

## THE ROLE OF AGRICULTURAL CONSULTANCY IN DEVELOPING BRANDING STRATEGIES FOR TRADITIONAL ROMANIAN BRANDS

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### Abstract

*Nowadays, developing a branding strategy has become a must even for commodities. The main decision many producers face is opting for a producer brand, a geographical brand or a certification brand when trying to create a coherent value proposition for their agricultural product. Nevertheless, the main challenge they all encounter is how to build brand equity and establish a sound positioning strategy. In this paper we try to conceptualize the primary directions for action in agricultural consultancy regarding building brand equity. First we debate the necessity of branding for commodities. Secondly, we analyze the primary sources of brand equity for agricultural products in terms of value creation for consumers. Furthermore, we investigate the fundamentals of positioning strategies for agricultural commodities throughout the analysis of two case studies based on traditional Romanian brands.*

**Key words:** *agricultural consultancy, certification branding, geographical brand, producer brand, brand equity, traditional Romanian brands*

### INTRODUCTION

Under the influence of globalization, brand competition has become more prominent. In everyday life, consumers face a plethora of choices regarding what they choose to buy. Usually, a typical consumer makes between 18 and 36 different choices when visiting a local supermarket. In these circumstances, the role of branding strategies has increased because brands can simplify decision making by altering consumers heuristics [4].

Branding has become a staple even for generic products such as groceries. As a result, everyday groceries have evolved into commodities. For example, consumers don't buy a simple pineapple, but they buy a Dole pineapple or Chiquita bananas. The main reason behind these decisions is the strong brand equity that benefits the product and makes it "different" from other commodities such as fruits or vegetables. For example, branded Dole pineapples sell for higher prices than those of their competitors in most retail

markets.

Producers need to adapt from the classical view of unbranded traditional commodities towards a view based on value chain creation that includes customers as the main focal point. As large retailers like Walmart or Carrefour are more dominant now than ever, it is becoming more complicated to enter the market for unbranded agricultural products. Large retailers usually impose high quality standards and leverage their purchasing power and expertise to negotiate better prices and terms, meant to diminish buyers' risk perceptions [2].

The strategy of branding agricultural commodities is not new in developed countries. Usually these kinds of commodities are physically simple, easy to transport and sell. With the recent expansion of retail chains and grocery shops, complicated branding operations and marketing experts are not required to add value to these types of commodities [2].

Typically in such cases, "branding" resumes

to just “glossy advertising” that tries to distinguish a product from competitors by packaging or place of origin. For example, in Romania, there are numerous traditional agricultural or manufactured products that are well known from their place of origin or by their geographical associations. For example, one of the oldest such products is Sibiu salami (salam de Sibiu), originated from Mediaş, but produced on a large scale in Sibiu since 1895. It was first known as “Salami from the Sibiu custom house” and sold under a regal trademark. Later on, its name was changed to Sibiu salami. In the 50’ it was exported on a large scale in Austria, FRG, Poland, Israel, Belgium, Sweden, Switzerland, as well as the Soviet Union.

On a local scale, living in the region of origin of a regional product increases the likelihood of purchasing that product. Typically, consumers perceive the geographical indication protection label to guarantee an authentic product that meets high quality standards. Users attach more value to knowing the country/region of origin of the food products they purchase and are willing to pay more for regional products that are protected by a geographical indication protection label [10].

But in today’s competitive environment, building brand equity solely based on a geographical indication has become nearly impossible for agricultural products. For example, every Romanian knows that the best watermelons are from Dăbuleni. Farmers also know this and as a result almost every watermelon sold in any market or grocery store in Romania claim to be from Dăbuleni. In this case, brand equity is reduced to zero because there are no means for the consumer to actually verify the seller claim. Even if the claim is legitimate, a possible way to build brand equity was blocked.

In Romania, such products are well known for their superior quality, good reputation or other superior characteristics such as organic ingredients. Currently, an intensive agriculture and an extensive biological agriculture are practiced on a growing scale in Romania. As a result, ecological agriculture can locally provide a high degree of economic

efficiency and influences the emergence of a new life philosophy, for both producers and consumers [6]. Sadly, when exported, Romanian agricultural products do not benefit from these associations. The main culprit for this situation is the lack of a powerful brand that can harness these associations and catalyze them. In these circumstances there is a strong need for specialized professionals that are capable of building strong brands by adopting a holistic view on brand equity creation. This help can be centred around building a brand for a commodity or making a smooth transition from a brand based on geographical indication towards a complete brand with proper brand associations and capable of fostering consumers’ resonance with the brand. In this paper we try to conceptualize the primary directions to achieve this goal by making a branding creation benchmark between two popular Romanian brands.

## MATERIALS AND METHODS

A quick literature review showed the primary directions for action identified by agricultural consulting for most agricultural products. From a consumer’s perspective, there is a high demand for authenticity, as consumers are becoming more sophisticated [1].

The main drivers for this demand for authenticity are consumers’ increased predilection to express their desired personal lifestyle through brand preference [8] and their increased concern regarding environmental issues and organically grown food [7]. From the producer’s perspective, there is an important opportunity for outsourcing downstream activities like packaging, labelling, logistics, marketing activities or sales [3].

Consultants and marketing specialists must act primary on influencing consumers’ perceptions by developing a brand equity building process. For the purpose of this paper, we will use the traditional view on brand equity sources [4], as depicted in figure 1.

Building brand equity starts with establishing a well-known brand identity.

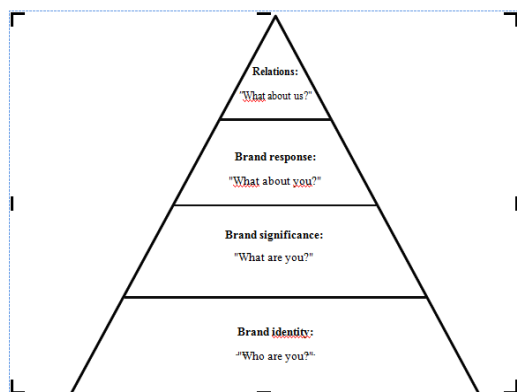


Fig. 1. Brand equity sources [4]

This identity helps the brand to be perceived as a category leader and simplifies the buying process for consumers. When facing a buying decision, brand identity helps consumers make a priori judgmental inferences about the brand [9]. If these inferences are positive, the product is embedded with a certain brand significance. This significance is composed by proper brand associations. If these associations are relevant for the product, they will trigger a brand response. The nature of this response is dictated by perceived quality [13]. If this response is positive, consumers will become loyal to the brand.

In the case of agricultural products, building brand equity must also take into account the four possible types of product brands:

- Producer brands – used to distinguish between products of different producers;
- Geographical brands – used to distinguish products by their geographical origin;
- Ingredient brands – used to distinguish products by the ingredients used;
- Varietal brands – used to distinguish products by their assortment.

For a better clarity, in the context of agricultural consultancy we will only discuss building brand equity for geographical brands versus producer brands.

## RESULTS AND DISCUSSIONS

In order to be successful, the process of building strong brand equity must be approached in a holistic manner [9]. As a consequence, developing a brand positioning strategy represents a key part of this process.

In the most basic way, brand positioning can be defined as the act of putting a brand in the mind of its consumers [4]. Basically, this process can be described as a series of actions to find a “window” in the mind of each individual consumer. In order to achieve this, companies must first identify target consumers. Afterwards they must develop category parity points that help consumers include a product in a certain product category. Only after all these stages are defined can the process of strategic differentiation begin, by developing points of differentiation in regards to competition. Usually, strategic differentiation is not possible without following the means-end value chain (figure 2). The points of differentiation must be unique and relevant for consumers in order for the positioning process to be complete.

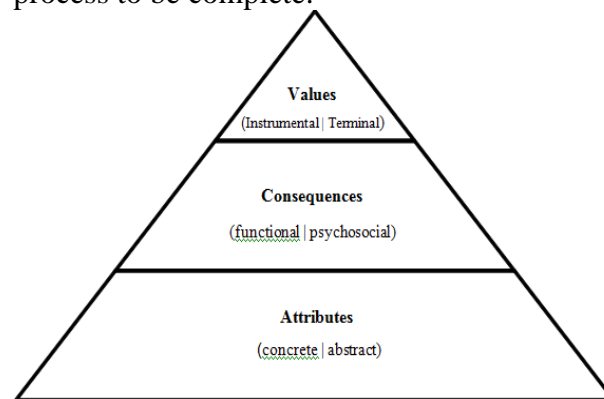


Fig. 2. Means-end value chain [12]

Traditionally, the brand positioning process begins with identifying profitable consumer segments. Targeting consumer segments is problematic in highly competitive environments - as in the case of agricultural products - because the already existing markets are divided into very small segments with complex consumer profiles. Brand positioning consists in designing the company's offer and image so that it occupies a distinct and valued place in the target customer's mind [4]. In the context of an agricultural product, the positioning process can make the product important for the consumer by differentiating it from other similar but lower quality products. A strong emphasis should be put on quality, because

agricultural products must elicit a high degree of sustainability in order to be successful [11]. In this context, the role of agricultural consultancy is to create relevant points of differentiation while maintaining points of parity based on sustainability. We will further exemplify and analyze this process.

### **Topoloveni Jam**

Topoloveni Jam is a traditional Romanian brand present on the market in different forms since 1956. It is manufactured from plums through a traditional method attested since 1914 and is a 100% bio product without additives or added sugar. The name of the brand is eponymous with the region where its production was first attested: Topoloveni – Argeş district.

On a local level, the brand already has a strong brand identity. Primary brand associations are related to consumers' childhood and happy memories regarding breakfast. In these circumstances, the brand name Topoloveni was a very strong candidate for nursing numerous brand extensions. Brand consultants explored the possibility of successive brand extensions that would increase profits and evoke positive brand associations. Primary associations used were "100% with natural ingredients" and "no additives or added sugar". Packaging and labelling was done in a traditional manner, with a strong emphasize on natural symbols as brand imagery. As a result, the traditional plum gourmet is complemented with Quince Gourmet, walnuts Gourmet, Jerusalem artichoke gourmet, apricot gourmet, sour cherry gourmet, sea buckthorn gourmet, blueberry gourmet and black cherry gourmet. Nevertheless, Topoloveni also launched successful brand extensions in the form of line extensions in all countries from the European Union. As a result, the brand response was favourable and consumers have become loyal to the brand.

In terms of brand positioning, Topoloveni Jam is positioned as a premium brand. In terms of attributes, the positioning statement is centred on the "100% natural ingredients" brand claim. There are no abstract attributes used. Primary consequences highlighted are functional and strongly related to consumers'

wellbeing and health. A main point of difference is the seal of approval represented by the Royal House supplier status possessed by the brand.

Despite using a geographical brand association, Topoloveni Jam proved successful due to the proper branding decisions and a high quality of the product. The most notable factor of their success was the multi-channel, multi-brand approach to branding. We can conclude that the help of marketing consultancy proved invaluable in building this brand and managing its subsequent line extensions.

### **Bear Power Berries**

The case of Bear Power Berries is more complex. As fruits, all berries are highly perishable. Local farmers were losing at least 40% of their merchandise every season. In the case of most commodities, the surplus is usually exported, but in the case of berries demand is extremely limited. The solution to this problem was a remarketing strategy for berries under an attractive brand name. Basically, the pressure for fresh berries was first relieved by freezing the fruits. While berries are a known product in most countries of the European Union, frozen berries had a low consumption level.

The brand name Bear Power berries was chosen in the hope to make the brand extremely attractive to kids. The brand quickly built a strong brand identity centred alongside its core value proposition: "a desert that helps kids become more powerful". The association with the "mystic fruits" greatly helped the brand in this avail. In fact, the brand response was so powerful that the brand had major difficulties in terms of availability during the first years. To solve this problem, the brand was repositioned as a premium desert since 2014 and the prices were increased with 40% on average. Given these changes, profits skyrocketed by almost 100%.

In terms of brand positioning, a value proposition based on instrumental values was used. Consultants opted for a reverse positioning strategy due to a negative preexistent association between frozen food and health. The primary consumer segment targeted consisted of children and teenagers

who desire an atypical dessert, departing from traditional sweets. The resulting positioning strategy was created on the basis of functional benefits necessary for agricultural commodities. This approach allowed producers to circumvent their shortage of expertise and their limited production capacity in order to gain competitive advantage.

We can conclude that the case of Bear Power berries represents a good example of branding excellence when it comes to producer commodities brands.

## CONCLUSIONS

When faced with choosing undifferentiated products and in particular commodities, consumers are less prone to thoroughly evaluate decision making or be consistent in their decision because they view the buying decision as a trivial act [5]. As a result, carefully implemented branding strategies are needed. In this article we have explored such strategies. We have also shown how agricultural consultancy can be used to create strong brand equity for commodities such as agricultural products.

From a theoretical standpoint, the primary contribution of this article is to highlight the primary role of agricultural consultancy in developing branding strategies for traditional Romanian brands. With a careful consideration of the current situation, a well thought branding strategy based on brand equity creation and an attractive brand positioning, small producers can export their goods with increased payoffs. Also, we have shown that sustainability practices are extremely important in brand communication because they are becoming increasingly relevant to consumers, especially in the category of food. Therefore sustainability should be part of the brand positioning statement for agricultural products.

From a managerial standpoint, we have provided a holistic approach to brand management that completely surpasses the limitations of the traditional means for adding value to commodities. Traditionally, only geographical indications were used in the branding process of commodities. Despite the

benefits of such strategy, we have shown that creating a producer brand is also possible by using a brand positioning process centered on the means-end theory value chain. Linking consumer values through attributes or consequences may prove beneficial for agricultural brands due to strong brand equity leveraging effects. In the case of agricultural products, creating a portfolio of brands and/or assortments for a variety of consumers and channels is mandatory for creating and sustaining competitive advantage.

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