted clients. Considering the present situation of the economic crisis, the development of the market is slowed down, and having devoted clients is an essential condition for surviving on the market.

To what extent are your suppliers willing to give you useful marketing information?

Intensity of the information exchange between suppliers and retailers

Table 4.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid very little	121	31.5	31.5	31.5
2	95	24.7	24.7	56.3
3	37	9.6	9.6	65.9
4	70	18.2	18.2	84.1
very interested	61	15.9	15.9	100.0
Total	384	100.0	100.0	
Total	384	100.0		

A lack of communication is noticeable between suppliers and retailers, according to retailers. A very significant percentage of the subjects, more precisely 31.5%, claim that their suppliers are not so interested in sharing useful marketing information, while only 15.95% of the subjects claim that their suppliers are very

interested in this. The lack of efficient communication between business partners, in our case suppliers-retailers, is not beneficial for either of them when it comes to the activity on the market, but it only sets barriers in the way of developing and improving partnership relations.

The intensity of the crisis effects on the activity of retailers on Brasov market Table 5.

Please evaluate the influence of the economic crisis on your market activity:

	Frequency	Percent
Valid very much	155	40,4
much	113	29,4
little	67	17,4
very little	35	9,1
does not affect the activity of the company	14	3,6
Total	384	100,0

0.4% of the subjects consider that the present financial-economic crisis can affect the activity of their companies very much; 29.4 % of the subjects consider that the crisis will affect their activity significantly, while 17.4% of the subjects state that the

crisis will have a little influence on their companies and 9.1% go for *very little* influence, and only 3.6% state that the crisis will not affect the activity of their companies.

How much can marketing help in getting through the present economic crisis?*The importance of marketing in getting through the economic crisis* Table 6.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid very little	19	4.9	4.9	4.9
2	28	7.3	7.3	12.2
3	43	11.2	11.2	23.4
4	109	28.4	28.4	51.8
very much	185	48.2	48.2	100.0
Total	384	100.0	100.0	
Total	384	100.0		

4.9% of the subjects consider that marketing can help very little in getting through the present economic crisis, while 39.3% of the subjects claim that it can help very much. It is visible that most of the subjects consider marketing very useful in diminishing the negative effects of the economic crisis. This aspect will lead to a development of the marketing activity at the level of retail companies in Brasov, in the near future.

5. Conclusions

Starting from the present information, obtained after a close marketing research on the retail market in Brasov, we may state that all retailers expected negative effects as regards the economic crisis.

The present situation on the retail market in Brasov is to become more and more difficult for most companies in the domain. The struggle to be informed regarding the events on the market as well as to have devoted clients certifies that retailers fight not for supremacy, but for survival. Marketing instruments, such as data bases, marketing strategies, and so on, used by

retailers confirm the hypothesis referring to the importance given to marketing in developing the activity of any company. Most retail companies managers in Brasov claim that an efficient marketing activity can diminish and even eliminate the negative effects of the economic crisis. The insufficient communication and cooperation as to the information exchange between business partners, such as suppliers and retailers, is a real threat to the development of the retailers' activity in Brasov.

The impossibility of an extensive expansion as a result of the financial blockage and the deceleration of the demand impose an intensive development of retailers. Therefore, the fight is not only for finding new clients, but also for keeping the devotion of the actual clients. In the circumstances of economic crisis, the retailers who know how to better use the marketing instruments and the limited resources that they possess will gain the confidence of clients as well as market share. Nowadays, the focus is on services that lead to winning clients' devotion.

The results of the present study can be used as a source of information for all retailers in Brasov and not only, regarding the phenomena on the local retail market. Educating retailers in the direction of using marketing instruments and marketing per se can lead to a diminution of the crisis' effects.

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