

Preliminary studies on the marketing of fresh processed potatoes by using the marketing mix

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Abstract Due to the chemical composition, the potato is considered an easily digestible and almost completely dietary staple food, according to UN and FAO it is one of the viable solutions for the present and future in eradicating poverty and hunger.

Processed fresh food market has evolved continuously during the past decade. Both the number of competitors and the diversification increased considerably, and the standards are much higher today.

For a better efficiency of potato production, potato tubers should be processed for fresh consumptions beside the other forms of processing: pommes frites, chips, flakes, pellets and so on, which require high energy consumption.

Key words

potato, processing, food market, HORECA, efficiency, market

Although it occupies less than 5% of the area under food grain cultivation as maize, wheat and rice, potato world production of over 310 million tons represents more than 25% of the 3 cultures. Therefore, the potato has great food importance worldwide, ranking the fourth place after maize, wheat and rice or the second place after cereals, being rightfully considered “the second bread of mankind”.

One of the most efficient and safe methods of potato marketing is the fresh processing of potato tubers in different ways.

The success of crops for processing, but especially the quality of raw material, depends on good agricultural practices applied according to technology cards.

For profitable processing and reduction in the price of the finished product are necessary:

- reducing the cost of raw material to potato growers by increasing the production/ha

- special potato varieties, which ensure quality raw material

Results and Discussions

According to the results recorded at the Potato Research and Development Station Targu Secuiesc and SC SAMACO PROD SRL Targu Secuiesc, potato processing unit, it was found that the potato processing efficiency is significantly correlated with the percentage of dry matter accumulate din the tuber, the at the acquisition of raw material processing units must take into account this criterion, because of the following advantages:

-increase of processing efficiency

-reduction in the price of finished product

-ensuring the marketing of the production by making contracts with processors

-achieving high yields and of quality

-increase of market supply of processed potato products

It has been demonstrated again the importance of variety as a technological factor and the profitability of potato cultivation.

In recent years, the organization of potato production for use and even the specialization of some farmers in growing certain potato varieties have begun slowly but surely.

Nothing was imposed; it has become a necessity due to environmental conditions, market and security of marketing through stable contracts between potato producers-raw material-processors and consumers.

The agro-food processing sector plays a very important role not only in creating new employment opportunities, but also in nutrition and public health.

Potato processing in our country is steadily transforming, from industrial products: flakes, starch and chips to semi-processed products and even fresh processed and packed in vacuum and modified atmosphere in the case of the following potato products:

- French fries straight cut, fresh and steamfresh;
- French fries crinkle cut, fresh and steamfresh;
- Diced potato, fresh and steamfresh;
- Potato slices, fresh and steamfresh;
- Oven chips, fresh and steamfresh;
- Whole potatoes 30-40 - Parisienne, fresh and steamfresh;
- Cooking whole potatoes - fresh and steamfresh;

- Potato halves, fresh and steamfresh;
- Jacket wedges, fresh and steamfresh;

- Roast potatoes, fresh and steamfresh.



Fig.1 Potato crop



Fig.2 Frozen diced potatoes

Ensuring the marketing of processed products can be achieved by using the marketing mix. As a marketing tool, the prices are the expression of a view or well-structures policies with established targets such as: increasing profits, ensuring return on investments and their recovery, entering a new market, maintenance and development of the position obtained, resistance to competition.

The price has already exceeded its purely economic significance, in view of modern marketing, adding psychological, social, psychographic and demographic facets. Price is thus used as a marketing tool on a complex and thorough analysis, proving to be an element with direct implications on all works.

Pricing strategy is developed for all categories of costumers, i.e. HORECA segment and hypermarkets. Prices given are set so as to meet 3 key objectives as follows:

1. Providing the best market price relative to product quality
2. Providing a pre-commercial margin
3. Correlation between the price offered and the price offered by the competitor

HORECA represents the hospitality industry: hotels, restaurants and caterers. Both vertical and horizontal diversity, in terms of product range, new competitors, and quality are two important characteristics that costumers more and more focus on. Modern retail development has increased the frequency of purchase. Due to the extent in recent years the Romanian retail and the consumer trends towards a healthy lifestyle have drawn an upward sales trend.

Customers who buy these products for collective consumption prefer higher weights (from 1 kilo upwards) due to lower prices but those who buy them for their own consumption prefer smaller weights.

The main actors on the market for fresh potatoes and potatoes packaged in vacuum and modified atmosphere are Agroalim Distribution, Agromex, Agrirom, Serpico Trading, Optimeat, Samaco Prod.

Based on the above information, the prices for Horeca segment and for hypermarkets differ depending on quantities purchased, that is to say on monthly customer purchasing potential and payment method:

- If the product is paid on delivery, the prices offered are net prices set monthly/periodically
- If the customer is set a payment term, to the net prices are added financing costs, cost that varies depending on the funded period (length of payment term)

Processed product distribution strategy is devised so as to ensure a high product spread, profiting by the geostrategic position in the center of the country, both for the processors and the potato growers.

To achieve this objective it is necessary to develop complex distribution networks through various channels.

Within the distribution policy it is necessary to emphasize functional services that include operations such as transport, storage, packaging, sorting.

Regarding storage, the following specifications must be taken into account:

- Fresh potatoes packaged in vacuum and modified atmosphere are refrozen and should be stored only in areas designated for this purpose;
- Cold stores for frozen products should be lit, clean, isolated from strong heating, with a temperature of 0-4 C, free of mold, insects and rodents;
- The cold storage must be equipped with appropriate measurement and control system;

- Placing products in the store is made in batches.

The finished product is transported only in vehicles for this purpose. They must be sealed, clean, no foreign odors, provided with refrigeration cycle capable of providing a temperature of 0-4 C.

The distribution of processed products covers the following areas: hotels, restaurants and fast-food restaurants. The distribution to this segment is carried out through sales force that will prospect the market and will contact the target companies to conclude contracts with them.

Hypermarkets, supermarkets, Cash&Cary are another type of client represented by general chains. For this category the offer includes fresh processed potatoes, cooked by steaming and packaged in vacuum and modified atmosphere. For this category could be Cora, Selgros, Kaufland and Auchan.

- The advantage of using a network of distributors:
- Distribution of products at national level, both in urban and rural areas
- Increasing sales by filling the market, transfer of stock pressure from distributor to customer and demand growth supported by increased visibility in stores
- Direct coverage of the market by the distributor sales representative
- Use of transport logistics of the distributor
- The possibility of permanent check by the producer's zone representative of the shelf price, coverage and presence in stores, range of products sold, the average rate of sales quantity and value in a given period of time

Self-service in hypermarkets and supermarkets presents the following advantages for the customer:

- Selection of goods without constraints from the seller, the customer having the possibility to compare the prices and eventually to reverse his/her decision to purchase the selected articles
- By viewing the goods in the section, the needed products can be suggested to the customer
- Increasing comfort by eliminating social pressure that exist in any buyer-seller relationship
- Saving customer's time

Conclusions

1. The characteristics and quality of potato as raw material, are essential both in terms of physical and organoleptic properties of the finished product and in term of economic efficiency of processing;
2. Potatoes for processing must have a high content of dry material, tensile strength cell walls must prevent the phenomenon of blackening after boiling or roasting and must have pleasant taste and flavor
3. Trade integration of fresh processed potatoes is due to the food market pressure, where distributors exercise strict control over the production process to achieve all types and quantities of the products desired
4. The consumer is the main actor of the commercial chain, who reaches potato growers, who have to produce quality raw material of the variety required by the processor
5. Collaboration between research units-farmers-processors-distributors-consumers becomes a necessity in food market
6. Marketing involves the use of special tools suitable for consumer research needs, for market investigation and for scientific substantiation of marketing decisions

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