ANALYSIS OF THE CORRELATION BETWEEN THE MARKET OF LONG CONSUMPTION GOODS AND SALES OF A COMPANY IN THE CURRENT SITUATION

Lecturer Ph.D., Loredana Maria PĂUNESCU
Petroleum&Gas University of Ploiesti, Romania
E-mail: loredana.paunescu@yahoo.com

Abstract: In the analysis we made turned its attention to analyzing the relationship comparative analysis model for recent years. In the analysis, a correlation model was developed between companies that supply consumer products and sales in different periods, under different conditions, including the current one, which is quite sensitive and difficult for us. Due to technological advancement, the business environment has radically transformed the lives of both organizations and customers. Each business must have a web page containing the activity object, the products and services offered. The purpose of the website is to cause potential customers to access it, determine its content and not least to purchase a product or service. Promotion is the techniques used by an enterprise to make its products / services known to current or potential consumers. The main role of promotion is to successfully develop the organization and make a profit.

Key-words: company, consumer goods, consumer market consumer products.
Clasificare JEL: R1, R3.

1. Introduction

In this paper we focused our attention on the analysis of the last two years (2018, 2019 and the first quarter of 2020) at local and regional level of a company with activity field in the distribution of consumer products. These constitute a representative sample, as it generates over 85% of the total turnover registered at the level of the entire sector of activity.

Often we see that most of the time, companies succeed to a small extent to keep up with consumer requirements. Complexity seems to have entered a spiral that is likely to get out of control, and new business models are increasingly threatening traditional models. With a market of about 20 million consumers, Romania remains one of the most attractive markets Romania is still an emerging market with real growth possibilities in the short, medium and long term. Consumer expectations are becoming more complex and changing more and more rapidly. The market is very competitive. The sales of a company are the best indicator of how it works and the degree of innovation within it.

2. The actuality of research

In research conducted, the author has turned its attention to analyzing the relationship comparative analysis model for recent years.

3. Research method and techniques

The research methodology used in elaborating scientific achievement is evidenced by the following:
- ➢ The proposal aims in research;
- ➢ Making a plan of analysis;
- ➢ Analysis and interpretation of data;

To start scientific research sources used for research were studies and research based on a rich bibliography of articles and papers (attached work), consulting data taken directly from the company analyzed.

3.1. *Macroeconomic context*

Under the conditions of the competitive market economy, the economic balance is manifested in the form of a market-specific state, generated by the action of the economic agents in their capacity as producers - sellers and consumers - buyers.

Producing businesses aim to maximize their profits, while consumer businesses meet their needs. In this respect, it is known that Romania's economic growth model is mainly based on consumption.

The competitive economic balance appears in the form of the relationship between the demand and the supply that is manifested in the markets of the economic goods. Thus, optimal production implies the situation when the quantity of goods offered (consumer goods and capital goods) is equal to the quantity of goods demanded. This means that the rate of growth of production is equal to the rate of growth of expenditure, that there is neither overproduction nor underproduction. For these reasons, but also due to other similarities, the companies that will differentiate over a few years will be made at least part of the following:

1. Robotics Process Automation;
2. implementation of Big Data and / or Business Intelligence;;
3. new models of sales organization charts (Business-to-Business and Business-to-Consumer) adapted to consumers in the virtual environment;
carrying out a change management to support the organization's excellence plans, etc.

However, the macroeconomic balance is a dynamic one and cannot be compensated in the form of a constant. The economic activities are continuously related to an objective tendency of adaptation, of dynamic correlation of supply to the demands of the demand and of achieving the necessary concordance between these sizes, each time at a different level.

3.2. *Microeconomic context*

All these actions cannot have a desired impact if we do not take into account the micro and macroeconomic context of Romania and how the players in this market are positioned.

The positive evolution of private consumption observed at the macroeconomic level is also reflected among the companies active in the market of consumer products. This evolution confirms the replacement of the traditional trade with the modern one.

4. Research methodology

The necessary condition for a national economy to be in a static equilibrium is:

$$Y = D \tag{1}$$

that is, the global supply (Y) is equal to the global demand (D), with no excess supply ($\Delta Y = 0$) and neither is global demand excess ($\Delta D = 0$).

The condition of the existence of the dynamic economic balance is:

$$Y \neq D, \tag{2}$$

excesses (ΔY and ΔD), respectively global demand or supply deficits ($-\Delta Y$ şi $-\Delta D$) resolving, in a timely manner, by using fully and efficiently the existing production factors, attracting new factors (inside or outside the national economy) and redistributing resources by economic activities, depending on the fluctuations of market prices, as a concentrated expression, of modifying the relationship between the structures of the global supply and the structures of the requirements system

The condition of equilibrium in all markets of goods and services, within the perfect competition is:
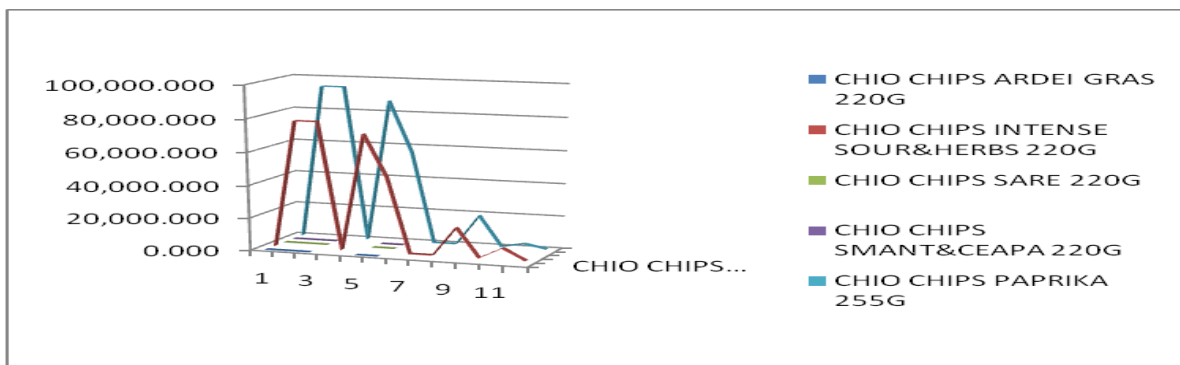
$$p.De = 0 \tag{3}$$

when

$$De \leq 0 \text{ and } p \geq 0,$$

where: p = the vector of prices in all markets
De = the vector of surplus demand in all markets.

In the first quarter of 2018, the domestic consumer goods market in Romania registered a growth of 13% compared to the same period last year.

Graph 1. The growth of the consumer goods market in 2018 compared to 2017

In contrast to previous periods (according to graph 1), the volumes purchased have re-entered an upward curve (+ 7.4%).

Families went shopping more often and left on average a larger visit to the store. Both higher volumes were behind the market growth and inflation, which reached 3.8% (source: Eurostat). Families with children are the ones that have most intensified their spending on consumer goods. Large increases were also recorded among households in large localities, with over 150 thousand inhabitants. Modern trade formats remain the main channel for home shopping. Currently, they cover 62% of sales of consumer goods and are at the same level as in the first quarter of 2017. All modern trade channels (hypermarkets, supermarkets, discount stores, modern convenience stores) have increased double digits. However, we observe the most dynamic evolution in the area of proximity trade, which managed to attract almost 400,000 new buying families.
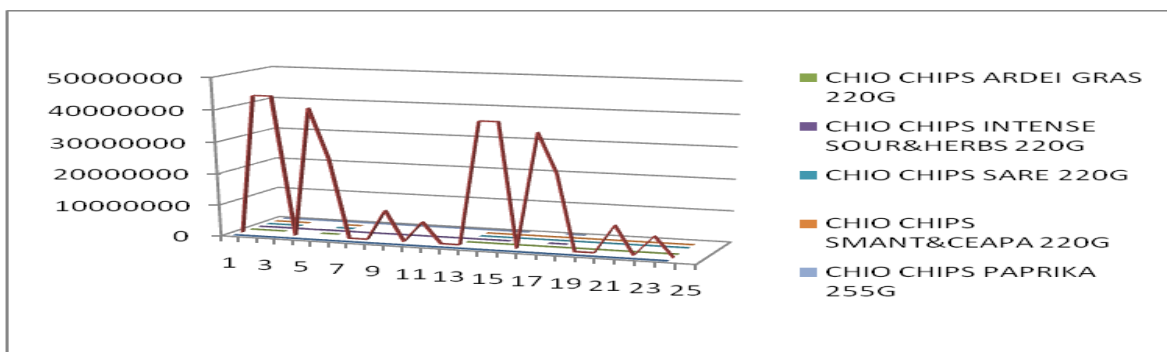
Graph 2. Increasing the consumer market for families with children

From the point of view of the region, Banat-Crişana-Maramureş and Oltenia had the most significant developments during the first quarter.
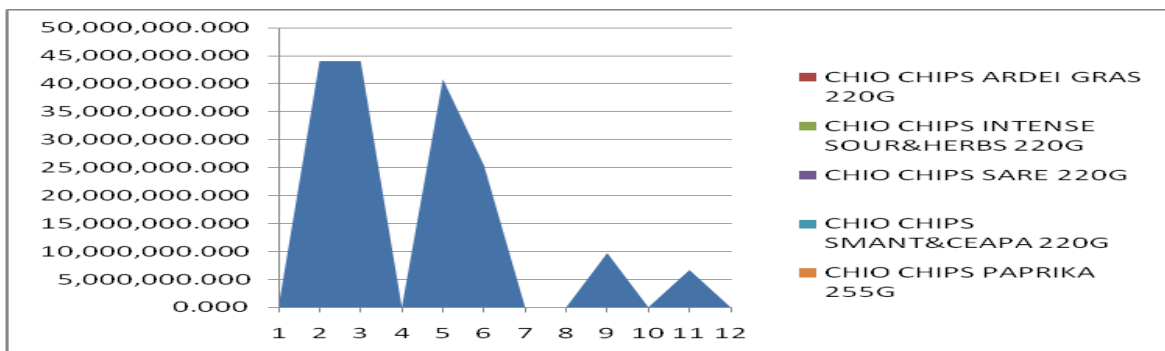

Chart 3. Sales evolution during the first quarter

The category with the fastest growth in the first quarter was that of personal care, the Romanians spending 17% more for it.

Drinks and home care products have been growing at a slower pace.

Average household spending increased most for categories such as eggs, butter, cider, beer with flavors or oral hygiene products (especially toothbrushes and mouthwash), while they fell for products such as tomato juice, food preservatives or sesame sticks.

Food products (fresh, but also packaged) also had increases above the market average, due to increased consumption.

4.1.   *Private promotions and brands are no longer growing*

At the level of the entire consumer goods market, the share of products purchased at the promotion decreased slightly compared to the first 3 months of last year. Currently, 18% of sales that reach household consumption are covered by promotions.
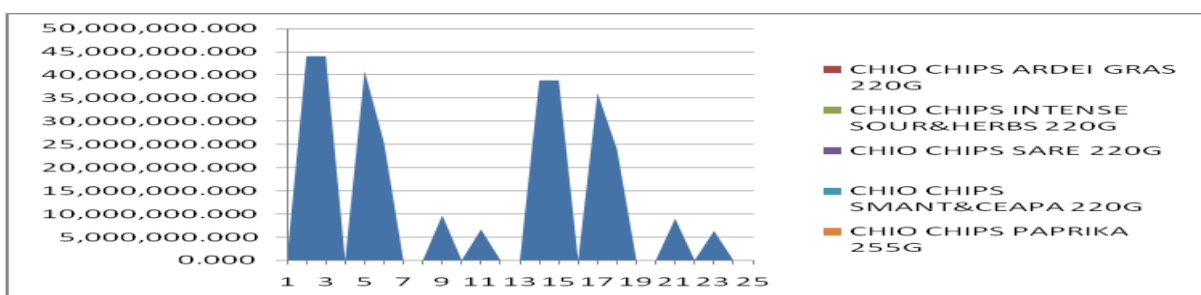

Chart 4. Analysis of the evolution of the purchase act in 2017 compared to 2018

We note a positive evolution of them in the local stores, while hypermarkets, supermarkets and discount stores sold less products at a discount. Private brands accumulate about 16% of household expenditures and are approximately the same level as in the first quarter of 2017.
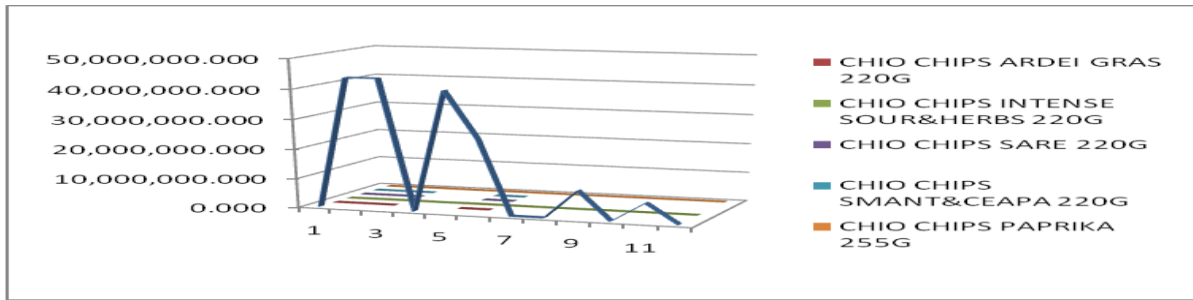
Chart 5. Sales evolution in the current year, 2020, in the first semester

Retail brands have lost importance in categories such as water, wine, laundry detergent or oral care products, in while gaining ground in snacks, canned goods, paper products (wipes, paper towels, paper rolls, etc.) or animal feed.

5. Conclusions

Consumer behavior reflects people's behavior in the purchase and / or consumption of material goods and services, as part of our analysis of consumer goods. In a broad sense, it encompasses the entire behavior of the end user of consumer goods, regardless of their type. In a broad sense, it encompasses the entire end-user behavior of consumer goods, regardless of their type. Consumer behavior is no longer considered as an exclusively "input" variable for the economic process. The consumer is no longer analyzed only in his capacity as buyer or decision maker of the purchase act, but also in his quality as a factor that distinctly influences the dynamics of the markets and even their conjunctural fluctuations. Consumers determine sales and ultimately profit from a company.

References:
1. Anuarul Statistic al României 1991-2018, Institutul Naţional de Statistică, 1991-2018.
2. Balanţa de plăţi a României, INS, BNR, 2017–2019.
3. Buletinul Statistic trimestrial de venituri şi cheltuieli 1990–2018, INS, 1990-2018.
4. Cambir, A., 2017. *Coordonate ale nivelului de trai în România. Veniturile şi consumul populaţiei în anul 2016*. Bucureşti: INS.
5. *Countries by income*, Global Human Development Reports, [online] Available at:<http://hdr.undp.org/en/ reports/global/hdr2009/>[Accesed 16 December 2019].
6. Eurostat, 2018. Eurostat regional yearbook, 2018. [online] Available at: <http://epp.eurostat.ec. europa.eu/portal/page/ portal/eurostat/home> [Accesed 15 January 2020].
7. *Evaluarea rapidă a impactului crizei economice asupra sărăciei în România*, 2018. UNICEF, Banca Mondială şi MMFPS.
8. Households' Wealth and Debt Monitor, 2017–2019, CEE, (Raportul de monitorizare a stării economice a gospodăriilor din Europa centrală şi de est, Unicredit), [online] Available at: <http://www.bankaustria.at/en/19752.html> [Accesed 12 January 2020].
9. *Indicele Gini*, Eurostat, [online] Available at: <http://appsso.eurostat.ec.europa.eu/nui/show.do?lang=en&dataset=ilc_di12> [Accesed 10 January 2020].
10. Mihăilescu, A., 2016. Evoluţii în sfera minimului de trai din România. *Calitatea Vieţii*, 1–2, pp. 117–131.

11. Popovici, C., Veraart, R., van de Kerk, G., 2018. *Indicele Societăţii Durabile, România 2008, România către o societate durabilă*. ANPM, SSF.
12. *Produsul intern brut al României*, Global Human Development Reports, [online] Available at: <http://hdr.undp.org/en/reports/global/hdr2019/> [Accesed 25 January 2020].
13. Regnard, P., 2018. *Population and Social Conditions, Minimum Wages 2018*, Eurostat, Statistics in Focus, 2018. [online] Available at: <http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-08-105/EN/KS-SF-08-105EN.PDF> [Accesed 12 January 2020].
14. *România Urbană, Încotro ne îndreptăm? Percepţii asupra situaţiei actuale,* 2019. Gallup, [online] Available at: <http://www.gallup.ro/download/RomaniaUrbana_1_directia.pdf> [Accesed 18 January 2020].
15. *Satisfaction with life and public service delivery in EU 8+2 countries*, 2018. World Bank, Regular Economic Report, [online] Available at: <http://siteresources.worldbank.org/ECAEXT/Resources/258598-1202152569208/EU8+2_SpecialTopic_Jan08.pdf> [Accesed 18 January 2020].
16. Stoian, C., 2019. *Băncile, acuzate că nu dau credite fermierilor şi frânează dezvoltarea*. [online] Available at: <http://www.zf.ro/eveniment/bancile-acuzate-ca-nu-dau-credite-fermierilor-si-franeaza-dezvoltarea-5008928/> [Accesed 15 January 2020].
17. Voineagu, V., 2018. *Starea socială şi economică a României, 2016–2017*. Bucureşti: INS.