The Transition of the “Traditional” Romanian Brands

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ABSTRACT

In this paper, the author discusses the trajectory of the main Romanian marks from the communist period on the free competition market. This analysis used data that were periodically published by the Romanian newspaper Adevărul, following the surveys and studies conducted by Gemius and Evensys (popularity tops of the fourth edition of the study “Leading Brands by Romanian Users 2011”), as well as other specialty works, the studies made by Alexander Dolgin in particular. Last but not least, the author examines some “success stories” of new Romanian brands, compared with the old brands, to bring to evidence and debate the capacity of the new Romanian entrepreneurs to stand out in the market and protect and promote their products in a tough competition environment, subject to globalization.

Keywords: Brands, Free Market, Marketing, Marketing Strategies, Transition

1. INTRODUCTION

The present paper attempts to highlight the main role played by the technical progress, internet and electronic commerce in particular, in the marketing strategy of firms at present, as well as the importance that should be attached to the property right, to the registered marks and consumers’ awareness, in the international competition.

The phenomenon is not singular for Romania, the same strategy being adopted in other former communist countries as well, with their “traditional” products from the communist time. The method seems to be successful and is based on the psychological implications generated by certain products in the nostalgic consumers’ minds.

It is quite obvious that the approached subject is of actuality, mainly as a result of the current context, in which the globalization phenomenon is getting more intense and the competition on the world market is increasing. In this conjuncture, in order to survive on the market or to get the supremacy, any marketing strategy is welcome, as long as it observes the current legislation. That is why the strategy chosen by certain firms, to reactivate the older marks, which temporarily disappeared from the market as a result of the new economic conditions and conjuncture, is not only interesting but also efficient, as it builds on the preferences of a certain segment of consumers for certain products that had penetrated into the consumers’ behavior many years ago.
The phenomenon is not singular for Romania, the same strategy being adopted in other former communist countries as well, with their “traditional” products from the communist time. The method seems to be successful and is based on the psychological implications generated by certain products in the nostalgic consumers’ minds; in this case this means a well-defined market niche, which exists regardless of the country, and which, if adequately exploited, can bring great benefits and in the future can create new segments of consumers even among the younger people or among the people who do not fall into the category of the nostalgic. It is from this idea that we started in the development of the present paper.

In this psychological market game, the mark has a main role. In our analysis we desired to evoke the trajectory of the main Romanian marks from the communist period on the free competition market. This analysis used the data that were periodically published by the Romanian newspaper “Adevărul,” following the surveys and studies conducted by Gemius and Evensys (popularity tops of the fourth edition of the study Leading Brands by Romanian Users 2011), as well as other specialty works, the studies made by Alexander Dolgin in particular.

The paper is structured into five sections in which we approach both the theoretical aspects concerning the electronic marketing, the intellectual property and trademark rights and the practical aspects of the market, following the studies and surveys mentioned above. Last but not least, we mentioned some “success stories” of the new Romanian brands, compared to the old brands, in order to bring to evidence and debate the capacity of the new Romanian entrepreneurs to stand out on the market, to protect and promote their products in the tough competition environment, subject to globalization, regardless of the fact that they take over an already consecrated mark or create a new one.

2. ROMANIAN TRADEMARKS IN THE COMMUNIST PERIOD

There were a few products that before 1989 were a true symbol of the communist industrial production. They were omnipresent and all Romanians used them. Some of them were successfully exported, mainly in the CAEM Area. We shall next briefly present some of the most representative marks in the communist period.

*Arctic* refrigerator appeared in 1970, initially under the name FRIGERO. Two years later, the name of the product produced at Găești was changed into Arctic. On a market where the only alternatives were Fram, ZIL and Minsk, great power consumers, Arctic became the leader in a short time. Furthermore, almost 85% of the Arctic refrigerators went to export. In 1990, Arctic had a market share of almost 100%.

The chocolate bars named *Rom* began their history in the year 1895, Kandia at that date. The activity was carried out by only six employees, in a sweets factory from Timișoara. In 1920, the producer had 300 employees, and in 1948 the factory was nationalized. The first chocolate bar, the “grandfather” of the popular Rom, appeared on the market in 1964. Similarly to the living standard from that period, the recipe was increasingly degraded, first milk was removed, and the rum cream was replaced by substitutes.

The *Guban* shoes were difficult to find in shops, as the largest part of the 30,000 pairs of shoes that were produced each year went to export. They were expensive; the prices started from 300 lei and could reach 900 lei. It was the quality that determined the Romanians to pay the respective price for a pair of shoes, and those who wore them were very proud of their footwear at that time. The shoe factory from Timișoara, established in 1937, was privatized in 1995 and meanwhile it became GP&Company.

The footwear *Clujana* was also famous before 1989. The furred boots produced in