

WHY ARE LOCAL AND TRADITIONAL FOOD PRODUCERS NECESSARY IN ROMANIAN RETAIL?

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Abstract

The article analyzes the impact that local and traditional producers have on retail in Romania. The analysis we conducted reflects the presence of a relatively small number of producers in the Romanian market, being divided only into certain product categories, mainly food items. Therefore, to become known, the most important option available to them is to collaborate with major retailers in the market. Of course, the limited number of producers restricts the selection options for customers. From a methodological perspective, to complete this article, we conducted documentary research on the number of existing producers and their segmentation and qualitative research. Thus, we interviewed people working with the retailer with the largest number of employees in the Romanian market to find out the number of producers they collaborate with and the criteria these producers must meet to be selected. Additionally, for the analysis part, we examined the most important digital platform that promotes local producers, aiming to connect the rural and urban environments.

Key words: local producers, traditional producers, Via Profi, Romanian Retail

INTRODUCTION

Local producers play an essential role in retail and society, contributing to market diversity, local economic development, and the promotion of sustainability [8], [6]. According to some studies [5], local products provide benefits through the conservation of biodiversity and traditional knowledge, giving them unique value. [13] emphasizes the importance of local partnerships between producers and consumers, which serve to enhance trust and transparency in supply chains.

Some researchers [2] argue that integrating local producers into regional and global value chains is crucial for improving competitiveness and developing communities in developing countries. However, in

emerging markets, some studies suggest that small producers need to adopt survival strategies to cope with global competition [10]. Thus, increasing competitiveness can threaten small businesses both in terms of the costs required to achieve production and the discounts received for raw materials and supplies. In numerous economies, local producer markets offer fresh food and support the local economy, positively impacting communities by creating local production and consumption networks [7], [9], [4], [11]. Some research over time [19], [1] suggests that consumer perception of local products is influenced by emotional values and perceived quality. Consumers are more open to small producers, seeing them as family businesses, which often choose to market their surplus

products or start small businesses to survive [15].

However, some studies [12] highlight major challenges for small producers, such as infrastructure barriers and access to large markets. Therefore, to reach consumers and meet their needs, small producers find it imperative to collaborate with market retailers, who provide them with the opportunity to showcase their products in specially designated areas within large stores. In this context, the purpose of the study is to analyze the importance of local and traditional food producers in Romanian Retail and the analysis of the adopted measures with the aim of supporting small producers.

In this case, the research novelty is represented by the Via Profi analysis, a platform that brings together producers from all over the country.

MATERIALS AND METHODS

Design of the Research

Based on these aspects, in our research, we examined the relationship between local producers and major retailers, particularly those operating in the food sector.

In our study, we considered the retailer with the largest number of employees, selecting it based on the assumption that care for external customers would also be reflected in the relationship with end consumers (Profi.ro, 2024)[17].

The research questions were: "How do retailers support small producers and facilitate consumer access to traditional products?", "What conditions should a local producer meet to be considered by retailers on the market?", and "What are the areas in the country where local producers are more visible in stores?". To answer these questions, we conducted qualitative research focusing on the benefits provided by the selected retailer to producers, considering their selection process and the criteria required for collaboration.

Equally, we analyzed the Via Profi platform, which brings together numerous local producers in the digital environment,

supporting consumers by facilitating their selection decisions.

RESULTS AND DISCUSSIONS

Depending on their coverage area, producers are divided into the following categories: local, regional, national, and artisanal.

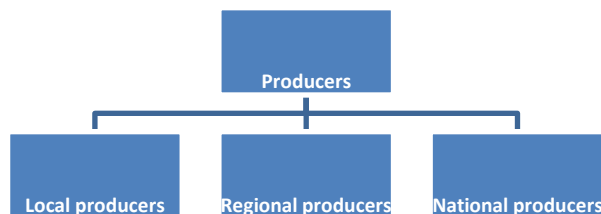


Fig. 1. Producers' Classification

Source: Information provided by the analyzed retailer.

Local producers are those who serve stores/retailers located within a distance of up to 70 kilometers around the analyzed geographic area. In turn, local producers may also include artisanal producers. Represented by small and very small businesses, they often have collaboration contracts with only one store. Artisanal producers do not always choose to collaborate with a retailer, as they may not have the production capacity to meet the retailer's demands.

Regional producers operate within a specific region: Moldova, Muntenia, Transylvania, etc. In contrast, national producers have coverage across the entire country. Another segmentation of local producers divides them into two categories: traditional local producers and certified producers. When choosing producers to collaborate with, retailers consider their number, type, the areas in which they operate, the products they can offer, and the fulfillment of the necessary criteria to be considered.

Based on interviews with representatives of the retailer, several conditions were established that producers must meet to be considered for collaboration: they must produce traditional products rather than industrial ones, have legal operating status, possess sanitary-veterinary authorization, ensure that products are properly packaged

and labeled, and be able to arrange for product transportation.

This section presents the situation regarding the number of producers the analyzed retailer considers. According to Figure 1, as of 2023, the majority of producers were from Suceava and Alba.

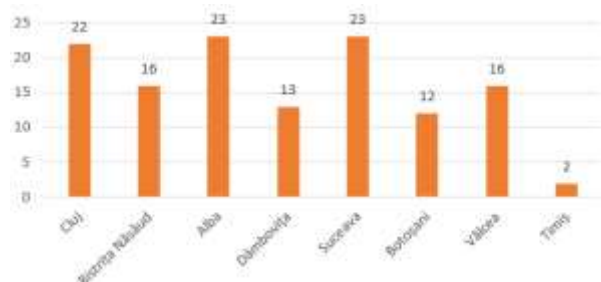


Fig. 2. Local producers by county in 2023

Source: Authors' Research based on the data from the retailer analyzed.

We note that Figure 2 reflects only the number of producers with whom the analyzed retailer collaborates and not the total number of producers existing in Romania. Among the producers listed in Figure 1, some have certified products (traditional/ mountain/ organic) (Figure 3).

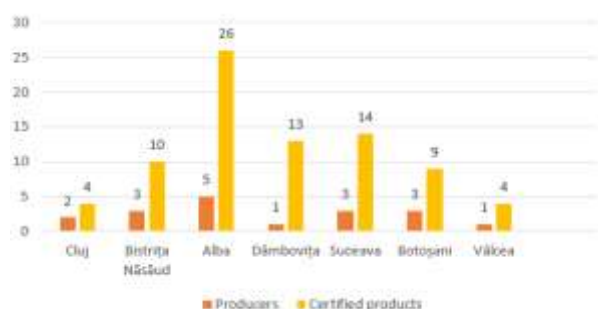


Fig. 3. Certified products from local producers by county

Source: Authors' Research based on the data from the retailer analyzed.

Under these conditions, certifications represent an added layer of trust for consumers and an additional opportunity for retailers to guarantee the seriousness of small producers.

Of course, in recent years, especially with the onset of the pandemic, consumers have placed increasing importance on local products, trusting small producers. Thus, purchasing local products and supporting family businesses has become a trend adopted across

the European Union and beyond. In comparison with Romania, in Italy, consumers are much more familiar with the items offered by local producers. A large portion of them opt for local products, even when it comes to purchasing dairy products.

According to Fig. 4, the next in the order of preferences are food products, with consumers placing increasing importance on health.

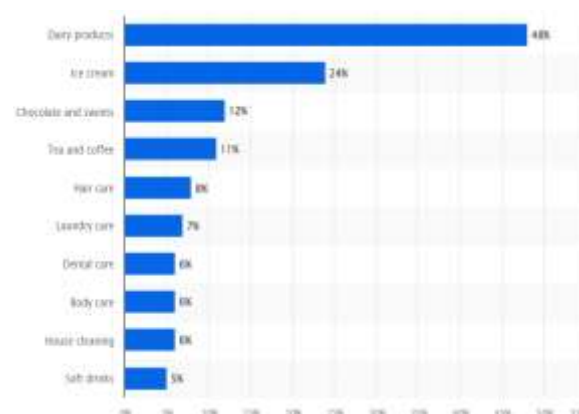


Fig. 4. Goods purchased locally in Italy

Source: [16].

Similarly, consumers in Russia prefer purchasing local products they regularly consume, such as eggs and meat. By comparison, they don't pay as much attention to the origin of tea, coffee, and spices [14].

Unlike Italy, in France, 26% of respondents prefer food products from local producers, thus supporting small family businesses and the implementation of sustainable practices in these businesses [18].

In Belgium, approximately 50% of respondents opt for local products from local markets, while a further 44% of respondents buy products from farm stores [20]. Similarly, in the United Kingdom, around 60% of the interviewed individuals purchase products from local producers [3].

Following the interview conducted with the company representatives, we identified two approaches they take in their relationship with local producers. The first approach involves creating a digital platform aimed at promoting local producers and informing the public about their existence. If customers wish to purchase products from these producers, they need to travel to the producer's location. The second approach involves selling the products

offered by producers in the retailer's own stores. The second part of the research focused on the platform that brings together producers from across the country: Via Profi. Emerging as an initiative carried out following a social responsibility campaign, this website promotes small local producers in Romania, providing a platform for discovering and purchasing authentic and traditional food products.

Organized by counties and categories such as vegetables, fruits, dairy products, preserves, honey products, and more, the site facilitates users' access to high-quality local products [21]. Thus, the offers available to the customer are diverse, allowing them to choose the best products from small producers.

Additionally, it provides guides and recipes, promoting a close connection between producers and consumers.

Among the benefits of the site for consumers is easy access to authentic local products purchased directly from producers. At the same time, the platform supports the local economy and reduces intermediaries, ensuring product freshness.

For producers, a major benefit of this platform is that it allows promotion without requiring the payment of a fee. As a result of a social responsibility campaign, producers featured on this platform are not required to pay fees for their promotion. Based on interviews conducted with representatives of the retailer in question, a five-step process is carried out for a local producer to be promoted on the Via Profi platform.

In the first step, producers are identified. The retailer has a dedicated marketing team division that researches local producers in various regions, leveraging information gathered from previous projects. Additionally, producers can self-register to be considered. In this case, the producer must complete a form on the Via Profi platform.

The second step involves contacting producers (most often by phone) to gather information about them, the products they sell, and the conditions of production, manufacturing processes, etc.

The third step, **Verification**, entails analyzing the information obtained and determining

which producers are eligible. This includes evaluating whether they are family businesses, or small-scale producers, what processes they use to produce goods, and whether they meet the previously mentioned conditions.

The fourth step, **Presentation**, involves a team from the retailer visiting the producers to conduct a photo session aimed at promoting their products.

Finally, the last step is the **Registration** of the producers on the platform.

In practice, the costs of travel, filming the producers and their products, as well as uploading the information onto the website, are covered by the retailer.

Based on the research question, we can conclude that the analyzed retailer supports local producers by creating a platform that removes spatial boundaries, providing a means to match supply with demand.

CONCLUSIONS

Based on the two conducted studies, we can affirm that the analyzed retailer prefers to collaborate with local, traditional producers who meet certain standards, such as certifications and sanitary-veterinary regulations. These producers must be capable of properly packaging and transporting their products, indicating a clear preference for quality and legal compliance.

Similarly, when considering the regions from which they originate, we observe that most producers are from Suceava and Alba. This could suggest an uneven distribution of local producers in Romania or a preference of the retailer for these areas, either due to logistical reasons or local production traditions.

According to the documentary research conducted, it was observed that consumers' preference for local products is found in most European Union countries and beyond. Whether it's about food products or daily care items, consumers support small businesses, and the certifications that producers hold provide them with added trust and assurance.

The Via Profi platform plays an essential role in promoting local producers by offering a diverse range of products and providing easy access for consumers to traditional products.

Additionally, the platform contributes to strengthening the connection between producers and consumers, encouraging more conscious and sustainable consumption of local products.

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