

## RESEARCH ON THE EVOLUTION OF THE TOP ROMANIAN TRADEMARKS IN THE DOMESTIC MARKET

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### Abstract

*The paper analyzed the position of the Romanian trademarks using the data provided by Unlock Market Research Company in 2010 and 2014. The statistical parameters: average, variance, standard deviation and variation coefficient, and the Point Method and Comparison Method were used to process the collected data. In 2014, among the top 50 brands in Romania's market, the top 10 positions were occupied by the following trademarks: Borsec, Dero, Gerovital, Dorna, Arctic, Dacia, Elmiplant, Aqua Carpatica, Farmec and Petrom. Food industry came on the 1st position with 17 brands and on the 3rd position after telephony and finance and banking, based on the average positions of its trademarks. By field of activity, based on the average position, the 1st three positions were occupied by Machinery construction and Chemical and extractive industry, Alcoholic beverages, and Wood working industry. On the last position was situated Telephony. As a final conclusion, consumers behavior reflected an intensive orientation to the Romanian brands belonging to food industry, care and health sector and also of the appliances for household reflecting a new behavior to assure a higher living standards.*

**Key words:** actual situation, hierarchy, market, Romania, trademarks, trends

### INTRODUCTION

Branding is extremely important for a producer or trade, but also for consumer, because it allows to identify a specific company and its products and it may not be used by another firm without permission.[8]

In the vision of US Patent and Trademark Office, "A **trademark** is a word, phrase, symbol, and/or design that identifies and distinguishes the source of the goods of one party from those of others. A **service mark** is a word, phrase, symbol, and/or design that identifies and distinguishes the source of a service rather than goods. The term "trademark" is often used to refer to both trademarks and service marks".[9, 10 ]

The American Marketing Association considers that "The brand is a name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.[1,

11]

In 2000, Kotler defined a brand as "the name, associated with one or more items in the product line, that is used to identify the source of character of the item(s)" and also considered it as "a major issue in product strategy".[2]

Many market research studies approached the analysis of various trademarks position in the market.

The MEMRB Research and Monitoring Company analyzed the position of the Romanian Brands in 29 categories of various products existing in the market, based on their market share and noticed that the Romanian trademarks from the field of food industry are on the top positions.

It was concluded that the Romanian companies, operating in a very competitive market, were disadvantaged compared to the foreign firms, because they were not financially supported. Also, consumer behavior had a negative impact on the brands' position in the 1990's when Romania opened its frontiers and the consumers thought that the imported products are better than the

Romanian ones. At present, the consumers are looking for Romanian brands which have the highest quality, taste and flavor.

In 2014, on the occasion of the 5th Conference on "BrandRo", the Unlock Market Research Company presented its results regarding the "Top 100 most powerful Romanian brands" as a continued research work of the study made in 2010 upon the "Top 50 most powerful Romanian brands". The study was based on the investment of trust and affectivity from the consumers' side without taking into consideration the financial indicators. A sample of 1,000 individuals between 15-55 years old both from the urban and rural areas, were online interviewed on a questionnaire survey, the results being processed using Max Diff (Maximum Differentiation Scaling) Method.

It was concluded that on the top positions came the following brands: Borsec, Dero, Gerovital, Dorna, Arctic, Dacia, Elmiplant, Aqua Carpatica, Farmec and Petrom and the main trend in the last years was that the powerful trademarks which dominate the market to keep their position from a year to another.

The water brands, sweets' brands, care products brands and also brands from the field of services (Petrom, Banks, Medlife) and also on-line retailing (eMag, Dedeman, Mobexpert) had a high position in the hierarchy reflecting a recover of consumer's behavior, a new orientation to healthy food, health care and household good to improve the living standard.[6]

In this context, this study aimed to analyze the position of the Romanian brands in 2014 compared to the positions determined in 2010, based on the data provided by Unlock Market Research Company, in order to identify the main trends recorded in the period 2010-2014.

## MATERIALS AND METHODS

The data were represented by the results found by Unlock Market Research Company in 2010 and 2014, on the results obtained by Popa Ciprian in 2013. [4, 5, 6]

The following aspects were studied: (a)the position of the Top 50 Romanian Brands in

the domestic market in 2010 and 2014, and emphasizing the differences recorded in the period 2010-2014, (b)the calculation of average position and variability of the top 50 Romanian brands in various economic fields of activity in 2014, and established (c)the differences concerning their average position and their new hierarchy using the point methods.

The following methods were used to carry out this study: usual statistical parameters: average, variance, standard deviation, variation coefficient, Point Rating Method, and Comparison Method.

The main formulas used in this research work were the following ones:

(a)Average of the variable,  $\bar{X}$ , where  $X_1, 2, \dots, n$  are the terms of the data series.

$$\bar{X} = \frac{X_1 + X_2 + \dots + X_n}{n} \quad (1)$$

(b)Variance of variable,  $S^2$

$$S^2 = \frac{\sum_{i=1}^n (X_i - \bar{X})^2}{n-1} \quad (2)$$

(c)Standard Deviation

$$S = \sqrt{\frac{\sum_{i=1}^n (X_i - \bar{X})^2}{n-1}} \quad (3)$$

(d)Variation Coefficient,  $V\%$

$$V\% = \frac{S}{\bar{X}} \times 100 \quad (4)$$

## RESULTS AND DISCUSSIONS

*Comparison between the top Romanian trademarks based on their position.* The Romanian trademarks are of a large variety and occupied different positions in the market. During the last 5 years, Borsec proved that it is the most powerful brands, being very much appreciated by customers.

The top 10 positions were occupied in the descending order by the following trademarks: Borsec, Dero, Gerovital, Dorna, Arctic, Dacia, Elmiplant, Aqua Carpatica, Farmec and Petrom. However, among these 10 brands, only two, Borsec and Dorna preserved their position, the 1st one in case of

Borsec and the 4th one in case of Farmec. Other 7 brands went up from lower positions in 2010 to much higher positions in 2012. It is about Dero, Gerovital, Arctic, Elmiplant,

Petrom and Farmec. Dacia brand went down from the 2nd position in 2010 to the 6th position in 2014. (Table 1) [7]

Table 1. Top 50 Romanian Brands in the domestic market in 2010 and 2014

Brand	Position			Brand	Position		
	2014*	2010**	Difference 2014-2010		2014*	2010**	Difference 2014-2010
Borsec	1	1	0	La Dorna	26	21	+5
Dero	2	34	-32	Altex	27	0	+27
Gerovital	3	33	-30	Dedeman	28	0	+28
Dorna	4	4	0	Medlife	29	0	+29
Arctic	5	26	-21	Kandia	30	41	-11
Dacia	6	2	+4	BCR	31	10	+11
Elmiplant	7	50	-43	Fan Courier	32	0	+32
Aqua Carpatica	8	0	+8	Clujana	33	0	+33
Farmec	9	27	-16	Covalact	34	44	-10
Petrom	10	40	-30	Catena	35	0	+35
Jolidon	11	0	+11	Plafar	36	0	+36
Poiana	12	5	+7	Romtelecom	37	20	+17
Fares	13	0	+13	Margaritar	39	0	+38
Rom	14	22	-8	Sensiblu	39	0	+39
eMag	15	0	+15	Eugenia	40	0	+40
Bucovina	16	0	+16	Zuzu	41	37	+4
Mobexpert	17	45	-28	Cris Tim	42	18	+24
Doina	18	0	+18	Nufarul	43	0	+43
Joe	19	0	+19	Izvorul Minunilor	44	0	+44
Triumpf	20	0	+20	Primola	45	47	-2
Perla Harghitei	21	43	-22	CEC	46	39	+7
Heidi	22	0	+22	Bitdefender	47	0	+47
Banca Transilvania	23	17	+6	Caroli	48	0	+48
BRD	24	14	+10	Biborteni	49	35	+14
Napolact	25	19	+6	Pegas	50	0	+50

Source:[5,6] Own calculations.

Also, important positions are occupied by Fares, Rom, eMag, Bucovina, Mobexpert, Doina, Joe and Triumpf, which came on the following positions between 11 and 20.

Some brands registered a lower position in 2014 compared to 2010. Among them, there were: Poiana ( from the 5th position to the 12th position), Banca Transilvania ( from the 17th position to the 23rd position), BRD (from the 14th position to the 24th position), Napolact ( from the 19th position to the 25th position), La Dorna ( from the 21st position to the 26th position), BCR ( from the 10th position to the 31 position), Romtelecom (from the 20th position to the 37th position), Cris Tim (from the 18th position to the 42nd

position), Biborteni ( from the 35th position to the 49th position). This reflect the lack of attraction of the banks for clients because of the high interest rate and bank commissions. Romtelecom lost a part of its customers due to the invasion of smartphones commercialized by Mobile Telephony. A new orientation of the buyers to healthier food, mainly dairy products, vegetables and fruit determined reduction of consumption of meat preparations, where products are in general expensive and the purchased amount is limited by the low family income.

***The average position occupied by the top 50 Romanian brands by economic field.*** Machinery construction and Chemical and

extractive industry are the economic branches situated in the top, recording a similar average position of 6. But, while Dacia is the only brand the most appreciated by consumers in the field of machinery construction, chemical and extractive industry had a large variability among brands.

Table 2. Average position and variability of the top 50 Romanian brands in various economic fields of activity in 2010

Economic branch	Number of brands	$\bar{X} \pm S_x$	V (%)
Alcoholic beverages	8	16.50 ± 10.56	64.05
Soft drinks	7	22.29 ± 18.27	81.98
Mass Media	8	24.00 ± 12.30	51.27
Food industry	13	30.15 ± 14.71	48.77
Finance - Banks	4	20.00 ± 12.99	64.93
Care products	3	36.67 ± 11.93	32.54
Chemical and extractive industry	3	40.00 ± 6.00	15.00
Construction machinery	1	2.00 ± 0	0
Manufacturing household appliances	1	26.00 ± 0	0
Woodworking Industry	1	45.00 ± 0	0
Telephony	1	20.00 ± 0	0

Source: Popa C.N. et al.,(2013)[8]

On the 3rd position is placed the field of alcoholic beverages with an average position of 14, and no variability because it is about only one brand.

In the field of wood working industry, represented by two brands, it was registered an average position of 17.50 and a low variation coefficient.

A specific feature of almost all the trademarks by field of activity was the high variability reflecting that a part of the brands occupy high positions while other brands were placed on lower positions. On the last position with the highest average position of 37 came Telephony having as representative Romtelecom brand. (Table 2 and 3)

Table 3. Average position and variability of the top 50 Romanian brands in various economic fields of activity in 2014

Economic branch	Number of brands	$\bar{X} \pm S_x$	V (%)
Alcoholic beverages	1	14.00 ± 0	0
Soft drinks	6	23.16 ± 19.38	83.67
Mass Media	1	32.00 ± 0	0
Food industry	17	29.58 ± 14.05	47.49
Finance - Banks	4	31.00 ± 10.61	34.22
Care products	12	24.41 ± 13.85	56.73
Chemical and extractive industry	2	6.00 ± 5.65	94.16
Construction machinery	1	6.00 ± 0	0
Manufacturing household appliances	4	23.50 ± 0	0
Woodworking Industry	2	17.50 ± 0.70	4.00
Telephony	1	37.00 ± 0	0

Source: Own calculations

**Comparison regarding the number of brands by field of activity in 2014 compared to 2010.**

During the period 2010-2014, some changes were noticed concerning the number of trademarks positioned in the top 50.

Food industry counted 17 brands situated in the top 50 Romanian trademarks in 2014, compared to 13 brands in the year 2010.

Also, care products recorded 12 brands in 2014 compared to only 3 brands in 2010. The manufacturing household appliances reached 4 brands in the top of the year 2014 compared to only one brand in the year 2010.

The alcoholic beverages lost 7 brands, the soft drinks lost one brand, mass media lost 7 brands, and chemical and extractive industry lost one brand.

Therefore, consumers proved to be more interested of the Romanian brands belonging to food industry, care and health sector and also of the appliances for household reflecting a new behavior to assure a higher living standards. (Table 4).

Table 4. Difference concerning the number of top Romanian brands and their average position between 2010 and 2014

Economic branch	2014		2010		Difference 2014-2010	
	Number of brands	Average position	Number of brands	Average position	Number of brands	Average position
Alcoholic beverages	1	14.00	8	16.50	-7	-2.50
Soft drinks	6	23.16	7	22.29	-1	+0.87
Mass Media	1	32.00	8	24.00	-7	+8.00
Food industry	17	29.58	13	30.15	+4	-0.57
Finance - Banks	4	31	4	20.00	0	+11.00
Care products	12	24.41	3	36.67	+9	-12.26
Chemical and extractive industry	2	6.00	3	40.00	-1	-34.00
Construction machinery	1	6.00	1	2.00	0	+4.00
Manufacturing household appliances	4	23.50	1	26.00	+3	-2.50
Woodworking Industry	2	17.50	1	45.00	+1	-28.00
Telephony	1	37.00	1	20.00	0	+17.00

Source: Own calculations

## CONCLUSIONS

The Romanian brands occupy the top positions in the market being preferred by the population. Food industry occupies the 1st position with 17 brands and on the 3rd position after telephony and finance and banking, based on the average positions of its trademarks (29.58).

Care products trademarks counted 12 brands in 2014 by 9 brands less (-75%) compared to 2010. The manufacturing household appliances reached 4 brands in the top of the year 2014, by 300 % more compared to one brand in the year 2010.

The trademarks which recorded a decline of position in the domestic market are: the alcoholic beverages which lost 7 brands, the soft drinks which lost one brand, mass media which lost 7 brands, and chemical and extractive industry which lost one brand.

As a final conclusion, consumers' preference for a brand or another based on the diversity of the offer and product price has determined a change in the position occupied by various Romanian brands. Consumers looked to be more interested of the Romanian brands belonging to food industry, care and health sector and also of the appliances for household reflecting a new behavior to assure a higher living standards.

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