



## THE DEMAND FOR AGRO-FOOD PRODUCTS AND SERVICES - GENERAL CONSIDERATIONS

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### Abstract

The information provided by the producer or distributor to the potential customer, through promotional actions – i.e. communications referring to the product, such as: name, quality, content, instructions for use, brand, price and others, are attributes of an agro-food product.

Permanent attention shall be given to the demands, preferences, social status and income level of buyers, and to the targeted market segment. Increasing sales is intended for the profit of companies. Advertising a product or service has both an economic and a social role.

**Keywords:** product, service, advertising, sales, demands, market, production units, buyer.

### INTRODUCTION

The evolution of demand allows an accurate evaluation of the population's need for certain products. Demand analysis methods most often used are selective research, monographic research and using producer labels.

Selective research, regarded as the most appropriate method for studying population demand, consists of delimiting the area and timeframe it refers to, for which a representative group is established, followed by direct observation of consumers for characteristics representing the interest of members composing the group. Data obtained in the research are statistically processed in relation to the total number of subjects taken into the study.

The organization of selective demand for a potential market delimits, first of all, the pursued objectives, namely:

- products and services – needs for improving them and characteristics attracting consumers;

- characteristics of consumption with the level, structure of varieties, qualitative presentation preferences;

- particularities of the distribution network, with requirements regarding distribution, placement, working hours, level of preparation of works, in order to stimulate and attract consumers. (1, 4)

Discontinued selective research of demand is conducted in retail units, information being recorded by commercial workers in observation records, in sheets or by applying questionnaires directly to consumers or through online questionnaires and subsequent data processing.

Another way would be outside retail units, on the occasion of various fairs, exhibitions, rustic feasts, etc. or telephone interviews taken on a certain target group.

Continued selective research of demand is conducted through a well-established network of stores or with the help of a permanent system for consulting consumers on the occasion of organizing product and service launches, conferences on food issues, ending in tastings, which might increase interest in that product or service.

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This type of selective market research is largely based on statistical and probability methods, leading to an estimation of demand.

One method of continued analysis of population demand is **monographic research**, which, at certain time intervals, checks changes occurring in retail units as a consequence of increased monetary revenues, seasonality of consumption, the preferences of different consumer categories, traditions and local specificity. In this way, information is obtained for each category of product varieties, as well as estimations on the evolution of demand, preferences and suggestions of consumers.

Increasingly, tracking systems have been introduced using producer labels, allowing the obtainment of information based on the bar code on the label, which leads to computer-based tracking of sales, correlated with the stockpile and necessary amount for completion-supply-demand of products. (4)

Food demand is a synthesis of needs manifested in different areas, and failure to meet this demand leads to a reverse effect, generating imbalances at all levels of its formation, and sometimes resulting in imbalances and disorders appearing as a consequence of not covering food demands for certain types of products.

All these lead to an impossibility in adjusting food demand. Regardless of the nature of maladjustment, it causes disruption for consumers, producers who do not obtain the expected financial results, for retail units by diminishing sales and shifting/orienting consumers towards alternative solutions.

Failure to apply good practice techniques in food leads to changes in behavioral patterns previously attained by consumers.

Imbalances occurring when meeting food demands influence behavioral patterns in consumers who make efforts and spend more time to purchase, prepare and eat food, as they are obliged to frequently look for solutions, as result of the challenges encountered. Commercial facilities no longer master the dimensions of food demand and they find it difficult to build a merchandise stockpile and organize an efficient distribution network. All these links cause disturbances in producers/processors in the form of instability of production schedules and phases.

Difficulties in launching new varieties on the market and in consumption prolong the cycle of assimilation of new food satisfaction factors into consumption.

Analyzing the issue of food satisfaction factors and commercial demand reveals the following: material food satisfaction factors characterized by their energetic utility and as input of chemical substances

and elements; action-type food satisfaction factors, i.e. food services operationalizing the potential of utility bearers, which are used in eating; informational food satisfaction factors, devoid of bio-energetic values and which do not have a substance ratio for the body's recovery needs.

The commercial launch of new and upgraded products and services involves categories of commercial food satisfaction factors with commercial launch actions, which are made in different variants and material means by which the commercial launch is supported.

Commercial launches of new varieties take various forms.

Launch on a representative market is indicated for new varieties, which cause a change in ingrained habits among consumers and in the case of introducing new solutions, unknown to consumers.

Launching a product on the experimental market is aimed at determining the effectiveness of advertising actions, checking the interest manifested by consumers for that product and the possibilities of adapting the distribution network to the requirements of the product.

Choosing the experimentation area is of particular importance, as it can influence to a large extent the test results. The experimental area or locality should be limited, yet characteristic. It is necessary to determine the period during which the tested market will be monitored, according to the evenly distributed or seasonal nature of demand and the frequency of purchase and use, correlated with purchase possibilities, area development, social groups and their income, active workforce (its share).

The actual commercial launch involves triggering local advertising and support actions for sellers, with documentary materials or trainings for the knowledge, popularization and presentation of products. Throughout the launch action, stores are constantly supplied with quality products and services performed under predetermined conditions. (4)

At a commercial launch, it is necessary to monitor the depth of consumer satisfaction, whether the products were included in the habits of consumption, the level of sales and the effectiveness of the advertising action. Based on the observations made, the changes needed at various levels are operated to boost the sale. For some items, such as those with relatively uniform consumption, global launch actions are not temporary, but they are transformed into permanent concerns of the production units.

Means used to raise awareness of new varieties depend on the nature of products and services and the target customers. The policy adopted in the commercial



launch of a satisfaction factor must establish a specific strategy. Tactical means used to publicize products include documentation, promotion and advertising means.

Documentation means intend to popularize the characteristics, utility and mode of use of the products and services. They are needed by distributors, vendors and customers who use that satisfaction factor. (4)

Various means can be used to document those interested, including leaflets, booklets, magazines, publications, press releases, TV commercials and, last but not least, visits on various anniversary occasions, openings etc.

The means of promoting products and services have great applicability in the food industry. Practical demonstrations are used to convince customers of the performance and benefits of the product being proposed to them. Demonstrations refer to the product's characteristics – this is the case with tastings, packaging characteristics, speed of preparation for use, etc. Demonstrations take place in stores, special centers, exhibition stands, in which case they are done by production or commercial units, but they can be organized individually to likely customers, who receive product samples.

Advertising is the means used to promote food products and services. All means for circulating information are used, the current time being generous in this respect.

The goal of advertising, in any form practiced, is to sell, to lead to results within a short time. It is a strategic tool and a tactical means with direct effects on consumer demand. Advertising under the given circumstances of market economy is a symbol and landmark of prosperity.

## CONCLUSIONS

The main factors influencing the demand for agro-food products are consumer income and family size.

The consumption demand of populations in different locations (zones) migrates to other areas, especially rural areas within a close range of urban centers.

The varietal structure of supply and the quality level must match the differentiation of tastes, the level of demands for all categories of consumers.

To predict how animal and vegetable production will evolve, it is necessary to know how biological, technical and economic restrictions act.

Manufacturers should always consider the information received from distributors or consumers,

regarding quality, and thus compliance with European norms and standards.

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