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## Market Study on Performance of the Marketing Function in Small and Medium Enterprises in Romania

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### Abstract

The first small and medium enterprises emerged in Romania in the early 1990s, having retail trade as their main business field. In time the situation evolved by the increase of the numbers of SMEs and by the business field diversification. The number of SMEs in Romania reported to the number of inhabitants is below the EU average. The objective of this paper is to identify the degree of implementation of the Marketing function in small and medium enterprises, in the western area of Romania, in order to identify solutions to improve the economic performance. By conducting an empirical research, the paper brings an insight into the economic reality in the western area of Romania.

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### 1. Introduction

Within the European Union's country members, SMEs play an essential role in the economic life, having special features that make the process of adaptation to the knowledge based economy easier. In a knowledge based economy context, SMEs have significant impact on the economic growth of the Romanian economy. As education and human resources development tend to become a future economy privilege in developed countries, natural resources are

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limited and production is still to be transferred to lower cost countries – knowledge is becoming a major resource. (Popescu et al., 2011)

Small firms are not just scaled down versions of the large ones. They go about their business in a number of fundamentally different ways. (Lobontiu, 2014). Over time, many specialists in the field have identified differences between the behavior of small and big businesses, differences that manifest in a range of characteristics. (Bridge et al., 1998).

In most cases the SMEs are owner-managed. The owner-manager tends to be all-powerful, being more inclined to listen to his or her own inclinations, and to rely on his or her personal experience. The owner-managers put a great emphasis on two functional areas: Production and Sales, these two functional areas being personally managed by a large amount of the entrepreneurs questioned. (Lobontiu, 2014)

In Romania there are 21.3 small and medium enterprises to one thousand inhabitants, the EU average being 42.7 firms per thousand inhabitants. The highest densities in the EU are registered in the Czech Republic, Portugal, Malta and Slovakia. (Fig. 1.)

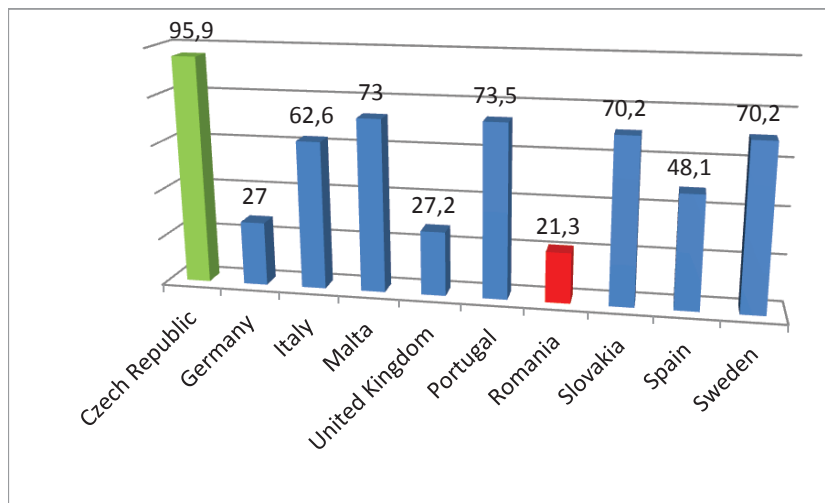


Fig. 1. The number of Small and Medium Enterprises per 1000 inhabitants

Romania has more SMEs in the manufacturing field and their share exceeded the average for the EU 28, respectively accounting for 11.9% compared to the average of 9.6% in the EU. The trade remains predominant for SMEs in Romania, with a share of almost 40% of all firms, while in the EU the average is 28%. ([http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics#Main\\_tables](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics#Main_tables))

Small and Medium Enterprises are the basis of the economic and social development of many countries. Unfortunately the contribution to the development of Romania, of small and medium enterprises is quite low. This is largely due to the following reasons:

- The market economy is young, only 25 years;
- The lack of managerial culture of many entrepreneurs;
- Difficult access to financial resources (in particular grant funds);
- The legislation fluctuates and sometimes it is difficult to apply.

In the contemporary society, the importance of marketing is essential for the survival of companies, considering the fact that these operate in a competitive environment. The marketing department of an enterprise should be involved in conducting a preliminary study of the market, the product definition, in the realization of further market

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