

## POSITIONING THE PANIFCOM BRAND AS A LOCAL AGRI-FOOD PRODUCER THROUGH MARKETING STRATEGIES

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### Abstract

With the change in the positioning strategy of the Panifcom brand, the brand's visibility and the company's financial capital increased. The new positioning places Panifcom among the Romanian local agri-food producers guided by local traditional values, based on the reinterpretation of the old traditions and recipes specific to Moldavia region, where the brand activates. This positioning has been achieved over the last few years through product offerings, distribution, sales, but also mainly through business promotion activity, including video ads, online marketing channels, events organised by the Panifcom brand, and key messages sent through various media promotion. The products offer and their distribution methods follow the company's orientation towards a strong position towards locally made products, capitalizing on the potential of agri-food products in the Moldavian region, products of a high quality nationally. The research's results of how branding of domestic food products influenced Panifcom's financial capital reflects sales growth, with the company gaining turnover and profit over the past five years.

**Key words:** agri-food marketing, agri-food products, brand positioning, local agri-food brands

The current economy is characterized by an over-agglomeration of services, products and global brands, the quality of which is often guaranteed by the country of origin, and the success of local agri-food producers is increasingly dependent on how they shape and implement appropriate marketing strategies, tailored to the interests of the target market.

One of the most important branches of the national economy is represented by the agricultural sector and its role is to ensure the food security of the population by creating conditions for the relaunch of the agricultural producers in accordance with the natural, economical and human potential of Romania. (Chiran A. *et al*, 2003; Chiran A. *et al*, 2007, Gîndu E., 2006)

As a consequence of the globalization trends of the economy and the markets, the consumption of agri-food products in Romania transcends the borders of the country, the origins of products being rooted in the Europe and even world-wide. Thus, the consumption habits of the Romanian population are changing more and more, the agri-food market becoming a global one, which determines an increase in the distance between the place of production of agri-food products and the final consumer. Under these circumstances, marketing is designed to ensure that food is brought to the place and shape desired by the

consumer, which requires local firms to make additional efforts to penetrate some markets dominated by imported products. (Carter S., 1997; Norberg-Hodge H. *et al*, 2002; Robinson N., 2010; Tofan Al., 2002)

Currently, the local food consumption in Romania is steadily decreasing, the effects of this decline being negative for the economic units in the manufacturing sector involved in this process. According to data provided by the Ministry of Agriculture and Rural Development (MADR), "In the first half of 2017, trade deficit with agri-food products amounted to 1.064 billion euros, 60.4% higher than the same level in 2016. Exports amounted to € 2.432 billion (+ 4.5%), while imports rose to € 3.496 billion (+ 17%) ", shows the comparative analysis of trade in agri-food products in the first half of 2017 compared to the same period of 2016. The statistics of the Ministry of Agriculture show that the second place, with the largest share of the total imports of agri-food products, is 200.46 million euro (98.689 tonnes) of pastry, bakery and biscuits. (MADR, 2015)

Being at the top of the European Union's bread consumption position, Romania is one of the main markets for bread producers. Data from the National Institute of Statistics shows that bread represents 26% of the population's food in Romania, indicating high budgets for bread

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consumption and high interest in this agri-food product. (INS, 2018)

According to the National Institute of Statistics, in 2016, the average monthly bread consumption in Romania was "8.24 kg / person (8.38 kg / person in 2015), meaning 98.9 kg / person per year (100.6 kg/person in 2015)" (10, 2018), which represents a high share in the total

consumption of agri-food products at European level. As we can observe in a comparison of bread and bakery products consumption in Romania by age of the head of household in 2016 and 2017, in both years the consumption of such products is generally high, especially among elderly people (*table 1*).

Table 1

**The average bread and bakery products consumption by age of the head of household in 2016 and 2017**  
- Monthly averages per person -

Product	U. M.	Year	Total households	The age of the head of household:				
				15 – 24 years old	25 – 34 years old	35 – 49 years old	50 – 64 years old	over 65 years old
Bread and bakery products	kg	2016	8.241	7.493	7.517	8.039	8.467	8.615
		2017	8.202	7.528	7.288	7.914	8.544	8.644

Source: NATIONAL INSTITUTE OF STATISTICS, 2018

Also, from the total purchase of cereals and products of cereals in 2017 in Romania we can see that bread and bakery products have the largest share, with almost 70% of the total purchase of cereals and cereal products (*table 2*). These data

demonstrates a high consumption habit of such products amongst the Romanian population, the highest consumption being registered among pensioners with 7.919 kg per year (*table 2*).

Table 2

**The purchase of cereals and products of cereals by household categories in 2017**  
- Monthly averages per person -

	U. M.	Total households		Employees		Self-employed in non-agricultural activities		0		Unemployed		Pensioners	
		Quantity	Value - lei -	Quantity	Value - lei -	Quantity	Value - lei -	Quantity	Value - lei -	Quantity	Value - lei -	Quantity	Value - lei -
Total purchases			229.11		250.58		182.87		130.34		164.97		238.57
<i>of which for:</i>													
Cereals and cereal products. total	kg	10.014	39.15	9.654	39.98	9.463	35.06	9.364	31.51	9.225	33.71	10.846	41.24
<i>of which:</i>													
bread and bakery products	kg	7.348	26.68	7.159	26.72	6.771	24.03	6.673	22.94	7.161	24.75	7.919	28.29
corn flour	kg	0.407	1.09	0.350	0.98	0.493	1.21	0.373	0.78	0.331	0.88	0.491	1.31
wheat flour	kg	0.529	1.31	0.511	1.29	0.559	1.37	0.346	0.77	0.462	1.06	0.611	1.52
pasta	kg	0.244	1.87	0.239	1.90	0.206	1.46	0.202	1.43	0.222	1.55	0.270	2.03
rice	kg	0.401	2.31	0.369	2.16	0.343	1.94	0.353	1.98	0.330	1.77	0.476	2.72

Source: National Institute of Statistics, 2018

Therefore, being a basic assortment in the food consumption habit of the Romanian population, bread and bakery products are an important niche to be judiciously exploited by producers. The competition in this sector is intense at national level, as a multitude of local and foreign brands exist on the Romanian market. In this context, national producers need to implement effective marketing strategies, focusing on the strongest competitive advantages to attract as many consumers as possible. In this regard, finding the right messages is a *sine qua non* condition in the positioning of brands on the local market.

## MATERIAL AND METHOD

The studies necessary for the elaboration of the present paperwork were carried out during 2018, using primary data sources such as statistics, researches and books in the field of agri-food marketing as well as secondary data, namely the marketing activities of Panifcom as well as the key messages used in promotion through online communication channels (website, official pages and accounts on social networks and online marketing campaigns implemented in the virtual channels) as well as traditional promotion activities. At the same time, the company's

financial data over the past six years have been analyzed, together with the evolution of turnover, profits and number of employees before and after the implementation of marketing campaigns indicating Panifcom's position as a local brand of agri-food products.

## RESULTS AND DISCUSSIONS

The Panifcom company was established in 1994 in Romania, Iași County, after an experience in the field of milling and bakery for almost 90 years of the family that founded this company. Although the Panifcom brand is known on the local market for agri-food products, especially for the production and marketing of bakery products, we can see that at its base there are a variety of companies focused on various fields of activity, such as: cereal cultivation, reception and storage, bakery, milling, animal breeding and pastry. The present research has analyzed the evolution of SC AGROPAN IMPEX SRL, having as its field of activity *Manufacture of bread, cakes and fresh pastry products*.

According to the information made public by the company, it provides the market with various assortments of products, some of which are inspired by the new market trends for people interested in healthy eating, such as the *Benefica* range (with five types of assortment whole bread, toast, whole grains or seeds), and other specialties with traditional recipes, already grounded in the consumption habits of the Romanian people (breads, pretzels, bread to the meter, baguette, loaf of bread etc.). In addition to the basic products the company offers, such as assortments of bread, the brand also offers seasonal assortments such as agri-food products consumed especially during religious holidays such as Easter and Christmas (traditional sponge cake, simnel cake), products for certain moments of life consumers (alms dedicated to the Romanian public burial tradition) and other bakery products with market demand. This diversification reflects the company's attention to the market trends and consumption habits of the population, specific habits of the young generation, characterized by constant information in the field

and the interest in healthy food, as well as habits characteristic of the elderly generation whose consumption behavior shows a predominant orientation towards more classic, traditional products.

As far as the distribution of Panifcom products is concerned, we notice that they are oriented for sale in small and medium-sized shops, supermarkets and hypermarkets in Iași, Suceava and Vaslui counties through their own sales agents. Also, locally, the company focuses on selling products through its own network of stores, counting 12 stores in Iași and Târgu Frumos. Such an approach denotes the company's desire to keep its authentic spirit and brand image close to its traditional and trustworthy customers, with its own neo-traditional design, characteristic of a coherent brand image that transmits its values through several means: products, distribution, points of sale, design, ambience, packaging, promotion. Fulfilling the Panifcom brand offer to cover a broad range of specific demands to the region where the brand activates reflects interest in local market trends and the growth target on this market.

Analyzing the purchase of bread and bakery products according to different regions of Romania in 2017 (*table 3*) we can observe that the region where Panifcom brand activates has lower levels of bread and bakery products purchase than other regions of the country. With 6.819 kg of bread and bakery products monthly average purchase per person in 2017, the North Eastern region of Romania still reflects a habit of high consumption of such products but lower than other areas of the country. However, these results may not reflect different habits of bread and bakery products consumption in North Eastern region of Romania than other regions of the country, but a habit of housemaking these products due to lower incomes. Such data may also reflect people's preference of consuming traditional products specific to the area in which they live, even this desire supposed to self-manufacture the products. This hypothesis can be exploited in marketing researches in order for the brands to adapt their key messages and products portfolio.

Table 3

**The purchase of bread and bakery products according to different regions of Romania in 2017**  
- Monthly averages per person -

Product	U. M.	Year	Regions							
			North-East	South-East	South-Muntenia	South-West Oltenia	West	North-West	Center	Bucharest-Ifov
Bread and bakery products	kg	2016	6.532	8.336	9.446	9.833	8.796	8.108	8.986	6.470
		2017	6.819	8.452	9.534	9.884	8.258	7.805	8.939	6.300

Source: National Institute of Statistics, 2018

In addition to the structure of Panifcom's offer, we see the intention to comply the consumption habits of the population and in the manufacture of the products. So, the main message sent by the company about the composition of the products is based on the traditional native recipe that underlies the products: "Panifcom combines harmoniously the quality with tradition, offering products made by the local process - with the fermented maize - dressed with the best taste." (www.panifcom.ro, 2018)

If the structure of Panifcom's offer and product quality attest the positioning of the brand as a producer of local food products, this positioning is also visible in the promotion of products. Considering the presence on the virtual communication channels and online marketing campaigns implemented by Panifcom, we can identify the most important online communication channels the company manages: the company's official website, accounts and official pages in Social Media (Facebook, Instagram) and the Youtube Video-sharing channel. Within these online communication channels, the brand strengthens its image of a producer of local agri-food products for local and regional consumption. Whether we look at the company's website or the official pages created on social networks, we see a paradigm shift in the positioning and core of the main messages: from creating a company image primarily addressed to families, they are trying to position a local brand for a wider audience interested in consuming locally made products.

Analyzing Panifcom's website (www.panifcom.ro) we note that although this is a presentation website of all the areas in which the company operates, the main focus is on the bakery side. The website contains information about company's history, mission, vision and values, activity areas, promotions, special offers, local social responsibility events and campaigns in which the company is involved, company information, contacts. The widest part of the website is for presenting its bakery products, visitors can access product-related information, product range, advertising materials, company-specific sales information, press releases, news and brand news. The website is interactive, information can easily be traced, and the online marketing channels through which the company communicates can be accessed through special buttons that link to active online channels: the YouTube video and commercial channel, and the official company's Facebook page. Both the video content analyzed in the website and the text content contribute to the positioning of the Panifcom brand as an indigenous producer of local

agri-food, whose mission is to offer quality products made by traditional local recipes.

By taking into account the number of people engaging in brand interaction on these channels, the number of posts and responses to the online channels where Panifcom is present, we notice that the Facebook Social Network is the main online communication channel followed by Youtube and Panifcom Website. Within Facebook, Panifcom is implementing targeted online marketing campaigns that focus on informing the public about new product ranges, offers and price cuts from time to time, points of sale available to Panifcom customers, product quality, how to use the products in a multitude of recipes, social campaigns in which the company is involved, awards, acquisitions and general development that recommends the company to be a brand of local agri-food products.

Presence in Social Media through the official Facebook page contributes to the growing brand awareness of local food products due to the key messages and campaigns frequently launched. When visiting the page, the most visible part of the cover contains an advertising video containing a *call to action message*: "Get a good bread like a Moldavian soul!" (figure 1). The advertising spot scenario features three characters' representative for the target audience in various areas of the country: a Moldavian, a Transylvanian and an Oltenian, and the main character is the Moldavian, originating in the area from which the Panifcom brand arises and acts. The other two characters praise the area of Moldavia from the perspective of culinary richness and special recipes in this area, as well as the special taste of Moldavian bread. (Panifcom Facebook Page, 2018)

This type of advertising content appeals to the regional pride of the inhabitants of the area of Moldavia, an area which, although considered to be economically weak compared to other parts of the country, is renowned for quality food. Thus, the Panifcom brand exploits an area's strength, associating with the qualities in its area of activity specific to this region. The language used in transmitting the main message of the advertisement, the verbal accent of the main character, all have a Moldavian character, the brand associating with the Moldavian region at the level of origin, quality and the way of making the products.

Although the company's Youtube online channel was launched in early 2018, with the publication of "Get a Good Bread as a Moldavian Soul" campaign, we notice the existence of several videos to promote the Panifcom brand over the years. If, six years ago, the brand focused on the

idea of a family and a company aimed at offering a healthy range of products for parents, grandparents and children, we now see the change of approach, the company sedating a position in the area of local

agri-food to a wider audience, including youngsters (Panifcom Youtube Channel, 2018).



Figure 1 Panifcom official Facebook Page

In addition to the online marketing campaigns that have the focus of positioning as a brand of local agri-food products, Panifcom has been promoted under the same message in traditional marketing campaigns: by advertising

through street banners, TV spots, catalogs, brochures, events organized for the Moldavian public and in the fairs, guerilla marketing activities etc.



Figure 2 Image from Panifcom Guerilla Marketing Campaign

Observing a trend in positioning as a local brand of agri-food products over the past two years, we analyzed the company's financial data

(table 4) over the past six years to see if this approach has influenced the company revenues. According to Panifcom's public financial data

(table 1), over the past six years, the company has grown both in terms of turnover, profit, but also as employees. If in 2012 the company registered a turnover of 20.280.309 lei, by 2017 the turnover of the company almost doubled, reaching 46.901.209 lei, when the number of employees increased by

only 147 persons, thus demonstrating the efficiency of work due to investments in new technologies. Also, the company's profit in 2017 increased to 1.455.476 lei, compared to 695.583 lei recorded in 2012, as well as the increase in sales (table 4).

Table 4

**Evolution of turnover and profit during 2012 – 2017 of the studied company (lei), Source**

Name / year	2012	2013	2014	2015	2016	2017
Turnover	20.280.309	25.070.090	28.269.027	35.310.377	41.737.391	46.901.209
Gain	695.583	1.324.580	1.735.583	2.539.398	2.155.524	1.455.476

Source: Ministry of Public Finance, 2018

## CONCLUSIONS

A global and homogenised market will have an impact on the consumer's cultural identities, people longing to find the original and unique through local products. Therefore, through various marketing strategies brands are trying to meet the consumers desire, promoting habits, behaviours and key messages oriented in positioning themselves as pillars of the community they serve.

Positioned as local agri-food producer through brand marketing strategies in the past few years has positively influenced the Panifcom brand's reputation on the market where the company is active and has increased its turnover and profit for the company in the post-implementation years. Regarding the grounds attesting to the company's growing awareness and financial capital, we mention:

- implementing online marketing campaigns on Facebook and Youtube social networking sites that have seen an increased number of views (327,185 video views);

- the brand has create a stronger connection with the local target audience through its communication messages, reflected in the rise of reactions of its Social Media followers;

- creating strong community ties while meeting local needs or tastes through its range of locally tailored products;

- gradually, with the implementation of the first marketing campaigns targeting the positioning of the brand as a domestic one, we see an increase in turnover of approximately 53% and profit by 60%.

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