<table>
<thead>
<tr>
<th></th>
<th>AUTHOR/S</th>
<th>Title of the paper</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>BOGDAN OANA</td>
<td>Accounting methods used for construction contracts according to OMFP 1802/2014 and IAS 11</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>BOSÂNECEANU ALINA ELENA</td>
<td>The impact of Lidl Romania's social responsibility campaign &quot;donate to those that save!&quot;</td>
<td>16</td>
</tr>
<tr>
<td>3.</td>
<td>COSTENCU MIRELA</td>
<td>Finance opportunities within the national parks' management</td>
<td>26</td>
</tr>
<tr>
<td>4.</td>
<td>DEMYEN SUZANA CIUREA JEANINA</td>
<td>Workforce variation and absenteeism – imbalances with major impact on the company management</td>
<td>33</td>
</tr>
<tr>
<td>5.</td>
<td>DINU GABRIEL DINU LOREDANA</td>
<td>Studying the decision of consumer online choice in Resita</td>
<td>42</td>
</tr>
<tr>
<td>6.</td>
<td>DINU LOREDANA DINU GABRIEL</td>
<td>Tourist area &quot;Iron Gates&quot;</td>
<td>50</td>
</tr>
<tr>
<td>7.</td>
<td>DOBRE GRATIAN MIOȘ MARIUS CRISTIAN</td>
<td>A study regarding the tax value of the non-residential buildings</td>
<td>58</td>
</tr>
<tr>
<td>8.</td>
<td>GEORGEVICI GABRIELA-FELICIA</td>
<td>The machine building factory credit union and other institutions. Longitudinal analysis 1928-2014</td>
<td>65</td>
</tr>
<tr>
<td>9.</td>
<td>GHERGHINA LILIANA</td>
<td>Positioning strategies of competing firms on the market</td>
<td>73</td>
</tr>
<tr>
<td>10.</td>
<td>GHERGHINA LILIANA</td>
<td>Importance of the tourism permit and licence for the operation of the tourism agencies in Romania</td>
<td>79</td>
</tr>
<tr>
<td>11.</td>
<td>LALA (FADOR) ALINA GIANINA</td>
<td>Decision-making styles of Romanian consumers</td>
<td>86</td>
</tr>
<tr>
<td>12.</td>
<td>LESCONI-FRUMUȘANU NĂTĂLIȚA-MIHAELA MARIN ANDREEA – MIHAELA</td>
<td>Annual financial statements - fair representation of the economic entities' performance</td>
<td>95</td>
</tr>
<tr>
<td>13.</td>
<td>LOBONEA (OLTEAN) ANGELA – OLMPIA</td>
<td>Empathy – a capability of a successful leader</td>
<td>106</td>
</tr>
<tr>
<td>14.</td>
<td>MANCIU VENERA CRISTINA</td>
<td>Entrepreneurial particularities around religious holidays or events</td>
<td>115</td>
</tr>
<tr>
<td>15.</td>
<td>MANCIU VENERA CRISTINA</td>
<td>Ethical issues targeted by customers when buying a property</td>
<td>119</td>
</tr>
<tr>
<td>16.</td>
<td>MATICIUC MÂDÂLINA</td>
<td>Innovation - an useful tool for cluster development</td>
<td>123</td>
</tr>
<tr>
<td></td>
<td>AUTHOR/S</td>
<td>Title of the paper</td>
<td>Page</td>
</tr>
<tr>
<td>---</td>
<td>------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>17</td>
<td>MILOŞ MARIUS CRISTIAN</td>
<td>Capital structure determinants. Evidence from the Romanian listed companies</td>
<td>129</td>
</tr>
<tr>
<td>18</td>
<td>MINICĂ MIRELA</td>
<td>Proposal for a modular approach to discipline Microeconomics - fundamental landmark in designing learning strategies „respect”</td>
<td>135</td>
</tr>
<tr>
<td>19</td>
<td>MUNTEAN CLAUDIA TATIANA</td>
<td>Advantages and disadvantages of the SIIIR implementation in Romania</td>
<td>145</td>
</tr>
<tr>
<td>20</td>
<td>NAGY CSABA</td>
<td>Dream or reality? Romanian clusters between opportunities and limits</td>
<td>153</td>
</tr>
<tr>
<td>21</td>
<td>POPOVICI GHEORGHE</td>
<td>Study on the need for development e-businesses in Banat through new information technologies</td>
<td>164</td>
</tr>
<tr>
<td>22</td>
<td>RADA DOINA</td>
<td>Auditing expenditure carried out of sources of financing of the European Union</td>
<td>174</td>
</tr>
<tr>
<td>23</td>
<td>STOYCHEVA BOJANA</td>
<td>Administration of non-profit marketing in the third sector</td>
<td>181</td>
</tr>
<tr>
<td>24</td>
<td>TĂNASE ADRIAN TĂNASE DIANA</td>
<td>The attitude of Resita’s customers towards the role of advertising in the communication between the organisation and the client</td>
<td>190</td>
</tr>
<tr>
<td>25</td>
<td>TĂNASE DIANA TĂNASE ADRIAN</td>
<td>The impact of the brand on the decision of buying for the customers of Resita</td>
<td>197</td>
</tr>
</tbody>
</table>
ACCOUNTING METHODS USED FOR CONSTRUCTION CONTRACTS ACCORDING TO OMFP 1802/2014 AND IAS 11

Oana BOGDAN

1

ABSTRACT

The number of economic entities who use resources from global markets increases day by day and this process has generated changes in the financial reporting system and in the way the accountants make the recording of construction contracts. For this reason, there is the need of drawing up statements that reflect the performance of entities in different corners of the world into a global accounting language easily understood by stakeholders. Therefore, to facilitate the interpretation of information provided by financial statements of entities in the same way and in all markets and by all users of accounting information is necessary to reduce and finally eliminate, the differences between the accounting treatments used by those companies through the process of international accounting harmonization.

KEY WORDS: accounting, harmonization, construction sector

JEL: M41

1. INTRODUCTION

Accounting is seen today as the "language of business", in other words, a communication which aims to present a true and fair view of the financial position and performance of an organization to be useful for a wide range of users in making economic decisions.

In today's world of global business, there is a growing need for a "common language", translated by a single accounting referential, to be accepted and used in decision-making process.

In recent years, the International Accounting Standards Board (IASB) was the normalized institute who has issued a set of rules - IFRS, International Financial Reporting Standards, used worldwide.

This process of standardization of accountancy at a global level, represent a subsequence of the convergence of accounting between IFRS accounting standards and the american accounting standards (US GAAP) and also between IFRS standards and national accounting referentials. The objective is to eliminate the differences between various 'local' accounting systems to create a single accounting language, accessible to all actors involved in economic decisions like investors, managers, financial analysts, and especially accountants.

This process of standardization of accounting language at international level appears in our country too. Currently, consolidated financial statements of banks and listed Romanian companies are made in accordance with IFRS, while other public entities may apply IFRS norms only for their individual needs of information.

The purpose of accounting is to deliver information about the social and economic activities of an organizations. Accounting information must be subject to

1 PHD student, West University of Timisoara, Faculty of Economics and Business Administration, Romania
social control, namely under a set of rules or accounting norms, because the informations are useful to different categories of users, such as investors, customers, suppliers, the state, banks etc., and they represent the economic partners of that entity.

Due to the diversity of needs to be met by accounting information, it is needed to establish the essential elements to be recognized, accepted and applied widely. Such rules have been established to underpin the production of accounting information through the accounting normalization, setting norms and rules to be followed by businesses, both for development and also for the presentation of accounting information.

The accounting normalization must aim at harmonizing the presentation of the summary accounting documents, accounting methods and procedures and accounting terminology because the accounting information is used in making economic decisions.

The construction sector contributes significantly to the prosperity and competitiveness of the economy because an efficient and modern infrastructure is the key to productivity. Both people and companies active on the market are dependent on the performance of the infrastructure: rehabilitated and refurbished houses for the population, better roads and water systems and sewer rehabilitation, modern buildings and several commercial areas, hospitals built and equipped according to European standards, modern railways, which can be translated into local investments and lots of projects for builders.

This paper presents the methods of accounting for construction and assembly works, according to Romanian legislation, namely OMPF 1802/2014, and International Accounting Standard 11 in order to reflect similarities and differences between these systems in the context of accounting globalization.

2. ACCOUNTING METHODS USED FOR CONSTRUCTION CONTRACTS

2.1. Accounting methods used for construction contracts according to OMPF 1802/2014

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs should be recognized as revenue and expenses according to stage of completion of the contract at the balance sheet date.

The definition of expenses are included losses and those expenses that arise in the course of the ordinary activities of the enterprise. For example, expenses that arise during the ordinary activities of the enterprise include cost of sales, wages, depreciation. They are found usually in the form of outflows or decrease of the value of assets such as cash and cash equivalents, inventories, land and fixed assets.

Losses represent other items that meet the definition of expenses and may or may not occur during the course of ordinary activities of the enterprise. Losses represent decreases in economic benefits and, from this point of view, they are reported usually at their net value, excluding related revenues. The definition of losses also includes expenses and unrealized losses, such as those resulting from increases in debt that the company has made into foreign currency. Usually in profit and loss statement is carried distinct presentation of the losses because it is important to know their existence and value when we take an economic decision.
To estimate the costs of completion should be used systematic and consistent procedures. These procedures must be coupled with cost accounting system, and provide a comparison between actual and estimated costs. In addition, the estimate of total contract costs should identify the most important elements that make up costs.

Also, estimating the costs of completion must contain the same elements included in costs accrued expenses. In addition, the estimated expenditure should reflect any increase in the estimated price. These price increases should not constitute reserves estimated coverage for all contractual costs, but rather, specific provisions for each type of expense. The growth expectations for each item costs, such as salaries, materials and other indirect costs should be considered separately.

Estimates of the costs of completion should be reviewed periodically to reflect new information. Cost estimates should be examined from the point of view of price fluctuations and possible future problems such as labor strikes or significant delays.

**Recognition of contract costs**

Expenses are recognized in profit or loss when there has been a reduction in future economic benefits related to the reduction of an asset or of a liability growth, change that can be measured reliably. In fact, this means that recognition of expenses occurs simultaneously with the recognition of the growing debt or with a reduce of assets (for example, the wage employed or depreciation of fixed assets).

Expenses are recognized in the income statement based on the direct association between the costs involved and obtaining specific items of income. This process, known as linking spending to revenues, involves the simultaneous or combined recognition of revenues and expenses directly and simultaneously from the same transactions or other events.

For example, the various components of the costs that contribute to the cost of goods sold are recognized simultaneously with the income from the sale of goods. However, applying the concept of connection in accordance with current regulations do not allow the recognition in the balance sheet of the items that not meet the definition of assets or liabilities

Expenses are recognized in the profit or loss statement based on a systematic and rational allocation procedures when they are expected to obtain economic benefits over several accounting periods and when their association with income can be determined only vaguely or indirectly.

This approach is often necessary in recognizing the expenses related with the use of assets such as land and fixed assets, licenses and trademarks. In such cases, the expense is presented as depreciation. These allocation procedures are intended to recognize expenses in the accounting periods in which are consumed the economic benefits associated with these items.

An expense is recognized immediately in profit or loss when the cost does not generate future economic benefits or when, and to the extent that, future economic benefits do not meet or no longer meet the conditions for recognition in the balance sheet as an asset.

An expense is also recognized in the income statement in those cases where a debt appears with no recognition of an asset, such as when the debt was incurred due to the granting of guarantees for proper execution of projects.
Revenue recognition

In the definition of revenues are included both revenues from ordinary activities and also gains from any other source. Income from current activities can be found under various forms such as: incomes from sales, fees, interest, dividends, royalties and rent.

Gains represent other items that meet the definition of income and may or may not occur as a result of current activity of the company.

Revenue is recognized in profit or loss when there was an increase in future economic benefits associated increase in an asset or a liability reduction, change that can be measured reliably.

This means that revenue recognition is performed simultaneously with the recognition of increase of assets or debt reduction (ie net asset growth resulting from sales of products or services or decrease in debt as a result of the cancellation of debt).

The procedures normally adopted in practice for recognizing of income, for example, the requirement that revenue to be obtained, are applications of the recognition criteria in regulations. Such procedures generally lead at limitation of recognition as income only those items that can be measured reliably.

The OMPF 1802/2014 defines the items of income and expenses as follows:

Revenue represent recorded increases in economic benefits during the accounting period in the form of inflows or increases in assets or decreases in liabilities, which is reflected in increases in equity other than those resulting from shareholders' contributions.

Income and expenses can be found in the income statement in different ways so as to provide relevant information for decision making. For example, it is often used the distinction between those items of income and expense that result from ordinary activities of the enterprise from those that are not the result of these activities.

This distinction is made based on the presumption that the source of an element (of income or expense) is relevant in the evaluation of the company's ability to generate future cash and cash equivalents.

Also, the distinction between items of income and expense and combining them in different ways undertaking to submit its performances in various ways. These classifications have different degrees of coverage. For example, the income statement may include gross margin, profit from ordinary activities - pre-tax profit from ordinary activities - after tax and net profit.

According to Order no. 1802 of 29 December 2014 Part I for approval of accounting regulations on the individual and consolidated annual statements, published in Official Gazette no. 960 of December 30, 2014, revenue from rendering of services are recorded in the accounts when the works are made and the stage of completion of works shall be determined based on work statements that accompany bills, documents of acceptance or other documents evidencing the stage of completion of work and the reception of rendered services.

In the case of construction works, legislation requires that revenue recognition is based on the document of acceptance signed by the beneficiary certifying that the contractor has fulfilled its obligations under the contract and under the execution documentation. In the situation of not received works by the beneficiary until the ended
period, legal provisions prescribe highlighting their value at cost, in the account no.332 "Services in progress" and counterparty in the account no. 712 "Income cost of services in progress".

2.2. Accounting methods used for construction contracts according to IAS 11

To achieve the harmonization of accounting at international level, several intergovernmental organizations and the accounting profession joined their forces and contributed to achieve this goal, the process been marked by the work of two bodies: the European Union (EU) and Standards Committee International Accounting (International accounting Standards Board - IASB).

International Accounting Standard no. 11 governs and prescribes the accounting treatment of revenue and costs related to construction contracts.

Activity in the construction sector, most often falls in different accounting periods, which causes difficulties in allocation of revenues and contract costs to the accounting periods in which the construction and assembly works are made. IAS no.11 has the role to provide a set of guidelines by which can determine when revenues and contract costs can be recognized as revenue and expenses in the financial statements using the recognition criteria established in the Framework for the Preparation and Presentation of Financial Statements.

According to paragraph (3) of IAS 11 a construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function, purpose or end use.

The standard, differentiates construction contracts in:
- fixed price contract
- cost plus contract

A fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which sometimes include clauses price hike. On the other hand, a cost plus contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs, plus a percentage of these costs or a fixed fee.

Contract revenue should include according with the Article 11 of the IAS 11 the following:
- The initial amount of revenue agreed in the contract;
- Changes in contract work, claims and incentive payments provided that:
  - It is likely to result in revenue;
  - Can be measured reliably;

Measurement of contract revenue is realized at fair value of consideration received or received and is affected by a number of uncertainties that depend on the outcome of future events.

As uncertainties are dissipated or on the occurrence of new events, estimates should be revised so that the amount of contract revenue can change from one period to another, to increase or decrease it.
Thus, contract revenue may be subject to changes or claims or may be affected by an escalation clause or decreased as a result of penalties arising from delays or deviations.

Costs of construction contracts in accordance with Article 16 of IAS 11 should include:

- Direct costs for specific contract that include:
  - labor costs at the site, including on-site supervision;
  - costs of materials used in construction;
  - depreciation of plant and equipment used on the contract;
  - The cost of moving plant, equipment and materials to and from the contract site;
  - costs of hiring plant and equipment;
  - costs of design and technical assistance directly related to the contract;
  - The estimated costs of rectification and guarantee work, including the cost of insurance provided;
  - claims from third parties.

Costs attributable to contract activity in general and can be allocated to the contract, namely:

- insurance;
- costs of design and technical assistance that are not directly related to a specific contract
- construction overheads

Other such costs as are specifically chargeable to the customer under the terms of the contract.

IAS 11 specifies in Article 22 that when the outcome of a construction contract can be estimated reliably, costs and contract revenue associated with construction contracts must be recognized as revenue and expenses, depending on the stage of completion of the contract at the balance sheet date.

The accounting issues involved in achieving the objectives of investment operations are handled by IAS 11 Construction contracts.

The methods of accounting for construction contracts differ depending by the moment when it is recorded the result of the operation. A construction contract accounting method provides on its stage of completion (percentage of completion method), while the other (concluded work method) expects to end the execution of the contract for accounting the work performed.

Under the percentage of completion method, the contract revenue is matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. This method provides useful information on the extent of contract activity and performance during a period.

3. OMFP 1802/2014 OR IAS 11 IN ROMANIA?

In Romania, given the need to align with international practice to promote transparency and comparability of financial statements, and the fact that some of the companies whose shares are traded on a regulated market belong to multinational groups that apply International Standards of Financial Reporting for their financial
statements, respectively the need to ensure the correspondance between them and look after the Romanian state interest in seeking to protect themselves from potential outflow of foreign capital by exploiting mismatches accounting treatment between companies belonging to multinational groups. Since fiscal year 2012, companies whose securities are admitted to trading on a regulated market are required to apply International Financial Reporting Standards (IFRS) in presenting their financial statements.

Regarding the situation of IFRS application at a global level in the last survey made by Deloitte in 2012, the situation is as follows:

- for listed companies, from 173 jurisdictions:

  - IFRS is not permitted in 25 jurisdictions
  - IFRS is permitted in 26 jurisdictions
  - IFRS is claimed for some listed companies in 10 jurisdictions
  - IFRS is claimed for all listed companies in 92 jurisdictions

**Figure 1 - IFRS application at a global level / listed companies**
(Source: https://www.iasplus.com/en/resources/ifrs-topics/use-of-ifrs)

There are no stock markets in 20 jurisdictions.
For unlisted companies, the situation is as follows:
IFRS is not permitted in 32 jurisdictions

IFRS is permitted in 17 jurisdictions

IFRS is claimed for some listed companies in 35 jurisdictions

IFRS is claimed for all listed companies in 27 jurisdictions

Figure 2 - IFRS application at a global level / unlisted companies
(Source: https://www.iasplus.com/en/resources/ifrs-topics/use-of-ifrs)

No information are available for 32 jurisdictions.

4. CONCLUSIONS

The accounting harmonization at European level is achieved through convergence with the International Accounting Standards IAS / IFRS developed by the IASB, which are a powerful tool for achieving the goals assumed, namely the protection of financial resources of investors and improving the functioning of capital markets.

In this process are frequently used notions like harmonization, convergence and conformity. Accounting harmonization aims to limit variations between accounting systems by agreeing the accounting regulations in all EU countries via European directives.

Convergence aims to remove accounting differences between accounting systems based on convergence project between US GAAP (General Accepted Accounting Principles United States) and IFRS (International Financial Reporting Standards) accounting standards and compliance with some default regulations. At EU level, the harmonization process is made by applying IFRSs in all Member States for listed companies that prepare consolidated financial statements.

The evolution of the globalization of financial markets has increased the need for information from investors who claim the need for uniform accounting rules, shared internationally. Given these reasons, accounting harmonization process in Europe has made significant advances in recent years, finding practical application in important economic areas by means of adoption of international standards IAS / IFRS by Member States.
REFERENCES

Farcăpă N., Sisteme contabile comparate, Contabilităţile anglo-saxone, ediţia a II-a, editura Economică, Bucureşti, 1999

***OMFP 1802/2014, aparut in Monitorul Oficial al Romaniei, nr. 960 din 30 decembrie 2014
***Legea contabilităţii nr.82/1991;
***Colecţia Ghidurilor pentru înţelegerea şi aplicarea Standardelor Internaţionale de Contabilitate, Ed. CECCAR, Bucureşti, 2011;
***https://www.frc.org.uk/About-the-FRC/FRC-structure.aspx
THE IMPACT OF LIDL ROMANIA'S SOCIAL RESPONSIBILITY CAMPAIGN "DONATE TO THOSE THAT SAVE!"

Alina Elena BOSÂNCEANU

ABSTRACT

In Romania over the last 10 years the number of companies that have announced that they are doing business in a socially responsible way has risen sharply. Companies in Romania have started various campaigns that encourage ethical practices at the national level.

In the paper we will analyze the impact of the corporate social responsibility campaigns on consumers and their perception in Romania. A lack of policies and a general lack of legislative framework in Romania push us to analyze the corporations’ campaigns for the society. Therefore in Romania the activities of CSR are confined in general to social campaigns.

This paper is organized in three parts. In the first part we uncover the basic theoretical aspects of corporate social responsibility. In the second part we will examine the impact of a social responsibility campaign run by an international corporation in Romania. The last part of the work shall be reserved for conclusions.

In the work we will use the abbreviation CSR for corporate social responsibility.

KEY WORDS: social responsibility, sustainability, marketing

JEL: A13.

1. INTRODUCTION - THE BASIC INFORMATION ABOUT CSR

A. B Caroll stated in 1979 that: "corporate social responsibility involves running the business, so as to be profitable from an economic point of view, to obey the law, to be ethical and to contribute to society". In his view the socially responsible company has four dimensions:

- Economic responsibility;
- Legal responsibility for management, which means following the laws and provisions imposed by state institutions in order to exist in the market place;
- The ethical responsibility by which the company is taking measures in order to ensure compliance with moral standards imposed by the community in which it functions;
- The philanthropic responsibility that the company has to voluntarily support the community in which it operates.

In the Brundtland report (World Commission on Environment and Development, 1987), we can find sustainable development defined as "the ability of present generations to meet present needs without compromising the ability of future generations to meet their needs". This concept has strong consequences even in the year 2000, when there are discussions on this issue at the level of economic entities, in terms of micro-economics and not macro-economics as it was the case up until the beginning

---

1 Assistant PhD candidate Elena Alina Băsăncianu, Faculty of Economic Science, University “Eftimie Murgu” of Resita. PhD student of the Faculty of Economic Sciences, Business Administration Department, „Stefan cel Mare” University of Suceava a.bosanceanu@uem.ro.
of the 21st century.

The definition of the European Commission in "the green papers" (2001), according to which "companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis", is alongside the concept of "sustainable development". This approach provides three fundamental principles of social responsibility for a company:

- This is a voluntary action for companies;
- There is a three-dimensional approach: economic, social and environmental;
- Reporting shall be made to the stakeholders of the company.

Thus, corporate responsibility and sustainability (durability) have been brought together under the concept of corporate social responsibility, becoming over time a global movement. After the year 2000, countries of the European Union and the European Commission have an increasing interest in the social responsibility of a company, social responsibility practices have been evolving differently from one country to another, depending on the cultures, traditions and the specific social and economic needs.

In July 2001, the "green papers" have been published in order to ensure and promote a unitary framework for European social responsibility of companies and by which public authorities at all levels, namely: companies, social partners, interested persons, international organizations may express their opinion on how to build a partnership that introduce a new sub-frame which promote corporate social responsibility, taking into account the interests of all the parties involved. (European Commission Directorate-General, 2000).

Social Responsibility programs of companies are divided into several categories: voluntary community service, social marketing, philanthropic actions, socially responsible business practices, promoting a cause, marketing linked to a cause (Kotler and Lee, 2005).

2. THE IMPACT OF A SOCIAL RESPONSIBILITY CAMPAIGN RUN BY AN INTERNATIONAL CORPORATION IN ROMANIA.

The opinion of the consumer is very important when carrying out social responsibility campaigns, therefore, the aim of this research is to learn about the impact of Lidl Romania’s campaign "Donate to those that save!". Next will follow the synthesis of the impact of the social responsibility campaign "donate for those that save!" started by Lidl Romania. To gather the necessary information to conduct research we used a questionnaire.

The questionnaire was distributed online in Romania to the customers of LIDL Romania and has resulted in 209 respondents that have completed the entire questionnaire.

The first 3 questions were designed to find out the socio-demographic information about the person asked (age, income, gender)

Research objectives:
1. Do you know the store Lidl Romania?
2. Do you buy products from Lidl România?

Out of a total of 209 respondents, more than 99% know the Lidl retailer; only 2 people have claimed that they did not know this retailer, shown in Figure 1. Also, of the total number of 207 respondents that have submitted that they know the retailer, and 88%, meaning 183 persons specify that they are clients of Lidl Romania, a very large percentage, demonstrating that the discount retailer is very well known and appreciated.

A. Determining the level of understanding of the concept of social responsibility among the responders:

3. Do you know the concept Corporate Social Responsibility?
A majority percentage of 60% of respondents do not know this concept, with only 40% claiming the opposite. The concept of social responsibility appeared in the year 2000 in the marketplace in Romania, however, not enough of the general public know about it. In general we can say that at the present time the principle of CSR does not influence Lidl’s customers.

B. Identifying the opinion of individuals with regard to the meaning of corporate social responsibility.

4. From your point of view, which options best describes the concept of Corporate Social Responsibility (CSR)?

![Figure 4 - The importance of social responsibility](image)

(Source: author's own interpretation, depending on the subjects' answers)

Almost half of the respondents are of the opinion that the involvement in the community is the best statement that defines conception of CSR; only 18 per cent of respondents are of the opinion that CSR is a way of creating business relations, at the opposite pole, with few respondents, the concept is being associated with: philanthropy, ethical business, strategy for business or brand promotion.

C. Identifying the companies’ notoriety on the basis of social responsibility campaigns.

4. Do you know companies that have social responsibility campaigns?

![Figure 5 - The popularity of companies based on social responsibility campaigns](image)

(Source: author's own interpretation, depending on the subjects' answers)
In Figure 5, 21% of the respondents know companies that have social responsibility campaigns. 79% of the respondents do not know this information about their company, a fact that shows that LIDL customers are not influenced by concept of CSR when they choose a supermarket.

D. Identifying the awareness of the general slogan of LIDL Romania and the extent of the association between the slogan the Lidl Romania brand in the opinion of the consumer.

5. Do you recognize the slogan: "For a better future?"

![Figure 6 - The notoriety of the general slogan of LIDL Romania](source: author's own interpretation, depending on the subjects' answers)

The slogan is known among 126 people out of the 209 polled, approximately 60%. In spite of this fact, only 24% of them have recognized that it is Lidl’s slogan, while a large share of respondents stated that they did not remember to which company this slogan belonged to.

A part of the respondents have argued that the slogan might belong to: Coca-Cola, Petrom, OMV, Vodafone, and the Romanian Commercial Bank (BCR), Colgate Palmolive Romania, Dorna slogan or even a political party. We can observe these responses in figure 7.

6. Which company uses it?

![Figure 7 - Level of association between the slogan and Lidl Romania in the mind of the consumer.](source: author's own interpretation, depending on the subjects' answers)

E. Identifying the awareness about the CSR campaigns of Lidl Romania and the main sources of information about the campaigns.
7. Do you know that Lidl Romania has social responsibility campaigns?

![Figure 8 - Awareness of the CSR campaigns of Lidl Romania](Source: author's own interpretation, depending on the subjects' answers)

According to the research we have found out that 19% of respondents know that Lidl Romania has a social responsibility campaign, 40 individuals according to the figure 8. The main source of information is the in-store posters followed by online or flyers.

8. Where did you hear about these campaigns?

![Figure 9 - Main sources of information about the Lidl Romania campaigns](Source: author's own interpretation, depending on the subjects' answers)

F. Awareness about the “Donate to those that Save” campaign and the main source of information regarding the campaign.

9. Which of the following CSR campaigns that are supported by Lidl do you know about?

![Figure 10 - Awareness of the “Donate to those that Save!” campaign alongside other Lidl campaigns](Source: author's own interpretation, depending on the subjects' answers)
When questioned, approximately half of the answers were towards the opinion that they do not know any of the Lidl campaigns; the most well-known campaign is “Donate to those that Save!” having a 26% awareness rate compared to 16% rate for the “Green light for Driving Education” and even 14% for the “Smile of a Child” campaign.

10. Where did you find out about this campaign?

![Figure 11 - Sources of information regarding the “Donate to those that Save!” campaign](source: author's own interpretation, depending on the subjects' answers)

The main source of information about this campaign is the in-store posters, circa 52% of individuals have found out about it in this way, while 22% have found out by way of social media, 21% from flyers, 19% by other means, 17% from the store’s website and fewer than 10% from relatives, friends and newspaper announcements or brochures.

G. Identifying consumers’ opinion regarding the impact of the CSR campaign run by Lidl Romania and future CSR type of campaigns.

11. Have you donated to the “Donate to those that Save” campaign?

![Figure 12 - Identifying the number of persons that have donated to the campaign](source: author's own interpretation, depending on the subjects' answers)

From the total number of people, 65, that have heard about the campaign, approximately half, 31 people, have donated to it, the principal motive for donating being personal satisfaction or the nature of the cause that it supported. The second most reasons for donating were the improvement of the health system and helping facilitate change which constitute of 16% and 13% respectively according to figure 13. On the other hand, the persons that have not donated report to not know the motives for not
doing so, around 34%, 24% consider that their financial situation stopped them from donating and 18% of responders claim that they didn’t understand the campaign sufficiently, while 9% claim that they didn’t trust the campaign and 3% said that they did not have enough information about the campaign (figure 14)

12. What convinced you to donate to this campaign?*

![Diagram showing reasons for donating to the campaign](image)

**Figure 13 - Reasons for donating to the campaign**
(Source: author's own interpretation, depending on the subjects' answers)

13. What convinced you do not donate to this campaign?

![Diagram showing reasons for not donating to the campaign](image)

**Figure 14 – The reasons for not donating to the campaign**
(Source: author's own interpretation, depending on the subjects' answers)

13. Do you know other people that have donated to this campaign?*
Figure 15 - Identifying consumers that know others that have donated to the campaign or consumers that have recommended donating to others
(Source: author's own interpretation, depending on the subjects' answers)

Approximately 15% of respondents claim that they know others that have donated to this campaign, according to Figure 15, also 31% have recommended to others that they donate to support SMURD (emergency medical technicians EMT).

16. Have you encouraged others to donate to the campaign “Donate to those that Save!”?

Figure 16 - Identifying clients that have encouraged others to donate to the campaign
(Source: author's own interpretation, depending on the subjects' answers)

From the total respondents, 41% consider that these kinds of campaigns have an impact on the community and 52% claim that they don’t have enough information on this topic to comment.

On the other hand 7% consider that the campaign has no effect.

Regarding the frequency of these types of campaigns, 83% of respondents are of the opinion that these types of campaigns should be organized more frequently and only 2% claim the opposite, and 15% claim that they do not know.

3. CONCLUSIONS AND SUGGESTIONS

Lidl Romania is part of the international Schwarz Gruppe Gmb, this fact puts it at an advantage over the direct and indirect competition because of the abundance of
information that it can generate. Its rapid development and establishing itself in every county of the country adds great value to it, and this shows though its frequent social responsibility campaigns and involvement in the communities in which it is developing.

As a consequence of the analysis, of the various social responsibility campaigns run by Lidl Romania and the impact analysis of the “Donate to those that Save!” campaign, we conclude that the company has innovative CSR campaigns but it is lacking an active promotion of these campaigns. Taking into account that less than a quarter of the people interviewed know about Lidl’s CSR campaigns tells us that there isn’t an adequate amount of promotion in this branch of operations.

Taking into account that the respondents recognized Lidl Romania’s general slogan which it uses together with its CSR activities, but were not able to associate the Lidl brand with the slogan specifically, only a small part, shows us that there is not a very big emphasis on differentiation, and it is a common slogan that can lead the consumer to erroneously associate it with some other cause or brands.

Until the conclusion of this work the information from every store Lidl was not centralized to identify if the general objective of the campaign was reached, specifically the collection of funds for the ultra-modern ambulance, but the results of the research regarding the impact on the consumer indicate that the impact was limited because the consumer didn’t know about the results of the campaign.

Lidl needs to rely on the quality of its products that it’s offering, this also means quality in its CSR campaigns. A more active promotion via a broader spectrum of communication pathways would generate more success regarding the causes and Lidl’s brand awareness in the minds of the consumers.

In closing, we can say that there is a superficial impact on Lidl’s consumers and we can underline the fact that we can’t talk about an “Impact of Lidl Romania’s social responsibility campaign “Donate to those that Save” “. Lidl Romania’s clients need to be informed regarding CSR and the influence of this concept on them, the environment, employees and the community.

REFERENCES

Iamandi, I.E, Filip, R. (2008), „Etică și responsabilitate socială corporativă în afacerile internaționale”
Ionescu, Gh. Gh. (1997), „Cultura afacerilor Modelul american”, Editura Economica
Kotler, P., Lee, N. (2005) „Corporate social responsibility, Doing the Most Good for your company and your Cause”

FINANCE OPPORTUNITIES WITHIN THE NATIONAL PARKS' MANAGEMENT

Mirela COSTENCU

ABSTRACT
The society increasingly puts more value on the natural environment, on its protection and preservation, the context in which many national parks are created. The main objectives of a national park are ecosystem protection and recreation. The balance between nature conservation and tourism leads to a series of appropriate measures in administration, management and development of national parks, in particular limiting the number of tourists and severe tourist traffic guidance. The main problem of management is related to insufficient government funds and to identify other funding opportunities.

KEY WORDS: national park, touristic product, national park management, funding opportunities, income sources

JEL: M31, Q01

1. INTRODUCTION
"Man has sufficient objective grounds to preserve and to save the wildlife. Nature will not be eventually, saved, unless we put soul in this action. It will not be protected unless one has passion for it, not only just because it is beautiful and because we need beauty, whatever form it takes, but because it impresses us in relation to our culture. For even this is part of the human soul." - Jean Dorst -" Before the nature dies 

Today more than ever, in our society, nature is put to the test. Although theoretically there is a special interest to protect and preserve nature through the creation of protected areas - national parks and natural parks, scientific reservations - in fact, achieving this goal is hindered by the immediate economic interests and by the organization's shortcomings.

The original concept of national parks, claimed by the birth certificate of Yellowstone National Park (1872) was to conserve nature for the benefit and recreation of the public "maintenance of wildlife for the benefit and recreation of people." But although satisfaction of human needs was one of the arguments of establishment of national parks, they have significant scored in the tourist destinations relatively recent, nevertheless influencing the whole development in time of national parks that have become areas of high tourism flow. (Minciu R., 1995) National parks thus becoming, in recent decades, a veritable source of return. But the influx of visitors and implications of this phenomenon causes a serious problem: ensuring the balance between nature conservation and development of human activities, a problem that causes a series of appropriate measures in administration, management and development of national parks, in particular limiting the number of tourists and severe guidance of tourist
2. NATIONAL PARKS ADMINISTRATION

IUCN - International Union for Conservation of Nature - defined six categories of protected areas based on management objectives. The definition of these categories is provided by Guidelines for Applying Protected Area Management Categories (IUCN, 2008), the result of improving the system adopted in 1994, but started in 1962. National Park is regarded as a category of protected areas managed mainly for ecosystem protection and recreation.

Within IUCN system of categories, National Park - Category II - is defined as "terrestrial and maritimal natural area, designed to protect the ecological integrity of one or more ecosystems in the interest of current and future generations, to eliminate any exploitation or occupation incompatible with specialized objectives and to provide opportunities for visiting in order to relax to do scientific research, to educate in the spirit of that natural environment and of local communities' culture. "(IUCN, 2008)

2.1. National park tourism product

By defining the national park's administration it is outlined the specific in its administration by considering the following management objectives:
- Preservation of natural values;
- Restoring natural values (as a higher form of preservation);
- Scientific Research;
- Meeting the needs of the population. (Minciu, 1995)

Starting from this structuring of objectives, some authors believe that parks have:
- A scientific function of resource conservation;
- A touristic function, to meet people's needs of rest, recreation and knowledge. (Ionescu, Condurățeanu-Fesci, 1985)

The first problem to be solved to achieve the harmonization of the two basic functions of any national park, is setting bodies in the creation, development, management, use and conservation of these national parks, problem solved differently from one country to another, depending on legislation.

National Park, through the eyes of tourist function can be in the same time a component of many/different types of touristic services:
- destination of vacations in nature
- host of a seminar on environmental issues / protection of threatened species
- stopover for one-night
- the scene of initiation into the mysteries of nature.

Therefore, the national park has and can provide various tourism products that simultaneously or alternately use the same technical and material base and the same touristic attractions.

The components of a touristic product are distinguished as follows:
- basic elements - accommodation, catering, transport;
- auxiliaries - balneotherapy, leisure, sporting, educational activities, adventure.
In terms of the basics, with few exceptions (regional, national, traditional impact), do not wholly justify the need for travel or leave the residence by the tourist. The choice of a tourist destination is determined by:

- natural factors: geographical location, landscape, vegetation, fauna, climate
- general factors of human past and present existence and activity: the language, the mentality, hospitality, customs, folklore, culture (religion, art, science), politics, economy.
- human element: the attitude of local people towards tourists, providers, government and representatives of security and public safety
- General infrastructure: transport and communications, the structure and the image of settlements, supplying with water and energy, sanitation, telecommunications.
- Tourist equipment: tourist transportation, public accommodation, catering, sport and entertainment activities, information.

Reasons for choosing a tourism product is mainly subjective - it depends on the image that consumers have created on a product through: advertising, previous uses or previous descriptions of other uses. Possible motivations for tourism in national parks, as a particular form of ecotourism:

- return to nature - motivation applies to all categories of age, sex, profession, social status, especially in the current context of the detaching man from nature;
- knowledge, understanding and creativity - are motivations that can be successfully achieved in national parks ambience, transforming holidays in a genuine process of assimilation of new knowledge and to acquire habits that give personal satisfaction to tourists;
- aesthetic motivations - resulting in the need for beautiful, harmony, naturalness, urges most tourists to considered themselves privileged for the opportunity to visit the picturesque.
- curiosity - determines the broad categories of tourists to know all the specific qualities, sometimes unique of an area and to preserve memories from holidays spent in natural environment.

The tourism product "national park" is not a mass tourism product but bears the imprint of the original, novelty, surprise, and constitutes a rich source to satisfy the needs and thus the motivation.

The tourism product "national park" may be considered:

- a real anti-stress therapy
- a meeting with wildlife
- return to origins - segments of tourists from large urban areas, from highly industrialized countries, which by their multiplicity and density concerns, lead a stressful life and increasingly devoid of elements of reverie or opportunity to escape in the nature
- a true "laboratory" where we can see life and its outgoing.

2.2. Concept of organization and administration of national parks

The first problem to be solved to achieve harmonization of the two basic functions of any national park, is setting responsible bodies in the creation,
development, management, use and conservation of these national parks, problem
differently from one country to another, depending on legislation.

The experience and the obtained results of many states involved in national
parks issue demonstrates that the best solution is to establish that all responsibilities
should be guided by an unique administration which can coordinate the entire
functionality of the park, ensuring a balanced management, with a maximum overall
efficiency.

For example, in the US, it was created in 1916 the National Park Service, as a
body dependent on the Department of Internal Affairs. This body deals with
management of territories placed under protection and which are federal property
without the interference of the state or other federal bodies. (Oarcea Z., 1989)

In Canada, there is a service "Parks Canada Agency", operating under the
Ministry of Environment that manages parks issues regardless of their name - national,
provincial natural. (www.pc.cg.ca)

In order to have a functional administration of parks, there is also an internationally
uniformization that can be summarized as follows:

- Limiting access and facilities for visitors to a small percentage from park area,
respecting the determined reception capacities;
- Severe guard in the park and very rigorous organization of all activities related to
visitors;
- "Interpretation": meaning an extensive educational program, based on accurate
information and research, designed to foster understanding, appreciation and public
satisfaction towards the reality of the visited the park, thus ensuring the protection of
cultural and natural values. (Oarcea Z., 1989)

3. FINANCING IN NATIONAL PARKS MANAGEMENT

Any form of management depends on finance. Establishment of protected areas
has been and continues to be made with public money, but most of the agencies
responsible for management of protected areas do not have sufficient funds to meet the
demands related to tourism and related to conservation.

In general, staff involved in protected areas is underpaid, funds for investment
in protected areas are limited, and the use of land for alternative activities (or even
destructive such as poaching, cutting wood) is regarded by native locals and politicians
as more important from economic point of view. There is the possibility of accessing
funds through international assistance programs, NGOs activities and other donations,
but most of the time, current funding depend more on tourism revenues (and, in some
cases, by resource exploitation, which can threaten objectives linked by protecting
protected areas).

Faced with an unfavorable context (insufficient government support), managers
of protected areas must be creative in terms of obtaining funds and the most promising
source is tourism. But even if tourism is presented as a potential source of income, it
alone cannot generate sufficient funds for all aspects link with protection of nature and
cultural heritage. Moreover, the protected areas offer a range of other vital services for
society, which value should be recognized in a form of public funding.

The literature shows existing funding sources and the extent to which they vary
between developed countries and the developing ones. The following figure illustrates
that the funds received from the state are the predominant source of income for the agencies delegated with protected areas. (Fennel D. A., Lindberg K 1998)

Among the potential sources of revenue that the park administration has at its disposal we may identify: (Eagles P.F.J., 2001)

- Government financing programs
- Park entrance fees
- Fees for recreation, special events and special services
- Accommodation
- Equipment Rental
- Food sales (restaurants, shops)
- Sales of non-food goods (equipment, clothes, souvenirs)
- Donations, foreign aid
- Intellectual property licensing
- The sale or rental of image right
- Parching
- Public Investment
- Private sector initiatives

Practice shows that tourists are willing to pay taxes if they reflected in the quality of the tourism product, in the quality of lived experience while visiting the national park.

The literature shows that fees and prices in tourism are an important part of revenues for protected areas management system, regardless of the country in which they operate.
Table 1

<table>
<thead>
<tr>
<th>Type of charge</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry fee</td>
<td>Allows access for tourists in the park</td>
</tr>
<tr>
<td>Tax for recreation</td>
<td>Taxes for recreation programs and services</td>
</tr>
<tr>
<td>Fee for usage</td>
<td>Fee for use of facilities / buildings within the protected area (parking lots, campsites, visitors centers, use of boats, of shelters)</td>
</tr>
<tr>
<td>Fee for concession</td>
<td>Price or revenue share, paid by users to concession law, which provides various services to visitors</td>
</tr>
<tr>
<td>Revenue from sale of goods</td>
<td>Money obtained from the sale of various products, supplies and souvenirs</td>
</tr>
<tr>
<td>Revenue from the sale of food</td>
<td>Revenue from grocery stores and restaurants</td>
</tr>
<tr>
<td>Income from accommodation</td>
<td>Income from camping and other shelters provided by the park administration</td>
</tr>
<tr>
<td>Licenses</td>
<td>These are necessary for private companies that operate on the territory of the protected area (ie tour operators, guides and other users</td>
</tr>
<tr>
<td>Taxes</td>
<td>Taxes on hotel rooms, airports and vehicles</td>
</tr>
<tr>
<td>The rental fees and lease</td>
<td>Taxe din închirierea sau arendarea echipamentelor şi proprietăţilor parcului Taxes charges from the rental or lease of equipment and park’s property</td>
</tr>
<tr>
<td>Donations</td>
<td>Includes cash, material goods or labour</td>
</tr>
</tbody>
</table>

(Source: Eagles.F.J., 2001)

4. CONCLUSIONS

Tourism in protected areas generates revenue and expenditure. It is the tour organizer's duty from that area to maximize profits and minimize costs.

Protected areas are established to protect and preserve a certain environment, whether cultural or natural. Tourists visit these places to understand better the values and why these areas are set up and to enjoy a range of personal benefits.

Planning and development of tourism seeks to use the interest shown by tourists to enhance economic opportunities, for protecting natural and cultural item and to improve the living standards.

REFERENCES

Eagles P.F.J.,(2001) „Nature-based Tourism Management“, Department of Geography Publication Series, University of Waterloo, Ontario, Canada
Fennel D.A.,Lindberg K.(1998), „Economic Aspects of Ecotourism”, Bennington, Vermont, USA
Minciu R(1995), „Touristic territorial planning”, University of Bucharest
Oarcea Z (1989), „Canada's national parks”, magazine News in tourism nr.4-5 / 1989
Smaranda J.S., (2008) „Tourism management in protected areas”, Publisher Risoprint, Cluj-Napoca
WORKFORCE VARIATION AND ABSENTEEISM –
IMBALANCES WITH MAJOR IMPACT ON THE COMPANY
MANAGEMENT

Suzana DEMYEN,
Jeanina CIUREA

1

ABSTRACT

Human resources are considered one of the main assets of an enterprise, thus the legal
obligations of management are not the only ones to consider. Aspects like staff motivation and
investment protection should be always taken into consideration in order to ensure a proper
human resource management and also to obtain a high level of performance. If these tasks are
not accomplished, the company faces major imbalances, of which workforce variation and a
high level of absenteeism are considered as the main issues to be solved. The present paper
tries to highlight the main aspects regarding the managerial disturbances mentioned earlier
and also presents the result of a study which targeted both the level of employee absence and
the workforce imbalance in companies in the Western Region.

KEY WORDS: workforce variation, absenteeism, enterprise, human resource
management, strategy

JEL: M12,M54

1. INTRODUCTION

Legal obligations are not the only one that employers must consider regarding
the human resources in the organization. Beyond that, they have a great responsibility
to protect their investment, in which category we can rightly include employees, also.
However, although it is wanted and there are certain actions to align the overall
strategies to those promoted at an international level in management, for most of the
Romanian employers, to assimilate and treat human resources as an investment
represents a major challenge and a somehow a non-formal one, employees being treated
simultaneously as an expendable asset and one that is easily replaceable, as a
consequence of a mentality which generates a situation of decline (Laursen et al, 2001).
The lack of qualified staff, or, on the other hand, the quality of staff employed, have
become during the recent years a problem of high level for businesses nationwide,
situation to which have contributed a number of factors, both at microeconomic level
and at macroeconomic one. The dispensable character of the workforce, as well as the
low level of appreciation manifested towards employees because of the possibility of
easily replace, the aging of the population and the demographic setback, the adversity
of the working conditions and also the failure of companies to ensure a level of
remuneration similar to other European countries, thus a rising trend of the number of
migrants, have all led to a deterioration of the quality of work developed in organizations (Branașco, 2007).

Motivation in enterprises is predominantly negative, correlated with a similar perception of the overall situation at national level, which contributes to inducing a "micro-level depression", at organization level.

The main consequences of an improper strategy which is practiced within the organization are reflected either in a high volume of absenteeism or, on the other hand - in the departure of employees, generating a fluctuation of the workforce of high negative impact, especially on small and medium sized enterprises, no matter what their field of activity is. Immediate effects are identified primarily by a lower level of labor productivity or the profitability of the company, while generating new costs regarding recruiting, compensation, any direct or indirect negative effects, the time spent by managers to solve the problem, the temporary incapacity to cover the jobs duties, collateral costs of training or professional development for the new employees, reducing or even stopping the production or failure to comply with deadlines (Nicolescu et al, 2013).

Studies published worldwide demonstrate that more than a half of the cases regarding absenteeism are recorded in the services sectors, and also commerce, the absenteeism phenomenon caused by health problems being the one that manifests significant effects on the course of an organization.

2. SPECIFIC BUSINESS MALFUNCTIONS. THE RESEARCH METHODOLOGY

The problems or disturbances faced by an enterprise can be considered "interferences affecting the well-being of an organization, with origins in the behavior of employees" (Lefter et al, 2012: 276) materialized even in social indicators which are closely related to the organizational climate.

Thus, such failures identified in the companies are the following:
- the absenteeism of the staff
- fluctuation of the workforce
- the lack of job descriptions
- over-qualification of employees
- multitasking
- predominantly negative strategies of employee motivation
- low level of perceptiveness of employee to the motivation strategies
- work accidents
- labor disputes

Between November 2014 and February 2015 we conducted a research in the Western Region, which aimed at identifying the perception that employees have on the issue of the above listed failures. We considered as being representative for the present article the issue of workforce fluctuation and the problem regarding absenteeism of staff. The research was conducted on a representative sample of 600 employees, who develop their activities in all fields, not only at microenterprises, but in small and medium sized enterprises, also. In determining the sample, the calculations were based on the available data about the overall population and also on the estimations performed using the following formula, with a degree of error of $\pm 4\%$: 
The research was wide, being developed and covering all the four counties of the Western Region and the present article reflects only a small part of the conclusions drawn after the application of a questionnaire with 20 closed questions with simple choices of response. There were discussed all failures identified at the beginning of the chapter, but in this paper we summarize the discussion of the 2 mentioned before. Also, for the verification and validation of the calculations made, we used statistical indicators considered representative, both the indicators of central tendency and the variation indicators (Chilărescu et al, 2002).

The results obtained by conducting this study can be summarized as follows:

2.1. The absenteeism of staff

The problem concerning staff absenteeism is seen as a "disruption of the production process and work organization" (Lefter et al., 2012: 276), with negative consequences, while expressing the behavior of a provisional refusal of work. Literature exemplifies absenteeism as follows:

![Figure no 1 - The typology of absenteeism](source: Lefter et al., 2012)

The intensity of absenteeism can be assessed by calculating its share as a ratio between the number of hours of absence during the analyzed period and the number of theoretical work hours during that period, as follows:

\[
\frac{2\times p\times q}{e^2} = \frac{2\times p(1-p)}{e^2}
\]
The absenteeism ratio can be explained as follows: a share below 5% indicates a decreased level of absenteeism, so the effects will also be moderate or low, while the rate of absenteeism greater than 15% is considered high, the consequences arising therefore having a directly proportional intensity.

The causes and consequences of absenteeism can be detailed according to the following scheme:

- ** Contributing factors **
- the geographical region
- level of qualification
- the size of the enterprise
- days of the week

- ** Consequences / costs **
- Cost of disturbance: the absence of a person in the source for a lack of gain
- adjustment cost – associated to the strategy

**Figure 2** Factors and consequences of absenteeism
(Source: processing made by the author, after Lefter et al, 2012: 278)

We sought to determine the employee perceptions (Băileșteanu, 2010) concerning the level of staff absenteeism in the company, through a scale on which respondents could assign values between 1 and 5 regarding the intensity of this phenomenon identified in the enterprise where they work.

**Table 1**
Perception of employees regarding the level of the staff absenteeism in the company

<table>
<thead>
<tr>
<th>Values</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Nr.</td>
<td>%</td>
<td>Nr.</td>
<td>%</td>
<td>Nr.</td>
</tr>
<tr>
<td>TOTAL</td>
<td>600</td>
<td>204</td>
<td>143</td>
<td>127</td>
<td>83</td>
</tr>
</tbody>
</table>

Where: 1 - very low 3 - intermediate level 5 - very high level
(Source: processing made by the authors)

Staff absenteeism is indicated as a problem which all businesses face in a quite small degree, 57.83% of respondents noting this aspect with values of 1 and 2 on the intensity rating scale. It is however a problem that cannot be easily overlooked because 21% of employees indicated its existence at a large and very large extent, while a similar percentage awarded an average mark.
The distribution by the area of activity is presented as follows:

![Figure 3 Perception of employees concerning the absenteeism of the staff](image)

Where: 1 - very low 3 - intermediate level 5 - very high level

*(source: processing made by the authors)*

### Table 2

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Mo</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.36</td>
<td>1.62</td>
<td>1.27</td>
<td>53.81</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*(source: Processing made by the authors)*

The statistical verification (Ciurea, 2009) does not give us an optimal solution, indicating a low level of homogeneity by the ratio of 53.81% of the coefficient of variation; we therefore identify a high level of scattering. It thus requires a detailed analysis, which offers us the following conclusions:

- The problem of staff absenteeism is less present in microenterprises, where 45.81% assign a minimum grade for the intensity level, the highest level of this aspect being found in the case of medium-sized enterprises, where 17.73% of the respondents identify a level 4 intensity, but receives higher values in medium-sized enterprises, where the percentage of employees who assigned grades of 4 and 5 is far superior to other categories of enterprises.

### Table 3

<table>
<thead>
<tr>
<th>Value assigned</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Nr.</td>
<td>%</td>
<td>Nr.</td>
<td>%</td>
<td>Nr.</td>
</tr>
<tr>
<td>Microenterprises</td>
<td>203</td>
<td>93</td>
<td>45.81%</td>
<td>30</td>
<td>14.78%</td>
</tr>
<tr>
<td>Small enterprises</td>
<td>194</td>
<td>55</td>
<td>28.35%</td>
<td>68</td>
<td>35.05%</td>
</tr>
<tr>
<td>Medium sized enterprises</td>
<td>203</td>
<td>56</td>
<td>27.59%</td>
<td>45</td>
<td>22.17%</td>
</tr>
</tbody>
</table>

Where: 1 - very low 3 - intermediate level 5 - very high level

*(source: Processing made by the authors)*

The distribution by the area of activity is presented as follows:
Figure 4 Perception of employee concerning the absenteeism of staff - by field of activity

Where: 1 - very low 3 - intermediate level 5 - very high level
(source: Processing made by the authors)

We notice therefore that the problem of absenteeism is very low in construction, where the minimum grade assigned (1) acquires the highest share compared to other areas, being significant in the field of services, where we identify the highest share of grade 5, compared with the other fields.

2.2. Workforce variation

Many times, mostly due to the lack of a coherent strategy of human resources existence, the enterprises face a high level of human resources fluctuation. This may in turn be seen as a failure, with effects ranging from one enterprise to another, depending on the specific case, but in most cases presents serious consequences for the organization. The main causes identified for the workforce variation can be classified into two categories:

- Causes that can be controlled by the enterprise:
  - level of wages
  - the type of staff motivation practiced
  - the organizational culture
  - the working conditions

- Causes which can not be controlled by the enterprise:
  - address changes or individual relocations
  - Retirements
  - Accidents
  - Diseases
  - Pregnancies
  - other unknown reasons
The workforce variation not only analyzes the input and output of staff, but also the job rotation, the personnel stability, costs of recruitment, training processes. The assessment of the workforce variation is done so by considering the following indicators:
1. The percentage of overall rotation
2. The percentage of staff stability

<table>
<thead>
<tr>
<th>Value assigned</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency Nr.</td>
<td>%</td>
<td>Nr.</td>
<td>%</td>
<td>Nr.</td>
<td>%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>600</td>
<td>132</td>
<td>22,00%</td>
<td>130</td>
<td>21,67%</td>
</tr>
<tr>
<td></td>
<td>160</td>
<td>26,67%</td>
<td></td>
<td>115</td>
<td>19,17%</td>
</tr>
<tr>
<td></td>
<td>63</td>
<td>10,50%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Where: 1 - very low 3 - intermediate level 5 - very high level

(source: processing made by authors)

Regarding the workforce variation, it is considered by most respondents as a problem of low intensity, 43.67% of respondents assigning minimum grades.

![Graph showing percentage of assigned values]

**Figure 5** Perceptions of employees regarding the intensity of workforce variation
Where: 1 - very low 3 - intermediate level 5 - very high level
(source: processing made by authors)

### Table 4

<table>
<thead>
<tr>
<th>Value assigned</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency Nr.</td>
<td>%</td>
<td>Nr.</td>
<td>%</td>
<td>Nr.</td>
<td>%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>600</td>
<td>132</td>
<td>22,00%</td>
<td>130</td>
<td>21,67%</td>
</tr>
<tr>
<td></td>
<td>160</td>
<td>26,67%</td>
<td></td>
<td>115</td>
<td>19,17%</td>
</tr>
<tr>
<td></td>
<td>63</td>
<td>10,50%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Where: 1 - very low 3 - intermediate level 5 - very high level

(source: processing made by authors)

**Table 5** Statistical computation

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value assigned</th>
<th>Mo</th>
<th>σ</th>
<th>v</th>
<th>Valoarea</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,75</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,64</td>
<td>1,28</td>
<td>46,55</td>
<td></td>
</tr>
</tbody>
</table>

(source: Processing made by the authors)

Statistical verification, as seen in the previous example, does not offer an optimal solution, indicating a low level of homogeneity by the amount of 46.55% of the variation coefficient, we therefore notify a high scattering. It again requires a detailed analysis, thus we offer the following conclusions:

The problem of workforce variation is less present in microenterprises, where 55.17% assigned a minor level, the highest level of this aspect being identified in the case of medium-sized enterprises, where 15.27% indicate grades of 5. In all three cases, however, the personnel fluctuation is present, as evidenced by respondents who graded
a medium level (3): 32.51% for employees of microenterprises, from 21.13% for small enterprises, 26.11% in the medium sized enterprises.

<table>
<thead>
<tr>
<th>Value assigned</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Nr. %</td>
<td>Nr. %</td>
<td>Nr. %</td>
<td>Nr. %</td>
<td>Nr. %</td>
</tr>
<tr>
<td>Microenterprises</td>
<td>203</td>
<td>65 32.02%</td>
<td>47 23.15%</td>
<td>66 32.51%</td>
<td>20 9.85%</td>
</tr>
<tr>
<td>Small enterprises</td>
<td>194</td>
<td>29 14.95%</td>
<td>51 26.29%</td>
<td>41 21.13%</td>
<td>46 23.71%</td>
</tr>
<tr>
<td>Medium sized enterprises</td>
<td>203</td>
<td>38 18.72%</td>
<td>32 15.76%</td>
<td>53 26.11%</td>
<td>49 24.14%</td>
</tr>
</tbody>
</table>

Where: 1 - very low 3 - intermediate level 5 - very high level
(source: processing made by authors)

We identify a small fluctuation in agriculture, where 60% of employees assigned a minimum level, as well as in industry, where the grades 1 and 2 are given by 59.75% of respondents. Trade, however, as well as tourism, are fields where the phenomenon discussed is present and manifests negative effects on the current activity of the company.

Figure 6 Perceptions of employees on workforce variation - by field of activity
Where: 1 - very low 3 - intermediate level 5 - very high level
(source: processing made by authors)

3. CONCLUSIONS

The costs of the two phenomena, both absenteeism and workforce variation, can be also quantified as follows:
- wages paid to absent employees along the period in which the company is experiencing this problem;
- the company faces the issue of extra payment needed for replacing the absent staff;
- the labor productivity is lower and thus the production process is significantly slower;
- a number of penalties for late deliveries;
- in case of workforce variation we face a series of new costs of recruiting new employees, and also the process of their professional training or retraining, etc.
- Both phenomena affect greater or lesser the level of productivity of enterprises in particular, whether we speak about SMEs or large enterprises.

REFERENCES

Chilărescu C., Ciuriță O., Preda C., Sipoș C., Surulescu N., (2002) „Bazele statisticii”,
Timișoara: Editura Universității de Vest
Lala Popa Ion, Miculeac Melania,(2015), „Analiza economico-financiara”, Timișoara: Mirton
Lefter Viorel, Deaconu Alexandrina, Manolescu Aurel (coord.) (2012), „Managementul resurselor umane”, București: ProUniversitaria
Nicolescu Luminița, Popescu Irina, Nicolescu Ciprian, (2013) „Romanian SMEs during the Crisis: economic results and perceptions”, Revista Management, vol 8, nr. 1
***The White Book Of SMEs, CNIPMMR, 2013
STUDYING THE DECISION OF CONSUMER ONLINE CHOISE
IN RESIȚA

Gabriel DINU¹
Loredana DINU²

ABSTRACT
The online environment offers marketers many opportunities, especially due to the applications it can have: it is an excellent medium of promoting, an environment that facilitates obtaining direct answers, a distribution channel, a medium where can be easily built relations with customers, companies or collaborators, an environment able to provide continuous support to clients, an environment that can help to run a business etc.

KEY WORDS: behavior, consumer level, decision of choise, market, online.
JEL: M31

1. INTRODUCTION
The online environment offers marketers many opportunities, especially due to the applications it can have: it is an excellent medium of promoting, an environment that facilitates obtaining direct answers, a distribution channel, a medium where can be easily built relations with customers, companies or collaborators, an environment able to provide continuous support to clients, an environment that can help to run a business etc. (Radbâță, 2012)

The World Wide Web possesses unique characteristics that distinguish it in important ways from traditional commercial communications environments. Because the Web presents a fundamentally different environment for marketing activities than traditional media, conventional marketing activities are becoming transformed, as they are often difficult to implement in their present form. In this article, we discuss the idea that these changes portend an evolution in the "marketing concept" and argue that in order for marketing efforts to be successful in this new medium, a new business paradigm is required. In this new approach, the marketing function must be reconstructed to facilitate electronic commerce in the emerging electronic society underlying the Web. (Hoffman et al., 1997)

We have chosen the approach of a touchy subject among marketers, studying the unknown of the consumer behavior. The paper makes a foray into an undeniable subject, the consumer behavior. In the conception of marketing that the operators are trying to take more and more with a lot of professionalism, being preoccupied to adapt the offer to the needs and wishes of the consumers that are pretty obvious at this time, from the perimeter of subsistence and enters in the perimeter of psychology. (Dinu G., Dinu L., 2015)

¹ Lecturer, PhD, Faculty of Economic Sciences, “Eftimie Murgu” University of Resita, Romania, gabi_dinuus@yahoo.com
² Lecturer, PhD, Faculty of Economic Sciences, “Eftimie Murgu” University of Resita, Romania, l.dinu@uem.ro
2. METHOD AND RESULTS

This paper aims to study the decision of choice on the purchasing behavior and consumption of online consumers, resulted in achieving a study case with the population of Resita, whose main objectives are:

- identify the involvement of consumers who are living in Resita in the online market;
- identify the influence of certain factors at online market of people who are living in Resita;
- identify online consumers reported to the total number of study subjects: basis of age, sex and occupation.

After the type of information derived from the research, is a quantitative research, and after the venue, it is a field research.

In order to achieve an efficient study is needed for a first appointment with the establishment of the research stages and resources needed to achieve the optimal way to research and obtain the most important information needed in decision-making process.

The study was conducted in two parts, a qualitative study and the phase that ensures the representativity of the results and the formulation of conclusions, quantitative study. But as the information obtained from a non-representative sample cannot be extrapolated to the entire population, the results are not only assumptions that will be validated, we considered appropriate to present in this chapter only the quantitative research.

In our case, the investigated subjects are the population of the municipality of Resita, compressed into a representative sample.

The sampling method used is the method of quotas, a rational choice of individuals seeking to obtain the sample of a structure by sex, age groups and occupation, it is identical with the structure of the population in the municipality, using for this purpose the obtained data from the overview of the population of the municipality of Resita at 01.01.2015.

The investigated organization is made up of the population of Resita. To be able to meet the higher accuracy of research, I opted for collecting information through an interview based on a questionnaire with preset questions, given by the interviewer. The sample consists of 366 persons, taking into account the probability of results of 97% in the conditions of a margin of error of 3 percent.

As a form of investigation research was used: the individual investigate based on a structured questionnaire composed of nine questions, all closed. The questionnaire contains 7 questions of content and 3 questions of identification of the surveyed person.

Further, I realized interpretation of research results:

1. Regarding the use of Internet. On entire sample most subjects, 62.3%, of which 31.15% men and 31.15% women uses Internet services. Among the services mentioned in the questionnaire Internet, email is the most used (59.02%, of which 28.96% women and 30.06% men), followed by online games (30.05% of which 19.95% were men and 10.1% women), forums (27.87%, of which 13.93% men and 13.93% women), blog (10.93%, of which 6.01% men and 4.92% women), and others (10.93% from 4.92% men and 6.01% women). The subjects that do not use the Internet are in a proportion of 37.7%, of which 18.85% men and 18.85% women.
By the criterion of age, the highest concentration range of subjects using the Internet is under 20 years, 89.19% of them choosing the answer "Yes" to question 1. Follow ranges 20-29 years (81.36%), 30-39 years old (64.51%), 40-49 (50.87%), 50-59 (39.29%) and 60 years (37.93%), this being the age range of most subjects that do not use the Internet (62.07% answers "No").

By the criterion of employment, the highest share of subjects who use the Internet have pupils and students, in proportion of 88.89% of all pupils and students participating in the survey. Next are intellectuals (78.57%), civil (66.67%), workers (56.47%), other occupations (47.14%), pensioners and unemployed (38.46%) this being the category of occupations with most of the subjects that do not use the Internet (61.54% answers "No").

2. Regarding the use of social networking, on total sample, most subjects 59.02%, of which 30.87% men and 28.14% women, do not use social networks. Subjects who use social networks are in a percentage of 40.98%, of which 21.04% women and 19.95% men. Among the social networks mentioned in the questionnaire, Facebook is the most used (39.89%, of which 19.95% men and 19.95% women), followed by others (16.12%, of which 6.01% are men and 10.11% women), and Twitter (12.02%, of which 4.92% for men and 7.1% women).

By the criterion of age, the highest concentration range of subjects that do not use social networks is over 60 years, 93.1% of them choosing the answer "No" to question number 2. Next are the intervals 50-59 (73.21%), 40-49 years (68.42%), 30-39 years (58.06%), under 20 (35.14%) and 20-29 (32.2%), the latter being the age range of most subjects using social networks (64.86% of answers "Yes").

By the criterion of employment, the highest share of subjects that do not use social networks have retired in the proportion of 83.08% of all pensioners and unemployed people participating in the survey. Other occupations (74.29%), intellectuals (71.43%), workers (64.71%), civil (33.33%), pupils and students (33.33%) the latter being the categories of occupations with most subjects using social networks (66.67% answers "Yes").
3. Regarding the purchase/payment online, one most sample most of subjects 66.94%, of which 37.98% women and 28.96% men does not make payments or purchases online. The subjects that makes online payments or purchases are in proportion of 33.06%, of which 13.93% women and 19.13% men. Among the examples mentioned in the questionnaire payments and purchases, online shopping is the most common (25.96%, of which 13.93% men and 12.02% women), followed by paying bills (18.03%, of which 9.02% for men and 9.02% women), bank transfers (12.02%, of which 7.92% for men and 4.1% women), paid accounts (6.01%, of which 4.92% men and 1.09% women), and other (1.09% of which 1.09% women and 0% men).

By the criterion of age, the highest concentration range of subjects who do not achieved payments or purchases online are over 60 years, 79.31% of them choosing the answer "No" to question number 3. Followed by the intervals 50-59 (73.21%) under 20 years old (70.27%), 40-49 (68.42%), 30-39 years old (64.52%) and 20-29 (44.07%), the latter being the age range of most subjects who are doing payments or purchases online (55.93% answers "Yes").

By the criterion of employment, the highest share of subjects who do not buy or pay online are the retired, in proportion of 89.13% of all pensioners and unemployed people participating in the survey. Followed by other occupations (78.57%), workers (69.41%), pupils and students (55.56%), intellectuals (50% balanced) and officials (33.33%) the latter being the category of occupations with most of the subjects performing online payments or purchases (66.67% answers "Yes").
4. Regarding the preference of certain products or services just because friends are buying, on total sample, most of the subjects 51.91%, of which 22.96% women and 28.96% men are not influenced by friends in forming preferences. Subjects influenced by friends preferences are 48.09%, of which 28.96% women and 19.13% men.

By the age criterion, the subjects most reluctant at tastes and trends of friends are those aged over 60 years, 62.07% of them choosing the answer "No" to question number 4. Followed by the intervals 50-59 (60.71%), 30-39 years (53.23%), 20-29 years (50.85%), under 20 (45.95%) and 40-49 years (42.11%), the latter being the age range with the degree of trust in tastes and trends friends (57.89% answers "Yes").

By the criterion of employment, the most reluctant subjects at tastes and trends of friends are workers, in the proportion of 65.71% of the workers participating in the survey. Followed by pensioners and unemployed (61.54%), civil (54.54%), intellectuals (50% balance), pupils and students (48.48%) and occupations (31.43%), the latter being the occupational category with the degree of trust in tastes and trends of friends (68.57% answers "Yes").

5. Regarding purchasing online products because we enjoyed advertisement or because the product attracts us, on total sample, most of the subjects 50.82%, of which 25.96% women and 24.86% men, are buying online based on personal reasons not advertising. Subjects who choose to purchase online based on advertisements are in a rate of 48.91% of which 22.96% men and 25.96% women.

By the criterion of age, the highest concentration range of subjects who purchase online based on personal tendencies is 30-39 years old, 64.52% of them choosing the answer "b) product" to question number 5. Followed by the intervals under 20 years (54.05%), 20-29 (50.85%), 40-49 (45.61%) over 60 years (42.65%), and 50-59 (41.07%), the latter being the age range with a high degree of trust in advertising (58.93% answers "a) Advertisement").

By the criterion of employment, the highest range of online purchases based on personal tendencies are the civil servants in proportion of 78.79%. Followed by intellectuals (78.57%), pupils and students (48.48%), other occupations (47.14%), pensioners and the unemployed (44.62%) and workers (43.53%), the latter being the category with the highest degree of trust in online advertising (56.47% answers "a)Advertisement").
6. Regarding the identify of a product online in terms of its characterization, on total sample, most of the subjects 56.01%, of which 25.96% women and 30.05% men, do not identify with products online. The subjects that are identified with online products are in a percentage of 43.99%, of which 25.96% women and 18.03% men.

By the criterion of age, the highest concentration range of subjects which do not identify with products online is 30-39 years old, 76.81% of them choosing the answer "No" to question 6. Followed by the intervals 20-29 (55.93%) under 20 years old (54.05%), more than 60 years (50%), 40-49 (49.13%) and 50-59 (46.43%) the latter being the only age range in which most of the subjects identify with online products (53.57% answers "Yes").

By the criterion of employment, the highest share of subjects that do not identify with the online products have intellectuals in proportion of 78.57% of the total surveyed. Followed by workers (64.71%), pupils and students (55.56%), civil (54.55%), pensioners and the unemployed (50.77%) and occupations (47.14%) the latter being the category with the highest degree of identification with online products (52.86% answers "Yes").

7. Regarding the tendance of being influenced by the opinions of others, while purchasing a product, on entire sample most subjects, 57.92%, of which 22.95% men and 34.97% women, are influenced by the opinions of others while purchasing. The subjects that are not influenced by the opinions of others to purchase products are in a rate of 42.08% which 25.14% men and 16.94% women.

By the criterion of age, with the highest concentration range of subjects which are influenced by the opinions of others to purchase the products is 50-59, 66.07% of them choosing the answer "Yes" to question 7. Followed by the ranges 30-39
(64.52%), under 20 (59.46%), 20-29 years (55.93%), 40-49 years (50.87%) and 60 years (48.28%), the latter being the age range with most of the subjects which are not influenced by the opinions of others to purchase products (51.72% answers "No").

By the criterion of employment, the highest share of subjects which are influenced by the opinions of others to purchase the products have the officials at the rate of 78.79%. Followed by occupations (62.86%), pupils and students (62.63%), pensioners unemployed (55.38%), intellectuals (50%) and workers (43.53%) the latter being the category of occupations with most of the subjects which are not influenced by the opinions of others to purchase products (56.47% answers "No").

3. CONCLUSIONS

The individual consumer behavior differs from civil society organizations. Whatever form of organization, agents and economic organizations, professional organization of union type, fronts, leagues, associations, foundations or creative, religious, charitable organizations, apolitical media are apolitical as long as it not involves in the problems of policy power, although they can do policy, every time it defends socio-professional interests or any other of the groups they represent. The consumer behavior, strictly individual tends to be modified by the membership in these groups, being known the effect of polarization of the individual interests within the group, otherwise it would not be able to adapt, threatening to leave the site.

As concern my study case, as expected, the quantitative study validated in a large measure the hypothesis launched at the same time with doing the qualitative research. On total sample, most respondents use internet services. Among Internet services, the most commonly used is mail, followed by online games, forums and blogs. Something that is worth to be mentioned is the fact that the people who are living in Resita are using a lot social networks. Most used are Facebook and Twitter. Another important conclusion, is the fact that people who are living in Resita do not realize payments or purchases online. They are not influenced by friends in forming preferences. They purchase online based on personal reasons not advertising. On total sample, subjects do not identify with the online products. They are influenced by the opinions of others to purchase.
REFERENCES

TOURIST AREA "IRON GATES"

Loredana DINU
Gabriel DINU

ABSTRACT
This paper wants to highlight the trends of tourist demanding from the touristic area Iron Gates. We will see that the future of tourism include new forms such as those caused by the increased interest in areas with agritourism attractions or areas and portions of parks and nature reserves, which will raise the attractiveness of Danube, putting in a new pole of attraction area. Thus, we conducted a research based on survey among visitors on the tourist area "Iron Gates". The main endpoint based on survey was highlighting the motivation that determined the choice of the tourist area "Iron Gates", but also knowledge of consumer satisfaction for the tourists to the visited area (tourist product studied). The main objectives were, of course, linked with socio-economic and demographic characteristics of tourists to form a clearer picture of the motivational factors involved.

KEY WORDS: tourism; tourists; consumer; trends
JEL: M31, M37

1. INTRODUCTION

The tourist area "Iron Gates" is located in south western Romania along the Danube valley, extending the areas belonging to most of the Western Carpathians (Banat Mountains) and west end Carpathians (Cerna Mountains, Mehedinti Mountains, Țarcu Mountains). However this is a highly complex cross-border territorial unit, where Danube is the generator of the impact on the landscape. (Cucu, 1980)

In terms of tourism, this area contains the elements of territorial delimitation upstream points Baziaș (Km 1049) on the left bank, respectively, Veliko Gradiste on the right bank for Yugoslavia and downstream Simian (Km 927) on the left and on the right bank, Kladovo. The tourist Area "Iron Gates" variable spreads on both banks of the Danube River within the territories of both countries depending on a number of tourist attraction factors. (Dumbrăveanu, 2004)

If from past to the present the center of gravity of tourist traffic was either Herculane either Drobeta Turnu Severin, it seems that the future of tourism include new forms such as those caused by the increased interest in areas with agritourism attractions or areas and portions of parks and nature reserves, which will raise the attractiveness of Danube, putting in a new pole of attraction area. Less conventional accommodation structures appeared in Danube area especially between Orșova and Svinia demonstrates, in full, the increased interest in a new form of tourism in the area.

Thus, we conducted a research based on survey among visitors on the tourist area "Iron Gates".

1 Lecturer, PhD, Faculty of Economic Sciences, “Eftimie Murgu” University of Resita, Romania, l.dinu@uem.ro
2 Lecturer, PhD, Faculty of Economic Sciences, “Eftimie Murgu” University of Resita, Romania, g.dinu@uem.ro
2. METHODS AND RESULTS

The research, scientifically, it requires a serious accumulation of information derived from sustained research activity.

Obviously, the surveys conducted at the place of consumption of the product, the information was collected through direct contact with tourists (face to face), based on a questionnaire. The questionnaire was divided into four sections relating to the following issues:
- motivation of tourism product consumption;
- attitude and satisfaction of tourists to the tourism product investigated;
- future behavior (programmed) of tourists;
- socio-economic and demographic tourists characteristics.

The study, based on a survey among tourists visitors to the tourist area "Iron Gates", included a total of 656 subjects selected, as previously mentioned, the actual consumers of the tourism product analyzed.

Determining the sample size

It is different, according to the survey rate:
\[
R = \frac{N * 100}{n}
\]

So:

- Sampling rate <14.3 (1/7 of the native population) is the situation of a non-exhaustive sample;
- Sampling rate > 14.3 is the situation of a comprehensive survey.

In the situation of this study, we are fixing on the determination of a non-exhaustive survey, where the minimum sample size is given by:

\[
n = \frac{t^2 \cdot p \cdot q}{e^2}
\]

Where:
- \( n \) = the necessary size of sample
- \( t \) = coefficient whose value depends on the used confidence level
- \( p \) = apparition frequency of the studied phenomena
- \( q \) = complement of \( p \), when it does not possess the attribute \( p \)
- \( e \) = maximum admitted error

Next we will determine the non-exhaustive sample size required to quantitative research:

\[
n = \frac{4.20^2 \cdot 0.5 \cdot 0.5}{0.04^2} = 656 \text{ persoane}
\]

The sample survey was structured on the basis of two criteria considered as follows:
- by gender: from the total of 656 tourists were interviewed 320 men and 336 women;
- The criterion of age: the sample structure is as follows:
  - under 20 years: 137 de persons
  - 20 – 29 years: 97 de persons
  - 30 – 39 years: 100 de persons
  - 40 – 49 years: 92 de persons
  - 50 – 59 years: 97 de persons
  - 60 years and over 60 years: 133 de persons

I. GENDER CRITERION
N = 656 persons:
- Male: $656 \cdot 48.75 = 320$;
- Female: $656 \cdot 51.25 = 336$.

II. AGE CRITERION
- under 20 years: $656 \cdot 20.89 = 137$, of which M: 70; F: 67;
- 20 - 29 years : $656 \cdot 14.84 = 97$, of which M: 50; F: 47;
- 30 - 39 years : $656 \cdot 15.19 = 100$, of which M: 51; F: 49;
- 40 - 49 years: $656 \cdot 13.95 = 92$, of which M: 46; F: 46;
- 50 - 59 years: $656 \cdot 14.73 = 97$, of which M: 47; F: 50;
- Over 60 years: $656 \cdot 20.40 = 133$, of which M: 56; F: 77.

The questionnaire was designed and implemented by the authors in order to achieve the presented research.

As general considerations on fieldwork (questionnaires application) can be said that the interest of those questioned regarding research was quite high, responsiveness towards the questionnaire subjects being one increased.

Information, as were gathered through field research was centralized and interpretation of data obtained will be presented in further study. Interpretation of results will be presented highlighting the most important issues and trends for the purpose intended by percentage representation of the results.

**Interpretation of results based on survey research results**
The analysis was done for each question contained in the questionnaire, emphasizing in each case, the trend in the behavior of tourists.

It was found that more than three quarters of the subjects (71.49%) prefer unorganized forms of tourism, practicing tourism on their own, while opting for forms of organized tourism only 17.07% of subjects. The preference of the majority of tourists for tourism on its own can be explained to some extent by higher costs which involved resorting to specialized companies in offering tourism services, but also greater freedom enjoyed for tourism on its own.
Regarding why tourists come to this area as 28.20% chose to come here for treatment and spa treatment, and 21.04% of the subjects chose the area for adventure and extreme sports (mountaineering, cycling) known the fact that the area offers enough possibilities in this regard. Very little of tourists (2.9%) said they chose the area for cruises on the Danube, thus demonstrating once again that this type of tourism is very little practiced in the area because of the crisis, excessive bureaucracy and high port charges, according to representatives of local companies that organize tourist packages in cruising, but mostly because of poor promotion of the area and of this form of tourism.

Regarding the length of stay, nearly half of those interviewed (45.12%) opted for a stay longer than 3 nights, 32.32% for one day without overnight, and 22.56% of the subjects for 1-3 nights accommodation. Interest for stay over 3 nights manifested in the elderly, 92.78% of people aged between 50-59 years. In contrast, with a rate of 4.12% are people under 30 years, with a percentage of 90.72% prefer to stay in the area one day.

From the analysis, resulted that the length of stay varies from one to another type of tourism, greater in the curative tourism and decrease on recreation or cultural tourism. On a global scale, the number of practitioners appreciated, many tourists want a short stay.
Approved accommodations - hotels, motels is most popular, with a percentage of 27.90%, followed by private renting of 21.80% and 20.12% pensions. Only 3.96% of the interviewed subjects prefer camping.

We can say that if the size of the accommodation is a quantitative factor that selects tourism demand, comfort operates at the quality level of this. 34.45% of those surveyed considered the main attraction are thermal waters, knowing that mineral and thermal waters were the natural healing factors and have won over time by the wealth of mineral springs and the variety of chemical composition. Caves and karst phenomena encountered is the main attraction of the area for 20.43% of the tourists and the Daco-Roman vestiges are the main attraction of the area for just 2.44% of those surveyed.

More than three quarters of travelers surveyed (87.5%) are very satisfied with the area's natural resources, this degree of satisfaction meeting in just 12.35% of tourists. These results reinforce the idea that the area has an exceptional tourism potential, fully confirmed by the „consumers” tourists of the area's tourism product "Iron Gates”.

Instead, regarding existing tourist facilities and equipment, the majority of tourists is quite dissatisfied (52.90%) or fairly satisfied (37.04%), a very small number of those questioned declared themselves very satisfied with the facilities and equipment in the area (10.06%). From the presented data we can draw another important
conclusion for research namely that the absence of a minimum in terms of tourist facilities and equipment area for tourism are leading to an almost total lack of valuing the existing tourism potential.

To the question about change, the opinions of those interviewed bowed again to bad road stood 32.16%, ways to promote tourism offer 26.22%, followed by leisure services 21.19%.

In conclusion we can say that enjoyable, pleasurable leisure for the free time to this destination should fall also among the central concerns of bidders holidays. Development of activities / services to answer these requirements is determined on the one hand, by the sense of evolution in content vacations that today can not be limited to offer tourists just conditions of residence and catering and, on the other hand by reconsidering the value of free time.

Most of the tourists surveyed (47.87%) blamed the lack of information about the area's tourism potential as the main difficulty encountered by tourists who want to visit the area, followed by the poor state of roads and access 28.20% and the remaining 23.93% seeing in the lack of existing tourist facilities and equipment the main problem in this regard.

We see this time that the tasks of promotion are enhanced because the decision of buying tourist products involves a substantial amount of information, informing
customers about product and the company that provide being one of its paramount objectives.

Regarding the future behavior of interviewed tourists through the tourism product we can notice a favorable trend in their attitude.

Thus, 69.06% of the interviewed subjects said they will surely return in the future in this area, 25.15% that it is possible to return to the area, and the number of those who said they did not know whether they will return is extremely low: only 5.79%. It may be noted here a favorable attitude towards the analyzed area, which shows a high degree of satisfaction with studying the potential of the tourism product.

Regarding the income level, is notable the preponderance of people with low income (below 1000 Ron) among "consumers" of tourism area "Iron Gates" - 55.03% of those surveyed, the number of people with high incomes (over 3000 RON) is the lowest (only 1.68%). So it can be said that tourists with low incomes constitute the main market segment of the analyzed tourism product. It is a phenomenon that can be easily explained by the fact that people with above average income prefers more distant destinations (even abroad) with a wide variety of services offered and thus more expensive.

3. CONCLUSIONS

Following this study we found that:
- from the total number of tourists who attend the area, most of them prefer forms of unorganized tourism or tourism on their own;
- distribution by gender is dominated by a higher share of women than men, the general trend recorded in general, in case of some forms of tourism (spa cure respectively);
- In terms of age, preliminary information indicates that the area is preferred by consumers represented by the young population, the largest share is held by consumers under 40 years.

The event demand and its orientation towards a destination or another are and had been influenced by natural or human attraction elements that lead tourists to travel for leisure purposes.
REFERENCES

Balaure Virgil, Cătoiu Iacob, (2005) „Marketing turistic”, București: Editura Uranus
Datculescu Petre, (2006), „Cercetări de marketing”, București:Editura Brandbuilders Grup
Dumbrăveanu Daniela, (2004), „Zona turistică Porțile de Fier”, București:Editura Universitară
Niculescu George, (2005) „Promovarea strategiilor de dezvoltare în turism”, Târgu Jiu
Plăiaș Ioan, (2008), „Cercetări de marketing”, Cluj Napoca: Editura Risoprint
A STUDY REGARDING THE TAX VALUE OF THE NON-RESIDENTIAL BUILDINGS

Grațian DOBRE¹
Marius Cristian MILOȘ²

ABSTRACT
The paper outlines the importance of the valuation reports realized by an ANEVAR specialist, in the context of the current changes of the fiscal code. Especially in the less developed cities, where real estate market experiences a decline, the tax is higher due to the elimination of the correction associated with the economic recession. Practically, a commercial building in the centre of a developed city has almost the same taxable value as a similar building located in a less-developed city. We prove that the tax paid for the non-residential building can be reduced if individuals and legal entities that own a non-residential building will agree to purchase a valuation report. In order to do this, we develop a comparative case study that takes into consideration non-residential buildings from Resita and Timisoara.

KEY WORDS: evaluation, non-residential building, taxation
JEL: H29

1. INTRODUCTION

Property valuation and taxation as a field of study has grown in importance over the recent years among the researchers (Youngman, 1994, Tretton, 2007, Almy, 2014). According to some authors (Cabral and Hoxby, 2012; Norregaard, 2013), the tax on immovable property can be characterised as the most unpopular among tax instruments, taking into consideration that it is transparent, salient and hard to avoid. However, it is widely recognized among economists as efficient and equitable mean of raising revenue and as not being sufficiently used, especially in developing countries (Bahl et al., 2008; Sennoga et al., 2008; Bahl et al., 2010, Norregaard, 2013).

We can also depict in the latter years a higher interest of the citizens in what concerns their fiscal duties, of their awareness regarding the implications of the changes in the fiscal policies. The interest should be growing especially in the developing countries (including Romania), with lower income per capita.

The paper outlines the importance of the valuation reports realized by an ANEVAR specialist, in the context of the current changes of the fiscal code. In order to do this, we develop a comparative case study that takes into consideration non-residential buildings from Resita and Timisoara.

¹ Consultant, Dobre Asset Management, Romania
² Assoc. Prof. Phd., University “Eftimie Murgu” of Resita, Faculty of Economic Sciences, Romania, m.milos@uem.ro
2. TAX BASE MEASUREMENT OF THE NON-RESIDENTIAL BUILDINGS

The Fiscal Code is considering that non-residential buildings will be taxed according to their purpose and not solely according to whether the owner is an individual or legal entity. The tax rate (including for individuals) will range between 0.25 % -1.5 %. The tax rate will be applied on the taxable value reported in a valuation report (realized by an ANEVAR specialist). The valuation reports will be made according to the valuation standards from the date of valuation (GEV 500 - Taxable value). Tax rate will be established through Local Council decision.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Taxable value and taxes paid according to the Fiscal Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable value according to art. 463, Fiscal Code, for non-residential buildings (without valuation) (lei/sqm Ad)</td>
<td>Cities of national importance*</td>
</tr>
<tr>
<td>Maximum**</td>
<td>2,332,8</td>
</tr>
<tr>
<td>Minimum**</td>
<td>2,065,5</td>
</tr>
</tbody>
</table>

| Tax that must be paid by individuals for non-residential buildings (without valuation) (lei.sqmAd) | Cities of national importance* | Cities of county importance | Towns |
| Maximum** | 46,7 | 44,7 | 42,8 |
| Minimum** | 41,3 | 39,4 | 37,4 |

Note: * - Timișoara, Cluj, Iași,Constana, Craiova, Brașov, Galați, Ploiești, Oradea, Brăila, Pitești, Bacău, Târgu Mureș  
** in function of the location of the non-residential building

Considering the above table (Table 1), we have realized a simulation, considering the maximum value of the non-residential properties, for which it can be realized an economy by purchasing a valuation report. The computation was made by incrementing with 0.25 % the tax rate (Table 2).
Table 2

The maximum value resulted through valuation for which it can be registered a decrease of the costs (Euro/sqm Ad)

<table>
<thead>
<tr>
<th>Tax rate</th>
<th>Cities of national importance*</th>
<th>Cities of county importance</th>
<th>Towns</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.25 %</td>
<td>4.193,8</td>
<td>4.019,1</td>
<td>3.844,3</td>
</tr>
<tr>
<td>0.50 %</td>
<td>2.096,9</td>
<td>2.009,5</td>
<td>1.922,2</td>
</tr>
<tr>
<td>0.75 %</td>
<td>1.397,9</td>
<td>1.339,7</td>
<td>1.281,4</td>
</tr>
<tr>
<td>1.00 %</td>
<td>1.084,4</td>
<td>1.004,8</td>
<td>961,1</td>
</tr>
<tr>
<td>1.25 %</td>
<td>0.838,8</td>
<td>803,8</td>
<td>768,9</td>
</tr>
<tr>
<td>1.50 %</td>
<td>0.699,0</td>
<td>669,8</td>
<td>640,7</td>
</tr>
</tbody>
</table>

Note: * - Timişoara, Cluj, Iaşi, Constanţa, Craiova, Braşov, Galaţi, Ploieşti, Oradea, Brăila, Piteşti, Bacău, Târgu Mureş

If before the entrance of the current Fiscal Code, legal entities were registering their buildings at their fair value in the accounting, now, the taxable value of non-residential buildings will represent a different type of value, distinct from the fair value, which will not be introduced into the financial statements.

The taxable value will be determined, according to GEV 500, by the net replacement cost method. The result of the valuation will be selected in this way:

a) if the value resulted from the cost approach is the smallest, then it will be selected this method;

b) if the value resulted through cost approach is not the smallest, and if the difference between this value and the smallest value is of 10 % maximum then it will be selected the smallest value between the two;

c) if the difference is larger than 10 %, then it will be selected the result of the cost approach, which can be diminished by maximum 10%.

2. IMPLICATIONS OF THE FISCAL CODE ON THE TAX PAID FOR NON-RESIDENTIAL BUILDINGS BY INDIVIDUALS AND LEGAL ENTITIES

The tax paid for non-residential buildings by legal entities in the cities of national and county importance will be reduced, having in consideration that the fair value (market value) of these buildings is, in the majority of the cases, larger than the net replacement cost.

In the less developed cities, where real estate market is in decline, the tax will rise due to the elimination of the correction associated with the economic recession.

The tax paid for non-residential buildings by individuals will increase comparing with the previous years.

The majority of the landlords of non-residential buildings can benefit from the valuation reports realized by ANEVAR specialists in order to get tax reductions.

The tax paid on non-residential buildings will be roughened at national level having in consideration the fact that it will be applied the net replacement cost method, without considering the economic devaluation of the building. This valuation method
takes only in consideration the cost of construction of a new, similar building, considering only the physical and functional devaluation observed by the valuator. Consequently, a commercial building located in the centre of a developed city (such as Timisoara) will have the same taxable value as one located in the centre of a less-developed city (such as Resita).

3. CASE-STUDY

We have conducted a case study with the purpose of establishing the tax value for a commercial building, located on the ground floor of a block of flats in the central area of Resita and Timisoara.

**Taxable value of a commercial building in Resita**

The following hypotheses were taken into consideration:

- Property scope: commercial
- Size of the property: 100 sqm. Ad -100 sqm. Au -80 sqm
- Location: central area of the city, ground floor of a block of flats
- Year of construction: 1980
- Market rent: 8 Euro/sqm
- Capitalization rate: 11 %
- The property does not present any functional devaluation
- Tax rate established by the Local Council: 1 %

It has resulted a fair value (market value) of 44.509 Euro or 198.065 lei.

<table>
<thead>
<tr>
<th>Table 3</th>
<th>Direct capitalization method for the commercial building in Resita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>Euro/sqm</td>
</tr>
<tr>
<td>Rentable area</td>
<td>Sqm</td>
</tr>
<tr>
<td>Potential gross income</td>
<td>Euro/year</td>
</tr>
<tr>
<td>Vacancy loss 15 %</td>
<td>Euro/year</td>
</tr>
<tr>
<td>Rent loss 0 %</td>
<td>Euro/year</td>
</tr>
<tr>
<td>Effective gross income</td>
<td>Euro/year</td>
</tr>
<tr>
<td>Total current expenses 25 %</td>
<td>Euro/year</td>
</tr>
<tr>
<td>Rate of current expenses</td>
<td>%</td>
</tr>
<tr>
<td>Effective net income</td>
<td>Euro/year</td>
</tr>
<tr>
<td>Rate of net income</td>
<td>%</td>
</tr>
<tr>
<td>Capitalization rate</td>
<td>%</td>
</tr>
<tr>
<td>Renovation expenses</td>
<td>Euro</td>
</tr>
<tr>
<td><strong>ESTIMATED VALUE OF THE PROPERTY</strong></td>
<td>Euro</td>
</tr>
<tr>
<td>Estimative exchange rate</td>
<td>4.45</td>
</tr>
<tr>
<td><strong>ESTIMATED VALUE OF THE PROPERTY</strong></td>
<td>LEI</td>
</tr>
</tbody>
</table>

(Source: realized by authors)
The taxable value resulted by applying GEV 500 for the same building would be 36.807 Euro or 163.792 lei.

The new Fiscal code generates:

- a reduction of the tax expenses for the non-residential buildings just for certain legal entities. If till now, the tax expenses cumulated 1980.65 lei, starting with 2016, the tax is of 1637.92 lei, generating an annual economy of 342.73 lei.
  
  The reduction of the tax is valid just for owners of commercial or offices buildings. For industrial buildings, the paid tax will rise, due to the fact that these present an economic devaluation in small cities, devaluation that is not considered anymore when computing the tax value.

- an increase of the tax expenses for non-residential buildings for the individuals. Such an individual would have paid (before the entrance of the new Fiscal code) an approximate annual tax of 223.56 lei. Since the entering of the new Fiscal Code, if the individual does not acquire an evaluation report from an ANEVAR specialist, the annual tax would increase to approximately 4471.2 lei.

- The professional evaluation on non-residential buildings owned by individuals may lead to a significant reduction of the tax expenses. If the individual decides to professional evaluator, he will be charged only with a tax of 1637.92 lei. Therefore, the benefit he achieves is of 2833.28 lei (4471.2 lei-1637.92 lei).

The reduction of the tax expense for the individuals applies for all type of non-residential buildings (commercial, offices, industrial) given the fact that, without a valuation, the new Fiscal Code generates values of the buildings larger than their market values. As we observed above, the market value of the analysed commercial building is of 44.509 euro (445 euro/sqm). The new Fiscal Code determines a taxable value for the same building of 50.238 euro (502 euro/sqm), while the taxable value resulted from the valuation report is of 36.807 euro (368 euro/sqm).

**Taxable value of a commercial building in Timisoara**

The following hypotheses were taken into consideration:

- Property scope: commercial
- Size of the property: 100 sqm. Ad -100 sqm. Au -80 sqm
- Location: central area of the city, first floor of a block of flats
- Year of construction: 1980
- Market rent: 15 Euro/sqm Ad
- Capitalization rate: 9.5 %
- The property does not present any functional devaluation
- Tax rate established by the Local Council: 1 %
  
  It has resulted a fair value (market value) of 102.316 Euro or 455.305 lei.
Direct capitalization method for the commercial building in Timisoara

<table>
<thead>
<tr>
<th>Rent</th>
<th>Euro/sqm</th>
<th>15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rentable area</td>
<td>Sqm</td>
<td>80</td>
</tr>
<tr>
<td>Potential gross income</td>
<td>Euro/year</td>
<td>14.400</td>
</tr>
<tr>
<td>Vacancy loss 15%</td>
<td>Euro/year</td>
<td>1.440</td>
</tr>
<tr>
<td>Rent loss 0%</td>
<td>Euro/year</td>
<td>0</td>
</tr>
<tr>
<td>Effective gross income</td>
<td>Euro/year</td>
<td>12.960</td>
</tr>
<tr>
<td>Total current expenses 25%</td>
<td>Euro/year</td>
<td>3.240</td>
</tr>
<tr>
<td>Rate of current expenses</td>
<td>%</td>
<td>0</td>
</tr>
<tr>
<td>Effective net income</td>
<td>Euro/year</td>
<td>9.720</td>
</tr>
<tr>
<td>Rate of net income</td>
<td>%</td>
<td>75</td>
</tr>
<tr>
<td>Capitalization rate</td>
<td>%</td>
<td>9.50%</td>
</tr>
<tr>
<td>Cheltuieli de amenajare</td>
<td>Euro</td>
<td></td>
</tr>
<tr>
<td>ESTIMATED VALUE OF THE PROPERTY</td>
<td>Euro</td>
<td>102.316</td>
</tr>
<tr>
<td>Estimative exchange rate</td>
<td>4.45</td>
<td></td>
</tr>
<tr>
<td>ESTIMATED VALUE OF THE PROPERTY</td>
<td>LEI</td>
<td>455.305</td>
</tr>
</tbody>
</table>

(Source: realized by authors)

The tax value resulted by applying GEV 500 for the same building would be 36.807 Euro or 163.792 lei. For the establishment of the taxable value, it was estimated the net replacement cost by the segregate cost method.

The new Fiscal Code determines a reduction of the tax on non-residential building for the legal entities. If till now, the tax expenses cumulated 4553.05 lei, starting with 2016, the tax is of 1637.92 lei, generating an annual economy of 2915.13 lei.

The new Fiscal Code generates an increase of the tax expenses for non-residential buildings for the individuals. Such an individual would have paid (before the entrance of the new Fiscal code) an approximate annual tax of 223.28 lei. Since the entering of the new Fiscal Code, if the individual does not purchase an valuation report from an ANEVAR specialist, the annual tax would increase to approximately 4665.6 lei.

The professional valuation on non-residential buildings owned by individuals may lead to a significant reduction of the tax expenses. If the individual decides to professional evaluator, he will be charged only with a tax of 1637.92 lei. Therefore, the benefit he achieves is of 3027.68 lei (4665.6 lei-1637.92 lei).

The reduction of the tax expense for the individuals applies for all type of non-residential buildings (commercial, offices, industrial) given the fact that, without a valuation, the new Fiscal Code generates values of the buildings larger than their market values. As we observed above, the market value of the analysed commercial building is of 102.316 Euro (1023 Euro/sqm). The new Fiscal Code determines a
taxable value for the same building of 52422 Euro (524 euro/sqm), while the taxable value resulted from the valuation report is of 36.807 Euro (368 euro/sqm).

4. CONCLUSIONS

Especially in the less developed cities, where real estate market experiences a decline, the tax paid for non-residential buildings is higher thanks to the elimination of the correction associated with the economic recession. Practically, a commercial building in the centre of a developed city has almost the same taxable value as a similar building located in a less-developed city. We prove that the tax paid for the non-residential building can be reduced if individuals and legal entities that own a non-residential building will agree to purchase a valuation report. In order to do this, we developed a comparative case study that takes into consideration non-residential buildings from Resita and Timisoara.

REFERENCES

ANEVAR (2015), Standarde generale de evaluare
Bahl, R., Martinez-Vasquez, J., Youngman, J. (2008), Making the property tax work, Lincoln Institute of Land Policy, Cambridge, Massachusetts
Bahl, R., Martinez-Vasquez, J., Youngman, J. (2010), Challenging the conventional wisdom on the property tax, Lincoln Institute of Land Policy, Cambridge, Massachusetts
Youngman, J. (1994), Introduction to the legal issues in property valuation and taxation, Assessment Journal, pag.60-77
***Legea nr.571 din 22 decembrie 2003, privind codul fiscal publicată în M.O. nr.927, din 23.12.2003, actualizată
THE MACHINE BUILDING FACTORY CREDIT UNION AND OTHER INSTITUTIONS. LONGITUDINAL ANALYSIS 1928-2014

Gabriela-Felicia GEORGEVICI¹

ABSTRACT
Throughout time, credit unions proved their utility sustained by the longevity of their activity. The Machine Building Factory of Resita (UCMR) Credit Union and other Institutions represents a nonbanking financial institution of private law, which offers its clients loans in favourable conditions. This study had as objective the evaluation of UCMR CU and other institutions member’s attitudes and behaviours. The research methods applied in this study were: document analysis, sociologic investigation based on questionnaires and statistical analysis. The conclusions of this study show a diversity of services offered by UCMR CU and other institutions which help its members, due to a rapid access to loans, moderate interests applied and quality services in the members’ interest.

KEY WORDS: financial institution, credit union, member, financial help
JEL: L31, L44

1. INTRODUCTION

The Machine Building Factory Credit Union and other institutions (UCMR UC and other institutions) can brag with over 87 years of existence. Throughout time it suffered different nominations, but its purpose remained that of helping its members. At a national level it is a member of the National Union of Credit Unions for Romanian Employees (U.N.C.A.R.S.R.), authority which is responsible with the maintaining and the development of the credit unions system for territory employees.

2. HISTORY

In 1928 The Society of Resita Iron Works and Fields (U.D.R. 1920-1948), the greatest society in the metallurgy and siderurgy fields from the interwar period, founds for its officials an economic and credit institute known and the Savings and Credit Union of the Resita Iron Works and Fields. The Savings and Credit Union had as purpose “to develop the savings spirit of its members and to insure the possibility of obtaining, if needed loans” (Statute, 1928, p. 3) in favourable conditions. That statute contained 24 articles which regulated (Statute, 1928, pp. 3-16): the purpose of the Union, its headquarters, the member quality, the members’ contributions and interests, the union funds, the placement of the union funds, the interests offered to members’ deposits, loan conditions and the cessation of the union member quality. The statute also regulates the establishing of a Management Committee (formed of three chosen members, also members of the union and representatives of the General Directors of the U.D.R. Society) and its attributions, the period established for the union balance sheet, the manner in which the profit is distributed (10% goes to the reserve fund and the rest

¹ University Lecture Phd, “Eftimie Murgu” University of Resita, Faculty of Social Sciences, g.georgevici@uem.ro
is collected in a help fund for needy members). In addition, for a proper functioning of the Union, the U.D.R. society disposed of floating capital used for loans, for which no interests were perceived, of an establishment necessary to develop an activity and a free of charge accounting service charged with cashing, payments and other accounting services realized by a secretary accountant.

In 1943 The Savings Credit Union of the Society of Resita Iron Works and Fields officials and workers (Credit Union) with a headquarter in Bucharest and with branches in Resita, Anina and Oravita took over the individual funds of the U.D.R. Society Credit Union belonging to members and personnel of the Society of Resita Iron Works and Fields. The Credit Union Statute from 1943 contained 53 articles, its purpose being that of developing a spirit of Savings and the offering of loans “in favourable conditions”. The Statute sustained that all employees of the U.D.R. society “are compulsory members of the Credit Union” (Statute, 1943, p.4). The Credit Union management was formed of:

- The Administration Board of the Credit Union supervises the activity of the Credit Union, decides the placement of the funds discusses and approves the balance sheet, establishes regulations, decides how profits are used etc., the Board being elected for a period of three years (Statute, Art. 9-14, 1943, pp.5-8).

- The Central Direction Committee is composed of five members who approve the members’ loans and decide in all administrative problems (Statute, Art. 15, 1943, p. 9).

- The General Director of the Credit Union is in charge of the Credit Union administration (Statute, Art. 16, 1943, p. 10)

- Local Direction Committees are in charge of the daily activity developed in local branches and are composed of three members. They receive the member’s demands and transmit them to the Central Direction Committee and can approve only urgent loans. They also have in their composition an accountant secretary (Statute, Art. 17-18, 1943, p. 10).

- The Control Committee is formed of three holder members and three replacements with control attributions of a financial characteristic (Statute, Art. 22, 1943, p. 11).

Yearly, until the 31st of March, The Administration Board calls on the Credit Union members to report on the activity realized and the financial results obtained.

The Credit Union members’ funds were placed in the shares of great commercial and industrial societies, in buildings, loans and help offered to its members. The loan categories offered to the members of the Credit Union were: “down payments of salaries, usual loans and mortgages” (Statute, Art. 32, 1943, p.15). According to the working and to the payment period members could obtain loans which were to be paid back in 12 or 24 monthly payments and the interest was of a maximum of 6% per year.

The functioning period of the Credit Union was limited by the existence of the U.D.R. society and the sums resulted from its winding-up were paid to its members on conditions proportional to the sums deposited.

The nationalization law led to the abolition of U.D.R. on the 11th June 1948, when all its goods were transferred to the state properties, which established state industrial societies.
During the communist period, the Credit Union of members of the Machine Building Factory of Resita functioned according to the Decree no. 358/1949 regarding the organization of credit unions sustained by workers’ unions and representing a stable support for employees, who could start deposits and access loans. After 1990, UCMR CU and other institutions kept its tradition and continued an activity that respected in force legislation (the Decree no. 358/1949 was abolished when the Law no. 122/1996 entered in force), following the example of all the country credit unions (Kivu and Ionescu (2013), p. 124).

2. UCMR EMPLOYEES’ CREDIT UNION AND OTHER INSTITUTIONS

According to state provisions, the UCMR Employees Credit Union and other institutions (UCMR CU and other institutions) represents a nonbanking non-profit financial institution of private law, with the purpose of offering loans in favourable conditions to its members. Being affiliated to U.N.C.A.R.S.R., it functions according to the Law no. 122/1996 (republished in 2009 and published in the Official Monitor no. 261 of 22/04/2009) regarding the judicial regime of employees’ credit unions and their unions. According to the Law no. 122/1996 (2009) credit unions represent associations without a patrimonial purpose, organized with the employees’ approval and with the purpose to help and financial support its members (Statute, Art. 1, p. 3). The funds used to help its members are “the members’ social fund” accumulated from their contributions plus yearly interests, “the proper funds and money of the credit unions” obtained from the National Union (Statute (2013) Art. 3, p. 4). The CU State of the year 2013 is grouped into three parts, regulating the functioning of: U.N.C.A.R.S.R., territorial unions and employees’ credit unions.

The UCMR CU and other institutions state contains in its 1st chapter its purpose and objectives, in the 2nd chapter the principles of organization, of functioning and of affiliation and representation principles are mentioned, in the 3rd and 4th chapter the members of the credit union are stated and their rights and obligations. The 5th chapter regulates the management and control structures, these being: the members’ general assembly (conference), the director Board and the censors’ commission. The 7th chapter establishes the types of loans offered to members and the manner in which these are offered and recovered.

UCMR CU and other institutions offers the following types of loans:

- Multiple social fond loan, the value offered is four times the value of the social fund and can be returned in 1-24 monthly payments (the real interest being of 13,54 %) or in 36 payments with the approval of the Director Board.
- Loans independent from the social fund or urgent loans for a period 1-4 weeks (with interest);
- Short term loans, 1-6 months, with a monthly interest;
- Medium and long term loans, for 6-24 months, with an unlimited value and a monthly pay with interest.

The sums members can loan are established according to the applicant’s incomes, together with the number of monthly payments, the number of endorsers and other guarantees.
The offering of short and medium term loans, for longer than 9 months is realized with the approval of the Director Board and the Executive Office of CU, according to the client’s incomes and the guarantees presented by the credit beneficiary. For a sum between 1000 – 3000 lei for a short term loan and a period of 1-9 months and for a sum of 4000-7000 lei a medium term loan and for a period of 9-24 months the interest perceived is of 16,25%.

The economic crisis determined a difficult period in the CU activity, fact presented in the Report regarding the activity of the Director Board for the year 2013. In order to soften the effects of a financial crisis on CU, the Director Board adopted the following prudent elements:
- practice of healthy credits, according to the Frame Regulation of Credits;
- a cautious selection of members who are unknown to the group;
- the stimulating of economies by increasing accumulations to the members’ social funds;
- restriction measures for market credits;
- an increase of the members’ number.

The Director Board realized its activity during monthly meetings, analyzing and approving loans demands, the monthly balance sheet, semestrial balance sheets and yearly ones, followed the realization of income and expenses budget, the debtors’ situations, the Censors’ Commission support and control programs and the control program of the CU Territorial Union, and the realization of the CU Conference.

The actions of the Director Board for the period 2010-2014, were directed towards the increasing of the CU members, fact which was realized by extending its activity in the rural environment. The number of the CU members suffered a decrease as a result of the U.C.M.R. activities realized during the latest years. If at the 1.01.2010 the number of members was of 3504, at 31.12.2013 is was of 3116 members. Regardless this decrease, the social fund increased on a permanent basis from 2.550.236 lei in 2010 and to 3.154.075 lei in 2013. The social fund for the year 2013 was with 175.939 lei larger than the previous year. The medium social fund for the year 2013 was of 1012 lei. If during the year 2010 for a number of 758 loans, the sum of 2.873.550 lei was offered, resulting an average loan of 3.790 lei, during the year 2013 for a number of 637 loans the sum of 2.924.000 lei was offered, thus resulting an average loan of 4.590 lei.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of members</th>
<th>No. of members enlisted</th>
<th>No. of members retired</th>
<th>Social fund lei</th>
<th>No. of loans</th>
<th>Loan value lei</th>
<th>Average loan lei</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>3.116</td>
<td>147</td>
<td>260</td>
<td>3.154.075</td>
<td>637</td>
<td>2.924.000</td>
<td>4.590</td>
</tr>
<tr>
<td>2014</td>
<td>3.026</td>
<td>222</td>
<td>312</td>
<td>3.257.078</td>
<td>724</td>
<td>4.043.950</td>
<td>5.585</td>
</tr>
</tbody>
</table>

(Source: UCMR Cu and other Institutions)
The repartition of loans according to the members’ age and gender is presented in table 2:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Age</th>
<th>Number of members</th>
<th>Loans</th>
<th>Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>18-30</td>
<td>43</td>
<td>45.641</td>
<td>36.409</td>
</tr>
<tr>
<td></td>
<td>30-50</td>
<td>547</td>
<td>963.499</td>
<td>488.363</td>
</tr>
<tr>
<td></td>
<td>50-65</td>
<td>406</td>
<td>330.700</td>
<td>473.517</td>
</tr>
<tr>
<td></td>
<td>65-</td>
<td>69</td>
<td>7.118</td>
<td>71.666</td>
</tr>
<tr>
<td></td>
<td>retirement</td>
<td>356</td>
<td>550.620</td>
<td>391.542</td>
</tr>
<tr>
<td>Men</td>
<td>18-30</td>
<td>57</td>
<td>120.128</td>
<td>39.522</td>
</tr>
<tr>
<td></td>
<td>30-50</td>
<td>557</td>
<td>1.011.906</td>
<td>556.564</td>
</tr>
<tr>
<td></td>
<td>50-65</td>
<td>559</td>
<td>500.984</td>
<td>655.318</td>
</tr>
<tr>
<td></td>
<td>65-</td>
<td>86</td>
<td>25.458</td>
<td>155.030</td>
</tr>
<tr>
<td></td>
<td>retirement</td>
<td>320</td>
<td>598.132</td>
<td>460.155</td>
</tr>
</tbody>
</table>

(Source: UCMR CU and other institutions)

Starting with the month of January 2014 the nominal interest for short and medium term loans modified, decreasing from 30% to 25% per year, which represents a real interest of 13% per year in comparison to 17%, and for traditional loans, the nominal interest decreased from 25% to 20% per year, which represents a real interest of 10,3% per year in comparison to 13,45% per year. As a result of reducing interests offered by banks, UCMR CU and other Institutions also adjusted the interest for the occasional social fund to 5%.

Due to an attention for a decrease in expenses, a profit of 500.238 lei was realized at the end of the year 2013, which were divided in the following manner (Report (2013)):
- 25,159 lei to the statutory reserve;
- 50,000 lei to the risk reserve;
- 140,079 lei bonus, offered to the CU members from the social fund, thus resulting an average interest of 4.68%;
- 25,000 lei to the decease fund;
- 260,000 lei to other reserves.

Another problem demanding a solution from the Director Board and from its employees, was the reduction of remaining monthly payments, after intervening at institutions where the CU members were employed.

A permanent preoccupation of the Director Board was the patrimony recovery, possessed before 1948 and abusively taken over by the state. The Board had some progress in this situation, a part of it being recovered (a building in Bucharest and a building and a terrain in Buzias).

The Credit Union made monthly payments to the statutory contribution established for a proper functioning of the CU Territorial Union. The later sustained the credit union offering guidance and control services, together with a judicial assistance and also supplied the CU with all official documents needed.

The 87 years of existence brought experience and value to this institution, UCMR CU and other institutions offering quality services in the members’ interest.

3. RESEARCH METHODOLOGY. INTERPRETATION OF DATA

The study had as objective the evaluation of attitudes and behaviours of UCMR CU and other institutions members in comparison to the quality of financial services offered. The research methods used in this study were: documents analysis, sociologic investigation based on questionnaires and statistical analysis.

The objectives proposed refer to: the members’ opinions regarding the quality of services offered by UCMR CU and other institutions.

The hypotheses standing at the basis of this research were:
- If the loan interests are reasonable, than members will demand loans from UCMR CU and other institutions.
- If the members are well informed by the UCMR CU and other institutions personnel regarding the services offered than they will use and appreciate their quality.

According speciality literature, a sociological investigation based on questionnaire is often used in socio-human sciences, representing “a proper techniques, an investigation instrument represented by an ensemble of written questions and eventually, graphic images...which after an application realized by investigation operators or by auto-administration, determine answers from questioned persons that are going to be registered in written” (Chelcea, S., (2007), p.212).

The questionnaire applied contained a number of 12 questions, opened and closed one, which desire to highlight the level of knowledge regarding types of credits that can be accessed, practiced interests, the minimum monthly payment to the social fund, personnel operability and kindness and suggestions from members to the institution personnel.

The questionnaire was applied to UCMR CU and other institutions members at the headquarters situated in Resita, 16 Republicii Square. The research sample contained
a number of 250 persons, with ages between 18-70 years. The auto-administration of the questionnaire was used, the subjects formulating and writing their answers. Identification data was used: gender, age and member’s experience in the society.

After gathering all the results the following could be stated:

- Most persons have a working experience of over 5 years (91%) and accessed during this period of time: one loan (87%), two loans (68%), three loans (38%), four loans (21%) and five loans (3%).

- All types of loans are known by the credit union members (95%). The most accessed loan was the traditional one, where the sum offered is 4 times the social fund, this being accessed by 87% of the people questioned.

- It is a well known fact that the number of monthly payments is proportional to the size of the loan and the income realized, of a maximum of 24 payments for a multiple loan of the social fund, and with the approval of the Director Board and that of the CU Executive Office the term can be prolonged to 36 payments, according to incomes and the guarantees presented by the credit beneficiary.

- The people questioned stated that usually loans are not limited, but offered according to the restitution capacity of payments (68%). For new members, urgent loans and short term loans can be offered after registration, without being conditioned by the size of the social fund.

- Regarding the monthly contribution to the social fund of every CU member it is well known that it is between 10 lei and a maximum of 200 lei (87%), and once a year, if the CU member desires he can deposit a supplementary sum of a maximum of 500 lei with the approval of the Director Board (67%) in order to increase his personal social fund.

- Members were informed of the decrease in interests, the example offered by the people questioned was the traditional one, where the nominal interested decreased from 25 % to 20% per year, fact which represents a real interest of, 10,3% per year in comparison to 13,45% per year.

- According to the persons questioned, employees prove professionalism in their activity and in solving problems, being kind (98%), offer clear and detailed information when a member demands information regarding a loan (97%).

- The following suggestions can be mentioned: CU advertising in the rural area in order to attract new members, the development of the existent activities and the opening of new work points.

The diversity of services offered by UCMR CU and other institutions brings satisfaction to its members, the access to loans is fast, the interests used are moderate, fact observed with a decrease in interests for the year 2014, when 100 more demands were registered in comparison to 2013, proving trust among its members and quality services.

4. CONCLUSIONS

UCMR CU and other institutions represents a non-backing non-profit financial institution of private law that encourages a saving system by increasing accumulations to
the members’ social funds, and according to their needs, these can later access financial resources in order to fulfil desired personal objectives.

The institution strong points are: its history, the keeping and promoting of CU values, a performance based management, constant perfecting of employed personnel and of its management and control personnel through professional development classes.

The development of its activity by promoting a marketing system proper to the development of this credit union, brought new members who helped in its consolidation.

The change from a traditional model to a successful system was successfully realized, the credit union being through time, during its entire activity a trustful society which never disappointed its members and offered constant support and quality services.

REFERENCES


*** „Statutul Casei de Economie ș de Credit a Personalului Societății „Uzinele de Fier ș Domeniile din Reșița S.A.”(Statute of Personnel Credit Union of the Society of Resita Iron Works and Fields (1928) Bucharest: Cartea Românească
*** „Statutele Casei de Economie ș de Credit ș Ajutor a Funcționarilor ș lucrătorilor Societății Anonime „Uzinele de Fier ș Domeniile din Reșița”, (Statute of the Savings and Credit Union of the Anonymous Society of Iron Works and Fields (1943) Bucharest
*** „Uniunea Națională a Caselor de Ajutor Reciproc ale Salariaților din România”(National Union of Romanian Employees Credit Unions) CU Statute 2013

*** „CAR UCMR și alte Instituții”. (UCMR CU and other institutions available online at http://www.carucmresita.ro/


*** Raport privind activitatea Consiliului Director pe anul 2013 și pe perioada mandatului martie 2010 – martie 2014 (Report regarding the Director Board activity for the year 2013 and during a mandate from March 2010 – March 2014)

***UCM Resita – evolution and historical development. Available online at http://www.ucmr.ro/print6062.html?id=P11_0_1_0_C

*** National Union of Romanian Employees Credit Unions available online at http://www.uncar.ro/despre-noi.aspx
POSITIONING STRATEGIES OF COMPETING FIRMS ON THE MARKET

Liliana GHERGHINA

ABSTRACT

The present paper aims at highlighting the importance of elaborating the positioning strategies as marketing technique within firms so that they could reach one of the strategic marketing objectives. From the practice it is known that the firms’ positioning on the market depends on consumers, i.e. the way they have perceived the products/services offered, as well as their image. Obviously in any firm, in order to ensure a favourable positioning, a higher promotional effort should be made by the promotion of at least two characteristic features of the product/service with the maximum importance for consumers. When elaborating the positioning strategy one has to take into consideration the market segmentation, market targeting and market positioning.

KEY WORDS: positioning, firm, market, market segmentation, strategy.
JEL: M3, M3

1. INTRODUCTION

From the practice it is known that big companies, in order to ensure success on the market, used to elaborate strategies related to the policy of product, price, placement and promotion. In time they have realised that a crucial importance in the consumer’s mind is represented by the firm’s positioning on the market. In this respect, they proceeded to the identification of market segments, elaborated firm’s positioning strategies on the market, reaching thus one of the objectives of the strategic marketing.

Kotler Ph. and Dubois B. consider positioning “the conception of a product and its image in order to give it a determined place in the spirit of the target consumer” (Kotler Ph., Dubois B. (1992), p. 343).

“The term of positioning designates the manner in which the marketing programme of a company is perceived by the buyer compared to the marketing applied by the main competitors, i.e. the way in which the products are positioned in comparison with competitors as regards the marketing mix. In essence positioning is defined as placement of sellable objects (products, services, organisations, personalities) in a multidimensional market model in order to secure them a well-determined place in the consumer’s psychology” (Pop N. Al. (coord.), (2000), p. 156).

Ristea A.L. quotes Ries Al. and Trout J.; the authors mention that “positioning does not refer to what is done with the product, but rather to what the product represents in the mind of the prospected person” (Ristea A.L. (coord.), (2004), p. 165). We remark that positioning is done by the consumer and that in essence it is about

1 Assistant Lecturer PhD Liliana Gherghina, Faculty of Economics, University “Eftimie Murgu” of Resita, Romania, l.gherghina@yahoo.com
image and promotional efforts so that its image should be favourable. From the literature it is known that positioning supposes first of all supply differentiation and then image differentiation. The selection criteria for positioning are represented by some attributes, such as: power, comfort, design, ambiance. These criteria may be determined in brands discrimination. Thus, each brand becomes „a basket of attributes” (Lambin, J. J. (1994), p. 111) realised from the study of the consumer behaviour.

Used as marketing technique, the firm’s positioning relies on the completion of the following stages:

1. The establishment of the positioning level means positioning on the level of the firm, a group of products/services, one single product/service;
2. The determination of attributes implies the identification of differentiation elements and the selection of those constituting the attributes of positioning;
3. The localisation of attributes is made on a positioning diagram, meant to determine the place of the firm at a certain moment in relation with its competitors;
4. The evaluation of positioning options means the identification of possible ways of action in the direction of its repositioning.
5. The positioning communication. Once a convenient positioning is reached, it should be maintained in time or improved and transmitted as convincingly as possible to the targeted market segments.

2. STRATEGIES SPECIFIC TO THE POSITIONING OF COMPETING FIRMS ON THE MARKET

Strategies specific to the firms’ positioning on the market

According to the literature, the positioning strategy must take into account the completion of the following three stages: „market segmentation, market targeting and market positioning” (Kotler Ph., Armstrong G. (2008), p. 268).

As for the firm’s market segmentation, it is based on the identification of criteria depending on which segmentation is made into small groups of consumers, in accordance with certain characteristics. The segmented consumers have different needs or behaviours, hence requiring different products/services. Depending on the consumers’ behaviours, the firm performs different market segmentation and builds profiles characteristic of each market segment resulted.

By the market targeting, the firm proceeds to the design of an assessment criterion for the activity of each segment and chooses one or more to introduce on the market. The market positioning of the firm is done by establishing the competitive positioning of the existing or newly introduced products/services depending on the targeted market segments, as well as by realising a marketing mix specific to each.

By the positioning strategy one aims at influencing the attitude and preferences of the consumption behaviour of possible consumers, in relation with the product/service/image they have about the respective offer of the firm present on the market.

A special importance for the development and implementation of a positioning strategy is represented by the modality in which the firm’s offer is perceived by the customers that from the target market.

The firm’s positioning strategies have represented and still represent the object of research for many a specialist in the field. Thus, as back as 1972, the publicity
managers Ries Al. and Trout Jack defined the concept in numerous publications appeared in the Advertising Age journal. One of the articles was called Era of positioning. Later on, the two authors developed the concept in the literature in the books they wrote. Ries Al. and Trout Jack suggest the use of four strategic alternatives: „consolidation of the position detained, identification of unoccupied positions, dispossession or repositioning of the competition and the closed club strategy” (Olteanu V. (2000), p. 169).

a.) The positioning strategy by the consolidation of the position detained, realised by the planting in the consumers’ conscience of the idea that such a position is a privileged one. The consolidation of the position currently detained by the firm may be realised by the real strengths it possesses, based or one, two or three accurately selected attributes. For instance, during the promotion of the product Seven Up as a refreshing drink they insisted on the fact that it had no caffeine, being clearly different from Pepsi Cola or Coca Cola, which were considered two giants on the market.

b.) The positioning strategy by identifying an unoccupied position, appreciated by a sufficiently high number of consumers. Such a position is created by inducing the idea of the best. For example, this strategy was used for the launching on the USA market of the Volkswagen Beetle car. They insisted first of all on the product belonging, part of the small-sized products, keeping in mind that the American market is dominated by big cars.

c.) The positioning strategy by competition’s dispossession or repositioning starts from the sometimes intentionally created confusion between the diverse brands existing on the market.

„Dethroning or repositioning the competition represents a strategy that may offer spectacular results for those who have the courage to directly attack the competition’s offers” (Ries, Al., Trout, J. (1981), p. 118). This positioning strategy is used only on the markets where comparative advertising is not forbidden, allowing the broadcasting of messages of firm’s differentiation supply, compared to the competitions’ supply. The legislation of the European Union legislation and thus of Romania forbid such practices on the market, and they are allowed only on the United States of America market.

d.) The positioning strategy of the „closed club” is indicated for firms that do not have a top position for any of the attributes of the product or services, giving them the occasion to promote the idea that they are among the three, four or five top companies.

From the multitude of positioning methods of firms on the market, the most usual is the realisation of the consumers’ perception map. By the consumers’ perception map „one identifies the difference between the products attributes by using the multisided scaling of perception and preferences” (Kotler Ph., Armstrong G., Saunders J., Wong V. (1998), p. 504). Locating the attributes on this type of perception scale is based on the consideration of two or more criteria, by which one measures the psychological distance between products / services and their target segments.

Some models used in positioning rely on the model of multiple regression, by which „it is possible to research the linear relations between a dependent variable, measured on a metric scale, and two or more independent variables measured with any type of scale” (Cătoiu I. (coord.) (2002), p. 535).
Among the variables used for the positioning models we may mention: number of users, business concentration, differentiation of consumers’ attitudes, proportion of direct sales, product lifecycle etc.

Positioning strategies of firms competing on the market: leader, challenger, follower and niche specialist

On any market we encounter firms which, depending on their positioning, may be: market leader, market challenger, market follower (imitator) and niche specialists (small firms). The first place is occupied by the market leader which may have the largest market share, of approximately 40%. The second place is detained by the challenger with a market share close to 30%, the third place is represented by the follower, i.e. firm that intends to maintain its market share of around 20% without too much effort, whereas the rest of 10% remain for the niche specialists, small and very small enterprises.

Because of the fierce competition on the market, the firms make considerable efforts both for keeping the current place and for a more advantageous positioning, as challenger or leader.

a) The market leader enjoys most advantages due to the position occupied. It should pay attention to all the firms on the market and constantly monitor the followers’ strategies and moves. The leader must know everything about its competitors, continually benchmark its marketing strategies, product and services, prices and promotion channels against those of competitors. The market leader must adopt several strategies in order to keep its position, such as: demand extension, protection of market share and extension of market share.

The demand extension strategy can be materialised by the apparition of new consumers, and thus the demand grows. Marketers can realise the demand extension by expanding markets, taking into account the market segmentation by geographic and demographic criteria, as well as the promotion of new features of products and services. The strategy of market share protection can be done by preventing and remedying the weaknesses offering opportunities to the competition. Hence, the leader must respect its promises related to value, must practise prices proportional with the value consumers assigned to the brand, should keep the relations with the faithful customers. The most efficient strategy is that of continuous innovation, by the permanent and effective improvement of products and services for the customer. The strategy of market share extension is doable on several markets by an increase of sales. Most firms attempt to expand their market share thinking that this could lead to the profit growth, but this does not happen all the time. The growth of the market share is also done depending on the marketing strategy applied, as substantial shares tend to bring bigger profits when costs per unit decrease.

b) The market challengers are usually firms known on the market aiming, on the one hand, at occupying the leader position, and on the other hand at challenging the leader and other competitors to adopt aggressive strategies for obtaining larger market shares. The growth of the market share of the challenger having adopted these challenges is done on a short term. Locally or regionally, in order to increase the market share the challenger can avoid the attack on the leader and proceed to a strategy of challenging small firms or a strategy of challenging its peers. The modality of reaching the goal is to raise to the leaders' level in terms of products and services, publicity, price and distribution channels, by attacking strengths and not weaknesses. If
the challenger has sufficient resources to resist a longer period before the leader, the success of the marketing strategy is guaranteed.

The challenger may also adopt a strategy of attack on voids and weaknesses the leader fails to cover on the market. For this strategy it needs resources, as the leader may fill those voids or correct those weaknesses at any moment.

c) The market followers (imitators) are companies that do not challenge the leader, only emulate it. The market leader spends very much for the development and placement of new products/services on the market, for the distribution increase and for customers’ information, whereas the imitator profits and learns from the leader’s marketing strategy. This strategy does not allow the emulator to overcome the leader, but may help it increase its sales and hence its profit. The imitator must find the appropriate balance between imitating long enough to gain customers from the market leader and imitating at a sufficiently big distance to avoid reprisals” (Kotler Ph., Armstrong G. (2008), p. 758). By its goal, the imitator will adopt a strategy of occupying the challenger’s position, as well as a strategy of penetrating new markets. In this respect it should keep its production costs low and the product or service quality high.

d) The niche specialists or small enterprises have limited resources and thus cannot challenge the leader or the challenger. Such companies target only a market sub segment, and become niche specialists, they hold small shares of the total market and are very profitable in the niche of their choice. The positioning strategies of small firms are focused on specialisation or repositioning of competitors.

- The strategy of specialisation on minimum two market niches or the strategy of specialisation on the services provided. On the market, small firms must cope with a series of risks, as the market niche risks to disappear or to attract a larger competitor. In this respect, it is recommended that these firms get specialised on at least two niches, enhancing thus the opportunities of market survival. In view of identifying an efficient market niche it is recommended to use the following criteria: gender, age, average income, consumer preference, distribution mode of product/service. Moreover, we recommend as the optimum survival solution for the small firm the specialisation in services as the latter are neglected by large companies.

- The strategy of competitor’s repositioning is considered the main marketing strategy of small companies. Because there are too few available niches, the firm should create its own niche, by repositioning the competition already on the established positions in the consumers’ mind. For a repositioning, the enterprise should aim at catching the consumer’s attitude toward the product or service provided, by advertising. At present adversaries no longer content themselves to advertise their own items for the qualities they possess. Now they prefer to say to what extent their product is better than any other” (Ries Al., Trout J. (2004), p. 85).

It is known that in the past publicity was realised only through isolated ads, without taking into consideration the competitors’ ads. Products and their characteristics were studied in this manner, aiming to inform potential consumers about the benefits offered by the products characteristics. In fact they never used to take into account similar attributes of products supplied by the competition.
3. CONCLUSIONS

We may conclude that the positioning of a firm on the market is a marketing technique relying on a marketing programme elaborated by the firm. It is meant to monitor the modality of perceiving the offer by the consumers and by main competitors, i.e. the way in which the products and services are positioned compared to the competitors from the perspective of the marketing mix.

Thus, from the viewpoint of the marketing technique, the firm’s positioning is done starting from the current situation of the firm on the market, by: establishment of the positioning level, determination and establishment of attributes that constitute the object of the differentiation in relation with other firms, plotting of the positioning diagram, by identifying attributes, assessment of positioning options and communication of positioning convenient for targeted market segments.

The firm’s marketer plays an important part, elaborating positioning strategies focused on the consolidation of the competition as regards the positioning strategies of the competitors on the market, so that at least one of the following strategies will be adopted: strategy of demand extension, strategy of market share protection and strategy of market share extension. In their turn, challengers, although firms known on the market aim at reaching the goal by practising the challenging strategy of small firms or a challenging strategy of their peers, as well as a strategy of attack on the leader’s weaknesses. The followers aim at learning from the leaders’ marketing strategy in order to adopt a strategy of occupying the challengers’ position, as well as a strategy of penetration on new markets. The market specialist, because they have limited resource and small shares of the total market, focus only on a market sub segment that may bring them profit. They cannot challenge the leader or the challenger, and thus they will adopt the strategy of specialisation on minimum two market niches, the strategy of specialisation in the services provided or the strategy of competitors’ repositioning.

REFERENCES

IMPORTANCE OF THE TOURISM PERMIT AND LICENCE FOR THE OPERATION OF THE TOURISM AGENCIES IN ROMANIA

Liliana GHERGHINA

ABSTRACT

The present paper aims at highlighting the importance of the tourism permit and licence in the activity of tourism agencies in Romania. It is known from the tourism legislation that the tourism licence is a document certifying the capacity of the tourism agents to trade touristic services at a high level of quality and safety for the tourists, both for the central office and for the secondary subsidiaries. In view of licensing it is very important that the tourism agency has its own technical-material endowment, and minimum half of the employed personal must be qualified as tourism agent – guide. Furthermore, we mention that the person assuring the leadership of the tourism agency must have tourism permit and certificate of graduation from a course of managerial training in tourism, attesting the professional capacity to be appointed as manager of the tourism agency. The training course completed must be accredited by the National Authority of Qualifications. Obviously, the non-observance of the minimum mandatory conditions of operation, of the legislation related to the trade and sale of services and packages of touristic services, as well as the cease of activity, impose the withdrawal of the operation licence of the tourism agency.

KEY WORDS: tourism licence, tourism permit, tourism agency, touristic services, tour operator, tourism.

JEL: L8, L83

1. INTRODUCTION

At present tourism is considered the field with the most complex profile of activity as it reunites a set of services and assets common to several sectors of activity. The increase of the duration of the leisure time, of inventive vacations, of income and the development of transport infrastructures led to the development of tourism, and thus to the frequency of travels, comfort and faster accessibility.

Grace to its economic actions, after commerce, tourism is considered the second important branch in the sector of services. In these past years we have witnessed a growth of jobs, of incomes and of foreign investments in tourism. Thus, tourism is considered one of the most active and good-prospect domains of activities in our country. We can say thus that tourism is considered one of the largest branches of national economy, representing the travels or stays undertaken for recreation. These travels usually involve not only the travel in se, but also the temporary stay in the chosen locations. „The main characteristic is the very fact that the customer is outside his or her usual residence, sometimes for a longer time, and thus his or her state is specific, and his or her needs are also specific accordingly. “ (Jivan Al., 1999 p. 1).
"The touristic supply is made of the ensemble of attractions that may motivate their visitation by tourists, practically, the touristic supply of a country, of a touristic area, of a resort etc., comprise the totality of touristic elements that may be highlighted and valorised at a certain moment by the stimulation of the touristic demand.” (Postelnicu Gh. (1994), p. 55).

"Beside the economic consequences, tourism has also deep social-human significance. It acts by its nature both directly on tourists, and on the population in the visited area. Moreover, the effects of tourism also influence the quality of the environment, the use of leisure time and last but not least the connections between nations.” (Nistoreanu P. (2002), p. 27).

The touristic product materialises both the services belonging to the tourism agencies specialised in the trade or go-between of different packages of touristic services and also the services of the providers, i.e.: accommodation, meals serving, transport, spa treatment, agreement recreation etc.

Gabriela Stănciulescu claims that: „the diversity of the components which confer content to the touristic product may have repercussions on its coherence and integration. The mission of firms participating in the realisation of a touristic product is another element to consider.” (Stănciulescu G. (2002), p.161). What is difficult to achieve is that all the components of the touristic products should guarantee the consumers’ satisfaction. In this respect the economic touristic operator must practice specific techniques for attracting customers. Thus, we may say that the technique of operations in the tourism activity „represents the set of interdependent methods, procedures and rules, applied in the execution of a touristic operation or in general in the exercising of a profession in the domain of tourism.” (Gherghina L. (2007), p. 5).

The tourism agency, according to Art. 2 (letter e) of the Methodological norms regarding the issue of the classification certificates of tourists’ reception with function of accommodation and public food supply, of tourism licences and permits, annex to the Order of the National Authority for Tourism No. 65 of 10.06.2013, is defined as: „any specialised unit or legal person which organises, offers and sells package of touristic services or components thereof, in the capacity of intermediating entity between the touristic services provider (accommodation, public food supply, transport, spa treatment, recreation, etc.) and the final consumer.” (www.static.anat.ro/uploads/2013/09/Norme_metodologice.docx, p. 1).

All tourism agencies, tour operators or retailers, attempt to promote the packages of touristic services or unitary services in order to make them known on the touristic market. In this respect, they must have a viable promotion policy to beat the competition. Thus, in the promotion policy a special importance must be granted to „relational marketing which aims at attracting consumers and make them faithful by a policy of continual relations by favouring customisation and quality of the contact personnel.” (Eiglier P. (2004), p. 25). It is recommended to practice a marketing strategy of differentiation by segments of consumers, i.e. „a so-called specific marketing policy, which proposes different products, distributed and promoted in a distinct manner at a different price for each market segment.” (Chirouze Yves (2007), p. 330). Kotler Ph. thinks that „whereas publicity offers a reason to buy, sales promotion offers an incentive to buy.” (Kotler Ph. (2006), p 809).

We may say that the tourism agency is the economic operator which deploys economic activities of intermediation between tourists and owners of specific touristic
technical and material endowment, i.e. transport, accommodation, public food supply, treatment and recreation.

2. MANDATORY OPERATION CRITERIA FOR TOURISM AGENCIES IN ROMANIA BASED ON THE TOURISM PERMIT AND LICENCE

In the literature and legislation in vigour, the management of the tourism agency, tour operator or retailer, can be assured by a person who has a tourism permit, issued for an undetermined period by the authority of the central public administration responsible for the field of tourism, for the following functions: manager in the tourism activity, manager of tourism agency hotel manager, restaurant manager, chalet manager. The tourism permit is a „document issued by the central public institution in charge with the tourism activity attesting the professional capacity in the domain of tourism of natural person assuring the leadership of the tourism agencies and / or the structures of touristic reception.” (www.static.anat.ro/uploads/2013/09/Norme_metodologice.docx, p. 2).

Thus, the tourism permit is the document issued by the National Authority for Tourism in Romania, attesting the professional capacity in the domain of tourism of natural persons who are managers of tourism agencies and structures of touristic reception. The person who requests the issuance of the tourism permit must file the request in writing through a standard application accompanied by the curriculum vitae detailing the professional training and expertise and a file with several documents, conformity certificates of holder conformity, i.e.:

- copy of the identity card, documents of professional training or course of tourism manager and the documents of the tourism company and the copy of the certificate of classification or the tourism licence;
- copy of the proof of experience and length of service in the field of tourism, i.e. employment record (valid until 01.01.2011), individual labour contract, accompanied by a certificate attesting the length of service and experience, extract from the REVISAL program, signed off by the legal representative of the employing economic agent;
- copy of the certificate of foreign language of international circulation, if the holder is not a graduate from bachelor, master of PhD degree in tourism, graduate of a faculty in an international circulation language, of the faculties of international relations / affairs, of the Romanian citizens with double citizenship, as well as those proving they were employed at least one year by tourism firms abroad;
- Certificate of criminal record, without mentions;
- Certificate of fiscal record of the person requesting the permits, attesting they were not sanctioned based on any financial and customs laws and they observed the financial discipline.

As regards the tourism licence, we mention that the economic agents in tourism may operate only on its basis. In our country the tourism licence is the document issued by the National Authority for Tourism, attesting the capacity of the economic operator which is the holder of the licence to trade and sell touristic services, in conditions of quality and safety for the tourists. The tourism licence is a „document issued by the central public institution responsible for the field of tourism, attesting the capacity of a
legal person, holder of the licence, to sell and trade touristic services in conditions of quality and safety for the tourists / final consumers.”


At present, in Romania all tourism agencies operate on the basis of the tourism licence issued for an undetermined period, with the respect of the mandatory minimum criteria provided by the legislation in vigour, which impose for the tourism agency:

- to have the headquarters and secondary office easily accessible, i.e. to be located in a clean and functional building, at the basement, ground floor, entresol, first floor. The headquarters may be located on other floors too, in buildings with public destination or if the agency does not have a direct sale activity, both through web sites or online;

- those with direct sale to have the minimum surface of 16 square meters if it is a tour operator, and 10 square meters if it is a retailer;

- to have separate bathrooms for the employees;

- to have the qualification and proof through the certificates of graduation from the training course of tourism agent-guide issued by a centre of basement and certification accredited / authorised, minimum half of the employed personnel;

- to have the signboard with its denomination at the entry to the building;

- to have furniture specific to the activity deployed, means of communication (computer, fax, telephone, internet), and its web site should display: the identification data, copy of the document attesting the professional capacity of the person assuring the operational leadership, copy of the tourism licence, copy of the insurance policy within the validity term;

- to use the commercial surface exclusively for the tourism activity, and if the space allows it it may carry on activities such as: currency exchange, copy centre, sale of souvenirs, postcards, guides, maps;

- to possess documents attesting the professional training and managerial training in tourism of the persons assuring the operational leadership. i.e. documents of study in the field of tourism, including the tourism permit, the copy of the individual labour contract (full time);

- to have a commercial name legally protected by its registration at the State Office for Inventions and Trademarks not similar with the name of other tourism agencies on the market.

If, during the period of tourism agency operation the individual labour contract concluded between the agency and the person assuring the operational management expires, the extension of the contract or the replacement of the person is made within maximum 30 days by notifying the central public institution responsible in the field of tourism about the occurrence of modification.

The tourism agency, tour operator or retailer, which requests the issuance of the tourism licence must request it in writing, through a standardised application for licence issuance accompanied by the declaration of personal responsibility that the mandatory minimum criteria are met and respected during the operation duration, as well as a file with several documents, conformity certificates, i.e.

- certificate of finding of facts, in original, issued by the Office of the Register of Commerce attesting the activities authorised to be deployed and the CAEN code;
- valid copy of the insurance policy, if the tourism agency declares insolvency or goes bankrupt, in view of assuring the reimbursement of the expenses of the tourists for: repatriation, acquisition of services or packages of touristic services;
- copy of the contract attesting the right of ownership or use of the premises where the tourism agency carried on its activity;
- certificate of fiscal record, in original, of the tourism agency, and of the person assuring the operational leadership: partners / shareholders, manager / administrator of the tourism agency attesting they have not been sanctioned based on the financial and customs laws and that they observed the financial and customs laws and it respected financial discipline.
- extract from REVISAL programme accompanied by the document attesting the professional training of the person assuring the operational leadership of the tourism agency;
- copy of the tourism permit and labour contract of the person leading the tourism agency;
- invoice and receipt of payment, in original, of the value of the issuance fee for the tourism licence

The application and documentation elaborated are forwarded to the National Authority for Tourism, for verification and proposal of possible completions. The solution of the application will be issued within 30 days from the date of registration. It is obligatory to display the tourism licence in the premises of the tourism agency, and the failure to observe the licensing conditions will lead to the sanction of temporary or permanent suspension. The tariffs practiced by the tourism agency must be approved by the Office of Authorisation and Control in Tourism, otherwise they may not be charged. The tourism licence may be withdrawn both for the main office and for the secondary office, if the tourism agency does not respect the minimum obligatory criteria of operation, as well as the observance of all the other conditions and legislative provisions related to the activity of trade and sale of touristic services and packages of services, or ceased its activity. The tourism agency may request a new tourism licence, meaning the resuming of activity two years after the licence withdrawal.

We must underline that the tour operating tourism agency is the agency with wholesale and mixed activity assuring the production and sale, i.e. organises, offers and sells on its own account packages of touristic services or components thereof, directly or through go-betweens, both in the country and abroad. The tour operator tourism agencies may be: with sale through intermediaries, with direct sale and with online sale.

In its turn, the retail tourism agency is the agency assuring the sale, i.e. sells or offers for sale, on behalf of a tour operating tourism agency, packages of touristic services or components thereof, contracted with the tour operating tourism agency, both in the country and abroad. The retail tourism agencies may be: with direct sale and with online sale. The customers of the tourism agencies are the final consumers who purchase the packages of touristic services or components thereof at a certain tariff. Consequently, the tour operating tourism agencies may conclude contracts with: the suppliers of services (accommodation, food supply, transport, treatment, recreation), the retail tourism agencies (sellers of tourists’ services), natural persons (if the tourism agency sells directly to the customers), organisations offering goods and services without which the agency cannot operate (taxation, electric power, water supply, internet etc.).
We must mention that, at the end of 2013, in Romania there were a number of licensed tourism agencies, of which:

- Agencies with type A licence = 2, of which: 1 agency in Bucharest (TRAVEL SOLUTIONS) and 1 agency in Constanța (ROMSEJOUR);
- Retail agencies = 613, of which: 1 retail agency without sale, 27 retail agencies online, 585 retail agencies with sale;
- Tour operating agencies = 2811, of which: 27 tour operating agencies without sale, 29 online tour operating agencies, 2755 tour operating agencies with sale (http://turism.gov.ro/informatii-publice/).

In 2013, the biggest Tour operators in Romania made cumulated business of almost 270 million euros, owning the following turnovers: Perfect Tour – 46.8 mil. euros; Christian Tour – 44.2 mil. euros; Happy Tour – 36.7 mil. euros; Eximtur – 36.2 mil. euros; Vola.ro - 25 mil. euros; Hotel Air – 18.4 mil. euros; Business Travel & Turism – 15.9 mil. euros; Mareea Comtur -15.3 mil. euros; Prompt Service Tours - 14 mil. euros; Sunmedair Travel & Tourism Services – 13.9 mil. euros.

(http://www.economica.net/cine-este-cea-mai-mare-agentie-de-turism-din-romania-top-10_81473.html#ixzz3Mdx0FBXL).

At present the biggest Tour operators in Europe have the headquarters in Germany at Berlin and have the following position and year of establishment: 1) Thomas Cook-1848; 2) Neckermann-1960; 3) TUI-Touristic Union International-1968; 4) DERTOUR- Deutsches Reisebüro-1971; 5) FTI-Fellowship Travel International-1983, (http://www.eurolines.ro/).

3. CONCLUSIONS

As regards the activities of the tourism agencies in Romania, we may affirm that the tour operating tourism agencies are large companies, strongly concentrated on the global and international plane, producing forfeit voyages and selling them directly to the tourists or through retail tourism agency, which sell them to tourists. The tour operating tourism agencies are considered the wholesalers of the touristic industry and may be both large touristic companies, air or naval companies, and independent operators which realise the touristic package under the form of a service and not of tangible merchandise, which is sold through the retail tourism agency. Thus, the tour operating tourism agencies may be considered: generalist as they create and put at tourists’ disposal diverse categories of packages of touristic services and components thereof; specialised, as they are focused on a single type of tourism; punctual as they are specialised in touristic products offered at the order of certain customers’ groups.

In general, beside tourism consulting, tourism agencies in Romania offer and sell packages of touristic services: in the country, abroad, for exotic cruises, for New Year's Eve / Easter and for business / medical / religious / cultural tourism etc.). They also offer the guided tour, led by a tourism agent-guide who knows the packages of touristic services or components thereof and the activities of the travel. The unitary services offered by the tourism agencies are on the one hand basic tourists services (accommodation, food supply, transport, treatment and recreation, and on the other hand complementary services, i.e. reservations of places and tickets for events attendance (shows, concerts, national and international sports), reservations of
conference rooms, rental of means of transportation (cars, planes, trains, yachts), rental of equipment adequate for the tourism practised, travels to amusement parks.

The tourism agencies in Romania, in order to be authorised to operate, must comply with the minimum obligatory criteria of operation provided in the legislation in vigour. This means that on the one hand the manager of the tourism agency must have a tourism permit attesting his or her professional capacity, and on the other hand the agency must detain a tourism licence for the activities it carries on.

REFERENCES

Gherghina L. (2007) „Technique of tourism operations. Theory and applications”, Reşiţa, Eftimie Murgu Editions,

***Methodological norms regarding the issuance of the certificate of classification of structures of touristic reception with functions of accommodation and public food supply, of tourism licences and permits by the Order of the National Authority for Tourism No. 65 of 10.06.2013, published in the Official Gazette, Part I no. 353bis of 14/06/2013, p. 1, 2 and Annex 8 – Minimum obligatory criteria of operation for the tourism agency of the tour operator or retail type and of the branch / subsidiary /secondary office / representation office thereof, available on 10.09.2014 on www.static.anat.ro/uploads/2013/09/Norme_metodologice.docx


***Information regarding the cumulated business of the biggest tour operators in Romania, available on 25.12.2014 on http://www.economica.net/cine-este-cea-mai-mare-agentie-de-turism-din-romania--top-10_81473.html#ixzz3Mdx0FBXL

DECISION-MAKING STYLES OF ROMANIAN CONSUMERS

Alina Gianina LALA (Fădor)

ABSTRACT

Nowadays marketing shows increasingly interest in the research of consumer decision-making styles in order to understand how a person makes his/her buying decisions in the competitive environment. This paper investigates decision making styles by Romanian consumers using the Consumer Style Inventory (CSI) developed by Sproles and Kendall (1986). The present paper tries to identify which are the most important styles of decision making by Romanian consumers, taking into account eleven characteristics of them, such as: (1) perfectionist or quality conscious, (2) dissatisfaction of the buying process, (3) impulsiveness, (4) price-value conscious, (5) confusion by over choice conscious, (6) brand conscious, (7) novelty/fashion conscious, (8) recreation/hedonic conscious, (9) loyalty to the brand, (10) store loyal and (11) external environment influence.

KEY WORDS: decision-making style, consumer, inventory, characteristics

JEL: M30, M31, M39

1. INTRODUCTION

Consumer Styles Inventory (CSI) developed by Sproles and Kendall (1986) was adopted as a theoretical framework in previous studies and in different cultural and social contexts (Lysonski, Srini and Zotos, 1996). Knowing the consumer decision-making styles is essential for the marketing field because enable the knowledge of the market segmentation and marketing strategies (Sinkovics et al., 2010; Anic et al., 2012).

This paper is organized as follows: the first section presents a review of the literature on decision-making styles across different contexts, then second section examines the applicability of the CSI to Romania samples by replicating the Sproles and Kendall (1986) method. Final sections comprise a summary of the results and recommendations for further studies.

2. THEORETICAL ASPECTS REGARDING CONSUMER STYLES INVENTORY (CSI)

In literature, decision-making style is defined as "a mental orientation characterizing a consumer approach to make choices" (Sproles and Kendall, 1986, p. 268). To better understand the consumer decision-making styles Sproles and Kendall (1986) conducted a marketing tool that integrated three approaches which characterize consumer style (see Figure 1). The first is a psychographic and lifestyle approach, which used consumers’ different personality characteristics, attitudes, opinions, values and choices (Wells, 1974; Lala, 2015). The second approach is related to consumer typology, which defines general types of consumers, such as: economic shoppers, store-loyal shoppers, recreational shoppers, price-oriented shoppers, brand-loyal shoppers,
problem-solving shoppers, quality shoppers, fashion shoppers, brand conscious shoppers and impulse shoppers (Bellenger and Korgaonkar, 1980). The third is the consumer characteristics approach, which focuses on consumer cognitive and affective orientations.

In order to achieve instrument Sproles (1985) used 50 items related to orientation and cognitive affective consumer to commercial activities. Data collection was performed in 111 women from two Universities of Arizona and the analyzes undertaken it has discovered a number of common features of the decision-making styles namely: perfectionism, awareness of value, attention to brand, attention to what is fashionable, avoid shopping, saver. A year later, Sproles and Kendall (1986) have refined this inventory and developed a smaller scale called the Consumer Style Inventory (CSI). This inventory included 40 items about the consumer decision-making styles. Resulting instrument was administered to 482 students in five high schools in the Tucson, Arizona. This tool has established eight mental characteristics of consumer decisions described as follows:

- **Perfectionism or high-quality consciousness**: measures the degree to which a consumer searches carefully and systematically for the highest or very best quality in products;
- **Brand consciousness**: measures a consumer’s orientation to buying the more expensive, and well-known brands in the belief that the higher price of a product is an indicator of better quality;
- **Novelty-fashion consciousness**: identifies consumers who like new and innovative products and gain excitement from seeking out new things;
- **Recreational, hedonistic consciousness**: measuring the degree to which a consumer finds shopping a pleasant activity and shops just for the fun of it;
- **Price conscious, and “value-for-money” shopping consciousness**: identifying those consumers who have a high consciousness of sale prices and lower prices in general;
- **Impulsiveness**: identifies those consumers who tend to buy on the spur of the moment and appear to be unmindful of the amount they spend on getting “best buys”;
- **Confused by overchoice**: identifying those consumers who perceive too many brands and stores from which to choose, and thus experience an information overload;
• **Habitual, brand-loyal**: indicating consumers who have favourite brands and stores, who have formed habits in choosing these repetitively.

Over time Consumer Style Inventory (CSI) has been used in many studies with different cultural and social contexts (Hafstrom, Chae and Chung, 1992; Lyonski, Durvasula and Zotos, 1996; Fan Xiao, 1998; Hiu, Siu Wang and Chang, 2001; Yao Zeng, 2008; Mokhlis, 2009; Anubhav A. Mishra, 2010; Wanninayake B., 2014). For example, Hafstrom, Hae and Chung (1992) using Consumer Style Inventory found that five of styles identified by Sproles and Kendall were common in both Korean culture and in the United States, namely: brand conscious, quality conscious, recreation/hedonic conscious, impulsiveness and confusion created by the large number offers. At the same time, they suggested the existence of an additional factor such as “time or energy conserving”. Results of the study conducted by Lyonski, Durvasula and Zotos (1996) have confirmed seven of the eight characteristics of decision-making style developed by Sproles and Kendall (1986): perfectionism, brand conscious, novelty-fashion conscious, recreation/hedonic conscious, impulsiveness, confusion created by the large number offers and habitual, brand-loyal.

In 2005 Tai conducted research on working women in China and expanded research on inventory developed by Sproles and Kendall (1986) by adding four new features: personal style consciousness, environmental and health consciousness, reliance on mass media, and convenience and time consciousness. Wishing to compare students from China with the US regarding purchase online products clothing, Lu and Rucker (2006) used Consumer Style Inventory (CSI) and identified as a barrier to the difficulty of assessing the quality internet shopping clothes. In a similar research carried out by Lu and Rucker (2006), Cowart and Goldsmith (2007) used CSI to investigate the motivations of American students regarding online buying clothing products. Among the eight characteristics of inventory, they found: perfectionist or quality conscious, brand conscious, novelty conscious, habit and brand loyalty conscious.

A observable study as regards the applicability of the Consumer Styles Inventory was conducted by Anubhav A. Mishra in 2010. He conducted research that examined multi-cultural applicability of CSI in India, identified young-adult Indian consumer decision-making styles and comparing the styles identified in previous studies. Following the results taken, he obtain ten factors, namely: perfectionist, high-quality consciousness, dissatisfied shopping consciousness, impulsiveness, price-value consciousness, confused by overchoice, brand consciousness, fashion consciousness, recreational shopping consciousness, brand loyalty and store loyalty.

Wishing to explore the impact it has consumer decision-making styles on their preference, Wanninayake Bandara (2014) conducted research taking into account domestic brands in the context of the Czech Republic. The results showed that there are many decision-making styles that can be attributable to the Czechs consumers.

Therefore, worldwide there are several studies that have tried to adopt CSI to make a profile consumers’ decision styles in countries such as *India* (Canabal, 2002; Patel, 2008), *China* (Fan, Xiao and Xu, 1997; Fan and Xiao, 1998; Hiu, Siu, Wang and Chang, 2001), the *UK* (Mitchell and Bates, 1998), *Germany* (Walsh, Mitchell and Thuram, 2001; Walsh and Vincent, 2001), *South Africa* (Radder, Li and Pietersen, 2006), *Turkey* (Gonen and Osemete, 2006), *Malaysia* (Wan Omar, Mohd Ali Hussin and Abdul Rahim, 2009), *Brazil* (Dos Santos and Fernandes, 2006), *Czech Republic* (Wanninayake Bandara, 2014), *Macedonia* (Ivan Damir Anic, Anita Ciunova Suleska,
Edo Rajhi, 2010). All these studies have concluded that there are four styles of consumers with greater applicability in different countries, namely: brand conscious, quality conscious, fashion conscious and recreational conscious.

3. RESEARCH METHODOLOGY

The present study attempts to replicate the model with eight factors of Sproles and Kendall's (1986) in terms of decision-making style by Romanian consumers for purchasing new products appeared on the market. To the eight characteristics of decision-making style specified and explained above, there are another three, namely: loyalty to the brand, store loyal and external environment influence. Therefore, unlike other studies, the items considered in current research Romanian consumer decision-making style are summarized in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Perfectionist, High Quality Consciousness</td>
<td>Perfectionist, High Quality Consciousness</td>
<td>Perfectionist, High Quality Consciousness</td>
</tr>
<tr>
<td>2.</td>
<td>Brand Consciousness</td>
<td>Dissatisfied Shopping Consciousness</td>
<td>Dissatisfied Shopping Consciousness</td>
</tr>
<tr>
<td>3.</td>
<td>Novelty/Fashion Consciousness</td>
<td>Impulsiveness</td>
<td>Impulsiveness</td>
</tr>
<tr>
<td>4.</td>
<td>Recreational/ Hedonic Consciousness</td>
<td>Price-Value Consciousness</td>
<td>Price-Value Consciousness</td>
</tr>
<tr>
<td>5.</td>
<td>Price-Value Consciousness</td>
<td>Confused by Overchoice</td>
<td>Confused by Overchoice</td>
</tr>
<tr>
<td>6.</td>
<td>Impulsiveness</td>
<td>Brand Consciousness</td>
<td>Brand Consciousness</td>
</tr>
<tr>
<td>7.</td>
<td>Confused by Overchoice</td>
<td>Fashion Consciousness</td>
<td>Fashion Consciousness</td>
</tr>
<tr>
<td>8.</td>
<td>Habitual, Brand Loyal</td>
<td>Recreational/ Hedonic Consciousness</td>
<td>Recreational/Hedonic Consciousness</td>
</tr>
<tr>
<td>9.</td>
<td>Brand Loyalty</td>
<td>Brand Loyalty</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Store Loyalty</td>
<td>Store Loyalty</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td></td>
<td></td>
<td>External Environment Influence</td>
</tr>
</tbody>
</table>

(Source: The author of the work)

The instrument used for data collection was questionnaire, which allows analyzing and explaining the causal relationships between variables. The questions that have been used survey were mostly questions type measurement scale (Likert Scale) in five steps, it is generally expressed as: 1 (disagree) to 5 (total agreement). The last set of questions was designed to obtain personal data of respondents (gender, age, school education, occupation and income).

The questionnaire was applied both through online interviewers and by distributing survey link to potential respondents. Choosing the first method is because it generally leads to a higher response rate and it allows the respondent to obtain further explanation from the interviewer if you do not understand certain formulations or
requirements. As regards the second method of administration of the questionnaire, the online, the main advantages are: questionnaires are recorded directly in a database, the time required filling out the questionnaire is shorter, you have greater control over the responses and the questionnaire can easily distribute to a larger number of people.

For the online version of survey appealed to sending via email, placing it on the social network Facebook and chat application "WhatsApp", thus inviting bystanders to complete. A second version of the application of the questionnaire, via interviewers, involved questioning persons on the street, those are shopping in the shops and supermarkets, as well as students of the University "Eftimie Murgu" Resita Faculty Economics, specializing in Marketing and Business Administration.

From a total of 400 questionnaires both by direct interview and online were a total of 300 validated questionnaires. Among them 60 were only partially completed, and as per the percentage of incomplete answers given was less than 50% was decided to remove them from the final data in order not to influence the results of statistical analyzes. Thus, it reached the number of 240 completed questionnaires on which statistical analysis was done.

4. RESEARCH RESULTS

All data collected were processed using statistical analysis of the data, namely the Statistical Package for Social and Sciences (SPSS). These analyzes included: descriptive analysis, bivariate analysis and correlation tests. To assess the Romanian consumer decision-making style were considered 11 factors to be assessed individually below. The first was done to calculate the average value for each factor individually, recorded value in having a new variable name that factor, then descriptive analysis was performed of the 11 factors, the results of which are detailed in Table 2.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perfectionist</td>
<td>237</td>
<td>3.4966</td>
<td>3.5000</td>
<td>3.33</td>
<td>.62370</td>
<td>.389</td>
</tr>
<tr>
<td>Dissatisfaction</td>
<td>236</td>
<td>2.8157</td>
<td>2.8000</td>
<td>2.60</td>
<td>.66598</td>
<td>.444</td>
</tr>
<tr>
<td>Impulsiveness</td>
<td>235</td>
<td>2.7324</td>
<td>2.6000</td>
<td>2.00</td>
<td>.85765</td>
<td>.736</td>
</tr>
<tr>
<td>Brand</td>
<td>236</td>
<td>3.1494</td>
<td>3.2500</td>
<td>3.00</td>
<td>.82088</td>
<td>.674</td>
</tr>
<tr>
<td>Fashion</td>
<td>234</td>
<td>3.1887</td>
<td>3.1667</td>
<td>4.00</td>
<td>.97958</td>
<td>.960</td>
</tr>
<tr>
<td>Environment</td>
<td>232</td>
<td>3.2069</td>
<td>3.0000</td>
<td>3.00</td>
<td>.72482</td>
<td>.525</td>
</tr>
</tbody>
</table>

The first of the factors which determine consumer decision-making style is perfectionism and attention to high quality. According to the results in Table 2, the sample analyzed, the level of perfectionism is medium to high (the average being 3.49), the respondents giving answers in agreement with this feature. Also, the change in
response is relatively small compared to the average (0.389), which means that they were relatively uniform.

The second determinant of decision-making style is dissatisfaction with the purchasing process. It achieved an average score of 2.81, close to the middle value measurement scale of 3, but under it. Thus we can say that the sample members are somehow indifferent to the buying process, it tends to be perceived as a rather enjoyable than as an unpleasant one.

The third factor influencing the decision style was impulsive, thereby obtaining a similar dissatisfaction average score of 2.73. Near the middle of the scale of measurement values can be interpreted by the fact that members exhibit impulsivity sample mean when make purchases. The most frequent response in this case was two, indicating that most respondents are rather calculated shopping, and not necessarily react on impulse. The dispersion of responses regarding impulsivity is relatively high, indicating that the sample members were divided somewhat different in this case.

Attention for price-value was the fourth factor taken into account in establishing decision-making style. Its average value was 3.28, confirming a rather high attention to respondents in the cost of purchased product. This feature is confirmed sample and value the most frequent response (3.5) and the relatively low dispersion of responses.

The fifth factor was the confusion created by the large number of offers, which received an average score of 3.15. This value, above the middle of the scale, indicate that respondents tend to be overwhelmed at certain times by the amount of information and the number of offers, which makes it difficult following a decision of purchase. Given the relatively high dispersion of responses, it can be appreciated that some members of the sample considers the large number of offers as a confounding factor important than other.

The sixth element of decision-making style is attention to brand. The average value of this factor is similar to that of confusion, namely 3.14. Thus, one can say that the people interviewed attach importance average mark, but in this case fairly high dispersion of opinions suggesting relatively different from the sample.

Attention to what is fashionable was the seventh determinant of decision-making style. Obtained by the average score is 3.18, similar to the two previous factors. The decision to purchase of the respondents is less influenced by fashion styles at the time of purchase. In this case, however, the dispersion is high, which means that while some respondents do not take into account the trends of the moment, others are highly influenced by them.

The eighth element of decision-making style is recreational/hedonic consciousness which received an average score of 3.75, demonstrating a trend hedonic purchases of new products. The members of the sample consider shopping as satisfaction and pleasure-generating activities recognizing their recreational potential.

The ninth factor, brand loyalty obtained an average score of 3.76, indicating a tendency of respondents to regularly buy brands they are like. Brand loyalty is confirmed by value with the highest frequency response, which in this case is 4. Thus, although the selected sample members do not seem to pay attention brand name high, they tend to remain loyal to brands that come to like.

In the case store loyalty the situation is a little different. The tenth factor to consider obtained an average score of 3.11, showing little interest of respondents to the place of purchase. This is probably due to the large number of locations where you can
purchase the same products, in this case rather excelling proximity or convenience point of sale, unless the consumer's willingness to buy from the same site.

The last factor considered was the impact of the external environment on decision-making style. In this case average score was 3.20, value also close enough to the middle of the scale, suggesting a relatively low impact of the recommendations of the external environment (be it knowledge, or commercials) on the purchase decision.

Regarding the respondents' age, significant differences were identified between the decision-making style group of persons over 55, and groups of people between 18 and 24, and between 25 and 34 years. These results demonstrate that individuals over 55 years have a significantly different decision style from the under 35, the average of responses in the first case being 31.55, while in the case of the latter was 35.78 (25-34) or 35.85 (18-24) as shown in the table below. Considering the components included in the calculation of the variable style of decision-making, we can say that people over 55 will have a decision style unfavorable to purchase new products, while for those under 35 the situation is reversed, how they decisions favoring the purchase of new products.

<table>
<thead>
<tr>
<th>decision_style</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24 years</td>
<td>91</td>
<td>35.8505</td>
<td>3.92883</td>
<td>.41185</td>
</tr>
<tr>
<td>25-34 years</td>
<td>53</td>
<td>35.7824</td>
<td>4.51079</td>
<td>.61961</td>
</tr>
<tr>
<td>35-44 years</td>
<td>43</td>
<td>35.1426</td>
<td>3.74124</td>
<td>.57053</td>
</tr>
<tr>
<td>45-55 years</td>
<td>26</td>
<td>35.4231</td>
<td>4.33106</td>
<td>.84939</td>
</tr>
<tr>
<td>peste 55 years</td>
<td>10</td>
<td>31.5533</td>
<td>4.12703</td>
<td>1.30508</td>
</tr>
<tr>
<td>Total</td>
<td>223</td>
<td>35.4553</td>
<td>4.15562</td>
<td>.27828</td>
</tr>
</tbody>
</table>

Revenue has a role in determining the decision style of respondents. People with incomes below 1500 lei had an average score of decision style of 34.54, while those with incomes above 1500 lei reached an average of 36.02, which means that a higher level of income requires a decision style of respondents adoption of new products more favorably than people with incomes below 1500 lei.

5. CONCLUSIONS AND FURTHER RESEARCH

The aim of this study was to investigate the decision-making style by Romanian consumers regarding the purchase of new products. Research issues and objectives have been identified taking into account a review of the literature on the application of the Consumer Style Inventory (CSI) developed by Sproles and Kendall (1986).

According to the results of empirical study findings are:

- Romanian consumers tend to be primarily loyal to the brand (the average being 3.76). This factor presents Romanian consumer loyalty to certain brands. In this case, consumers are willing to buy their favorite brands whenever necessary and if there is another product that suits their tastes, they will buy on a regular basis;
- Second, Romanian consumers believes that shopping is enjoyable and fun. This is highlighted by recreational and hedonistic potential purchases (the average being 3.75);
Romanian consumers are paying increased attention both quality and choice of the best products on the market because they have high standards and expectations for products (perfectionism and attention to high quality recording an average value of 3.49);

Much of the Romanian consumers have started to become very aware of the amounts they spend and are also concerned to get the best value for money (attention to price - value recorded an average value of 3.28);

Importance of acquaintances (friends, family, colleagues) and advertising when the product is adopted appears to have an influence on the Romanian consumers (external environmental impact of recording an average value of 3.20);

Romanian consumer seems to be less impulsive when acquiring new products (impulsiveness recording an average value of 2.73), which means that it pays more attention and more time shopping.

Future research could use larger samples, representative at regional or national level, to investigate the decision-making style. Furthermore, this study investigated only decision-making style by consumers in general, without focusing on a particular product. Another recommendation for future research would be to investigate other consumer segments that have different orientations decision making (for example, the population aged 15-18 or pensioners).

REFERENCES


Yao Zeng (2008), "An investigation of decision-making style of chinese college student online apparel shoppers", Wuhan University of Science and Engineering, China.
ANNUAL FINANCIAL STATEMENTS - FAIR REPRESENTATION OF THE ECONOMIC ENTITIES’ PERFORMANCE

Nătăliţa-Mihaela LESCONI-FRUMUŞANU 1
Andreea-Mihaela MARIN2

ABSTRACT
In this paper we want to capture the effect that the new legislative provisions had on the role of informational annual financial statements on the performance of the entity, and how this information can be depicted from the notes, especially in the explanatory note no. 9, assuming that the new laws are aimed to improve the quality and comparability of accounting information contained in the financial annual statements. For achieving the main objective, providing information on the assets of an entity, it is necessary that after recording accounting entries to synthesize periodically information generated by accounts and accounting calculations in expressive synthesis and relevant documents accessible not only to specialists, but also of others categories of users. This paper is intended as a summary of literature in the field, but also as an example of the calculation methodology of the indicators included in the explanatory notes. Rezumatul va cuprinde pe scurt obiectivele avute în vedere de autor(i), metodologia de cercetare și principalele rezultate la care s-a ajuns în articolul realizat.

KEY WORDS: annual financial statements, performance, financial position, notes, indicators.
JEL: M41

1. LITERATURE REVIEW

The annual financial statements represent financial reporting documents that indicate at one time the size of the real and monetary flows of an economic entity, from its relations with the outside mainly from internal activity (Matis D., Pop A., 2010). These are the document which “provides information about the company's financial position, performance and changes in financial position of the company” (Ristea M., Dumitru C.G., Ionaș C., Irimescu A., 2009).

In another opinion (Mateş D., Peres I., Peres C., 2005), the financial statements are regarded as “a picture of wealth, expressing the company's financial position in monetary units by the correlation between goods, sources of financing and the results obtained at the end of the accounting period “or the financial situations are regarded as documents that provide information about true and fair view of the financial position, performance, modification of financial position, changes in equity, useful to a broad range of users in making economic decisions (Paraschivescu M.D., Radu F., 2008).

The annual financial statements, the result of economic practice, part of the summaries and accounting reporting, is a prelude of a user side, being the quantitative and qualitative expression of equilibrium relations values of heritage management

---

1 assistant professor/ Phd/ Faculty of Economics, „Eftimie Murgu” University of Resita, Romania, mihaelafrumusanu@yahoo.com;
2 assistant/Phd Candidate/ Faculty of Economics, „Eftimie Murgu” University of Resita, FEAA, Vest University of Timişoara, Romania, andreeamarinmihaela@yahoo.com;
(Dănescu T., 2000). They offer “a structured financial representation regarding the financial position and transactions made of the entity ..., or a information about the financial position, performance and cash flows that should be useful to a wide range of users in their economic decision-making” (Feleagă N., Malciu L., 2002).

The role of annual financial statements in the decision making process can be seen from the primary objective, to provide users with adequate information about the economic entity, information that enables every user to take decisions in full knowledge regarding the position and financial performance, taking account of the work done over a certain period of management. Given the fact that this objective requires that the annual financial accounts have the ability to provide comprehensive information, detailed compared to those offered by the balance sheet, profit and loss and changes in equity structure, together with explanatory notes, we can ask ourselves if such action of reducing pressure administrative (of simplification) do not prejudice to this objective, particularly on the provision of information for the analysis of performance of an entity.

In achieving this objective, an important role is played by analyzing financial statements, this meant to observe and assess the events that occurred in the past, the present, and the possible future performance and financial position regarding decisions.

Financial statements are considered the core of financial reporting and respond to the main goal that of communicating accounting information to its users, the financial reporting, based on three major objectives (Bota-Abram F., 2008):

- providing useful information to achieve business and economic decisions;
- provision of comprehensible information, able to assist investors and lenders in forecasting future cash flows of the entity;
- providing of information relating to the entity's economic resources, obligations to creditors and owners.

The analysis of the economic entity's performance presents a major role in making management decisions, helping to identify the benefits and risks in planning economic entity, which are based on a unique set of financial indicators that capture the complexity of the financial performance analysis of economic entity.

Although information that can be drawn from financial statements can capture important aspects in terms of performance management, accounting professionals are facing many problems to outline an information system geared to that, accounting being a strong legislated field. Accounting information capture, primarily financial results, but the management of an economic entity is interested in the whole process by which these results were obtained. Another weakness identified by internal users (managers) of financial statements is that they provide information about short-term performance indicators, while achieving strategies need indicators on more distant time horizons.

Analysis of the financial position is essential in decision making, it analyzing the resources held by an entity and their rights at a certain time (Needles B.E. Jr., Anderson H.R., Caldwell J.C., 2001), and a well-balanced financial situation creates the materials conditions required for necessary decisions in developing economic activity, in the best conditions.
2. No. 9 EXPLANATORY NOTE. LEGISLATIVE PROVISIONS AND ITS INFORMATIONAL ROLE

“To develop and complement the information presented in the balance sheet, income statement, cash flow statement and statement of changes in equity notes to financial statements” (Breuer A., Lesconi Frumușanu M., 2013).

In the explicative notes to the financial statements, the entity shall disclose information about the basics of drawing them so: to provide information on accounting rules and accounting policies used; to provide additional information that are not presented in the balance sheet, profit and loss account and, where applicable, statement of changes in equity or cash flow statement, but are relevant to an understanding of them.

In Romania, there is a standardized form of financial statements, only the notes being able to produce the information in a particular manner. (Feleagă, L., Feleagă, N., Raileanu, V., 2012).

Regarding the explanatory notes, the international accounting normalization refers to an annex calling it accounting policies and explanatory notes. In the view of the IASC, the annex contains additional drawings and miscellaneous information that try to answer the informational needs of users of accounting information both further information on balance sheet and income statement and information on the risks and uncertainties affecting the entity, information on resources and obligations that are not shown in the balance sheet, so there is no reference to economic and financial indicators, an important resource in the process of information, analysis and substantiation of decisions.

According to OMPF 1802/2014 for approving Accounting regulations on the annual individual and consolidated financial statements, the notes must:

- to disclose the accounting rules which were the basis for annual financial statements and accounting policies used;

- to provide additional information that is not presented in the balance sheet, profit and loss account and, where applicable, statement of changes in equity and/or cash flow statement, but are relevant to an understanding of any of them.

This legislation introduced new regulations which had the aim to align with EU provisions in the field, the increased relevance and understandability of financial reporting requirements, the main source of information for many categories of users, but also protecting their information needs together with simplifying the process of preparing financial statements.

It partially transposes the provisions of Directive 2013/34/EU, under the new law underlying the organization of national accounting, economic entities are classified as: micro-entities (article 9 (2) of the 1802/2014 OMPF), entities that submit annual financial statements with the following structure: abridged balance sheet; abridged profit and loss account; notes that have a small number of information (art.576 and 577 of OMPF 1802/2014).

The accounting information contained in the notes refer to accounting policies: measurement bases applied to various economic factors; small entity (article 9 (3) of the 1802/2014 OMPF), which make: abridged balance sheet, profit and loss account, explanatory notes that are more detailed than micro entities and optionally: putting cash flows and social capital (Article 20 (1) OMPF 1802/2014); and medium and large entity (Article 9 (4) of the 1802/2014 OMPF), that have the obligation to submit
complete annual financial statements, comprising: balance sheet, income statement, statement of changes in equity, cash flow statement, explanatory notes to the annual financial statements and a report including payments to the budget (entities active in the extractive industry or the logging of primary forests) (Article 21, art.580 OMPF 1802/2014).

In accordance with these regulations of OMPF 1802/2014 for approving Accounting regulations on the annual individual and consolidated financial statements, explanatory notes to the financial statements, all entities present, in addition to the information required under other provisions of these regulations, information on the following:
- adopted accounting policies, including: measurement bases applied to the various elements; compliance of accounting policies adopted with accounting principles set out in these regulations; any significant changes in adopted accounting policies.
- if tangible assets are measured at revalued amounts, a table showing: movements reevaluation reserve during the financial year, with an explanation of the tax treatment of items it contains and the carrying amount that would have been recognized in the balance sheet if tangible would not have been reevaluated.
- when financial instruments are measured at fair value: significant assumptions underlying the valuation models and techniques if fair values have been determined in accordance with pt. 121 par. (1) b); for each class of financial instruments, fair value, changes in value included directly in the profit and loss account as well as changes included in the fair value reserve; for each class of derivative financial instruments, information about the area and the nature of the instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows and a table showing movements recognized directly in equity during the financial year exercise.
- The total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, indicating the nature and form of any valuable security which has been granted; apart from this, there are shown any commitments concerning pensions and affiliated or associated entities.
- The amount of advances and loans given to members of the administrative, management and oversight, indicating interest rates, of main conditions and any amounts repaid or written off or waived, as well as commitments undertaken on their behalf by way of guarantees of any kind, with an indication of the total for each category.
- The amount and nature of individual items of income or expense that are of exceptional size or incidence.
- The amounts owed by the entity that becomes due after more than five years, and the total amount of the liabilities secured by collateral deposited for this, indicating the nature and form of the security.
- Average number of employees during the financial exercise.

Regarding the explanatory note no 9, it includes examples of calculation and analysis of the main economic and financial information ranging from the calculation and interpretation of some indicators such as liquidity indicators, risk, management, profitability indicators and indicators on earnings per share.
Thus, there are economico-financial indicators, such as those set out in note no 9 of the explanatory notes attached to the annual reports, which if calculated, helps users of annual financial statements to evaluate the efficiency and profitability, and the changes along time.

To illustrate the economic entity's liquidity and solvency, we analyzed rates evolution of the balance sheet structure, thus having the following:

### 2.1. Liquidity indicators

#### a) The overall liquidity ratio is calculated as current assets and current liabilities, being considered a good indicator of the entity's ability to pay its bills and repay loans (Jianu I., 2007).

**General liquidity rate:**

\[
R_{lg} = \frac{A_c}{D_c} \quad R_{lg} = \frac{144425}{130737} = 1,10 \quad R_{lg} = \frac{194578}{195247} = 1
\]

The overall liquidity - must lie around 2 and the new entity analyzed by us is below this level. The motivation for this situation is that the debt eligible for up to 1 year are great, being close to the value of the current assets of the entity.

#### b) Current liquidity ratio is calculated as the difference between current assets and current liabilities and stocks, with values between 0.65 and one (Breuer A., Lesconi M., 2011).

**Current liquidity rate:**

\[
R_{lc} = \frac{A_c - S}{D_c} \quad R_{lc} = \frac{144425 - 901}{130737} = 1,10 \quad R_{lc} = \frac{194578 - 4285}{195247} = 1
\]

Current liquidity - the optimal level of this ratio is in the range of 0.65 - 1. The economic entity analysed by us has a value that can be considered optimal, being between 1.00 and 1.10.

#### c) Immediate liquidity is expressed as the ratio between availability and current liabilities.

**Ratio of immediate liquidity:**

\[
R_{li} = \frac{D_p}{D_c} \quad R_{li} = \frac{261 + 526}{130737} = 0,07 \quad R_{li} = \frac{2960 + 270}{195247} = 0,02
\]

Immediate liquidity - the analysis of this indicator should be careful when interpreting the results because a high value indicates that the entity has immediate liquidity, but this is no guarantee of solvency, and in reverse, little value can be one positive for society if the company has receivables and stocks with high liquidity. The case of the entity analysed by us is the second, the value of immediate liquidity hovering in the range of 0.02 to 0.07 and from analytical point of view, the entity has cash low value, but the value of receivables and of inventories is net high, which indicates a favorable situation for this.

### 2.2. Indicators of risk / debt
a) Leverage (s), measure the weight of the economic entity obligations heritage; it is detailed in the following:

a.1.) The rate of overall leverage (R_{ig}) measures the debt ratio regardless of the length of their heritage and origin entity. This rate is subunitar(<1) and, as the value ratio decreases, debt is reduced, so the entity's financial autonomy increase (Spătaru L., 2004).

\[ r_{ig} = \frac{D_t}{P_t} \cdot 100 \]

\[ r_{ig} = \frac{130737}{162022} \cdot 100 = 81\% \]

\[ r_{ig} = \frac{195247}{204077} \cdot 100 = 96\% \]

The rate of overall debt must have values less than 1 (or below 100%), and if this value approaches zero, the company is free of debt, thus allowing the contracting of new loans. At the entity from our case study, this indicator follows an ascending curve, starting from 4.18 and going up to 22.11.

a.2.) Term borrowing rate (R_{IT}), which measures the share of medium and long-term debt in permanent capital; calculation relations are:

\[ r_{it} = \frac{I_{ml}}{C_p} \cdot 100 = 0, \text{no debt on the medium and long term} \]

b) Level of interest coverage is calculated as follows:

\[ \text{InterestCoverageRatio} = \frac{EBIT}{InterestExpence} \]

\[ \text{has no interest expense or profit.} \]

c) The overall solvency ratio (R_{sg}) is determined as the ratio of total assets (TA) and total debt (Dt):

\[ R_{sg} = \frac{A_t}{D_t} \]

\[ R_{sg} = \frac{144425 + 10428}{130737} = 1.18 \]

\[ R_{sg} = \frac{194578 + 5690}{195247} = 1.02 \]

2.3. Indicators of activity (management)

a) The number of rotations of current assets (N) is the ratio between the total turnover (Ca) and the average balance of current assets (Ac):

\[ N = \frac{Ca}{A_c} \]

\[ N = \frac{693213}{144425} = 4.8 \]

\[ N = \frac{470282}{194578} = 2.41 \]

b) Duration in days of turnover (Dz) is calculated as ratio between the average balance of current assets (not available) (Ac) and the number of days in the period analyzed (T) and the total turnover of the entity (Ca):

\[ Dz = \frac{A_c \cdot T}{Ca} \]

\[ Dz = \frac{144425 \cdot 365}{693213} = 76.04 \]

\[ Dz = \frac{194578 \cdot 365}{470282} = 151.02 \]

b.1) The turnover of stocks of raw materials (Dzmp) is calculated as the product between the number of days of the analyzed period (T) and the ratio of the average stock of raw materials (HFS) and costs of materials made by entity during the analysed period (Cm):
b.2) The turnover of stocks of production in progress \((D_{zsp})\) is calculated by multiplying the number of days in the analyzed period \((T)\) to the ratio of the average stock of production in progress \((S_{mpe})\) and expressed in production year costs (costs associated with the production year \((Q_{EC})\)):

\[
D_{zsp} = \frac{S_{mpe}}{Q_{ec}} \cdot T = 0
\]

b.3) The turnover of stocks of finished and semifinished products \((D_{zpf})\) is calculated as the product of the same number of days in the analyzed period and the ratio of the average stock of finished and semifinished products \((S_{PFs})\) and on operating revenue \((C_{VE})\):

\[
D_{zpf} = \frac{S_{PFs}}{C_{ve}} \cdot T = 0
\]

b.4) The turnover time of receivables \((D_{zc})\), also called debt collection duration is calculated as the product between the number of days of the analysed period and the ratio between the average stock of receivables \((S_c)\) and operating income \((V_e)\):

\[
D_{zc} = \frac{S_c}{V_e} \cdot T = 0
\]

2.4. Profitability indicators

a) *The level of social capital*, calculated as ratio between gross profit and social capital:

\[
R_{cs} = \frac{Gross \ Profit}{Social \ Capital} \times 100
\]

b) *The level of equity*, highlights the effectiveness with which the entity uses its own capital and is calculated as ratio between gross profit and equity:

\[
R_{ce} = \frac{Gross \ Profit}{Equity \ Capital} \times 100
\]

c) *The level of employed capital*, reflects the contribution of permanent resources (equity + long term debt) to get the profit and is calculated as ratio between gross profit and employed capital:

\[
R_{ca} = \frac{Gross \ Profit}{Employed \ Capital} \times 100
\]

d) *Gross margin from sales*, highlights the company's ability to control production costs or achieve optimal sale price. It is calculated as a ratio of gross profit on sales (commercial margin) and turnover:

\[
M_b = \frac{Gross \ Profit \ on \ Sales}{Fiscal \ Value} \times 100
\]

Profitability indicators are not calculated because the economic analysed entity does not show any profit.
2.5. Indicators of dividend policy

a) *Dividend per share* marks the absolute amount of dividends that is distributed for each owned share:

\[
\text{Dividend Per Share} = \frac{\text{Dividend Payment}}{\text{No. Of Share Issues}}
\]

b) *Dividend distribution rate* signals the incisiveness of distribution policy of dividend and it is relatively opposed to the policy of self-financing and inversely proportional with the degree of capitalization.

\[
R_{dd} = \frac{\text{Dividend Payment}}{\text{Clear Profit}}
\]

c) *The return per share* is a strong indicator with a powerful economic expression, of great interest for shareholders because it means a genuine return of capital placed in actions.

\[
R_{a} = \frac{\text{Dividend Per Action}}{\text{The Course of the Action Issue}}
\]

d) *Benefit per share* represents the enriching of shareholders during the year because the profit is either distributed as dividends or it is capitalized representing all shareholders' wealth, the indicator does not represent a financial flow in the sense that not the whole benefit is distributed as a dividend, but it is a key element for the market value of the shares.

\[
B_{a} = \frac{\text{Net Profit after Taxes}}{\text{Action no.}}
\]

Profitability indicators are not calculated because the analysed economic entity does not show any profit, therefore performs no dividend distributions.

2.6. Other indicators

a) *Financial autonomy rate* \((R_{af})\) is the ratio between own equity \((C_{p})\) and permanent capital \((C_{PER})\):

\[
R_{af} = \frac{C_{p}}{C_{PER}} = \frac{C_{p}}{C_{p} + C_{i}}
\]

where: \(C_{i}\) - represents borrowed capital.

The analysed entity has not submitted to the borrowers so in this context we would be tempted to say that this has a beneficial impact on financial autonomy, but analysing this aspect together with profitability, we could see the mismanagement of entity.

b) *The funding rate of stocks on account of working capital* \((R_{fs})\) is calculated as the ratio of working capital \((FR)\) and stocks \((S)\):

\[
R_{fs} = \frac{FR}{S} = 0
\]

c) *Financing rate of fixed assets from equity* \((R_{fai})\) will measure the equity part in financing fixed assets; is calculated with the following formula:

\[
R_{fai} = \frac{C_{ER}}{A_{m}}
\]

\[
R_{fai} = \frac{31285}{10428} = 3 \quad R_{fai} = \frac{8830}{5690} = 1.55
\]
Taking into consideration the obtained results, we can state that stable assets are fully financed from stable sources, with a surplus of permanent sources that may be in the form of working capital.

3. CONCLUSIONS

After analysing the literature from our domain and the national legislation, we may underline the importance of annual financial statements for an economic entity. Thus, through the two most important components of financial statements, the balance sheet and profit and loss, an economic entity may assess its economic and financial performance by calculation of indicators that show financial stability and financial autonomy of this, the indebtedness, the ability to procure liquidity and to honor its debts to third parties. On the other hand, the annual financial situations help us determine the economic lucrativeness of economic entity on the three levels, namely the economic, financial and commercial level.

Regarding the case study in this paper, we stopped on the analysis of the economic entity's balance sheet, and after determining the most important indicators, we could conclude the following:

Liquidity analysis. After analysing overall liquidity, the liquidity and immediate liquidity, the analyzed economic entity shows fluctuations for the entire analysed period. Thus, the overall liquidity should be around 2 and our analyzed entity is below this level. The motivation for this is that the debt outstanding for up to 1 year are great, being close to the value of the current assets of the entity. Current liquidity, the optimal level of this ratio is in the range of 0.65 - 1. the economic entity analysed by us has a value that can be considered optimal, ranging between 1.00 and 1.10. The immediate liquidity in the analysis of this indicator, we should be careful when interpreting the results, because a high value indicates that the entity has immediate liquidity, but this is not a guarantee of solvency, and reverse, a small amount can be positive for the company if the company has a claim and highly liquid stocks.

The case of the entity analyse by us is the second, the value of immediate liquidity hovering in the range of 0.02 to 0.07 and, from an analytical point of view, the entity has cash low value, but the value of receivables and of inventories is net high, which indicates a favorable situation for this.

The analysis of leverage, global leverage must have values less than 1 (or below 100%), and since this value approaches zero, the more free of debt is the entity, thus allowing itself to contract new loans. At the entity from the case study, this indicator follows an ascending curve, starting from 4.18 and going up to 22.11.

All in all, to achieve a meaningful analysis on financial ratios we must taken into consideration the following aspects:

• There is always need of a point of reference, be it the historical values obtained from company forecasts or calculated values for other companies with similar object of activity;

• Analysis based on a single indicator can lead to misinterpretation and it is recommended to study several installments to obtain an accurate picture of the financial position or performance of the economic entity;
• Using the balance sheet values at the end of the year to calculate financial indicators can lead to errors given by seasonal factors, thus it is recommended to use average (eg Year end inventories - Inventories at the beginning of the year);

• Financial rates are influenced by existing accounting limitations, being possible that in case of realization of calculations based on different standards to show some discrepancies.

Starting from imoreza of this work and given its theme, we can see these last changes as appropriate in the sense of alignment with EU provisions for achieving the goal of reducing administrative pressure on economic entities, but at the same time we believe that simplifying the annual financial statements composition for micro-entities, namely small and medium entities make it difficult for external users to identify accounting information needed to carry out own analysis.

REFERENCES


Paraschivescu M.D., Radu F.,(2008), „Managementul contabilității financiare”, Iași:Tehno. Press;


*** Directiva 2013/34/UE a Parlamentului European și a Consiliului din 26 iunie 2013 privind situațiile financiare anuale, situațiile financiare consolidate și rapoartele conexe ale anumitor tipuri de întreprinderi, de modificare a Directivei 2006/43/CE a Parlamentului European și a Consiliului și de abrogare a Directivelor 78/660/CEE și 83/349/CEE ale Consiliului;

*** Law no. 82/1991, Law of Accounting, with the ulterior alterations and completions, updated 2015;

*** OMPF no. 1802/2014 for the approval of the Accounting regulations related to the individual annual financial situations and consolidated annual financial situations.
EMPATHY – A CAPABILITY OF A SUCCESSFUL LEADER

Angela - Olimpia LOBONEA (OLTEAN)¹

ABSTRACT
The starting point in the realization of this article is the significant difference between leadership and management. Both are important, but unlike management, which in our opinion, applies mainly to objects and creates stability rules, leadership involves people and their dynamics, constantly changing. In other words, leadership matters and leaders have a strong impact on the organization and its members. For this, they must possess certain skills, innate or developed, throughout their lifetime. One of these is the empathic ability.

The objective of this article is to present and describe a very important capability needed for a successful leader: empathy.

Conclusion: Empathy is a practical skill of successful leaders, nowadays essential for survival.

KEY WORDS: empathy; capability; leader, social intelligence, competence.

JEL: M20; M21; M29

1. INTRODUCTION
Many leadership theories suggest the ability to have and display empathy is an important part of leadership. Empathy is an important component of the emotional intelligence (EI) and some authors have argued in their works that is highly relevant to leadership (Bar-On & Parker, 2000; George, 2000; Goleman, 1995; Salovey & Mayer, 1990). Albrecht (2007) integrates empathy in social intelligence skills next to: a sense of the situation, presence, authenticity, clarity. The psychologist Reuven Bar-On through his valuable contribution in the emotional intelligence domain integrates empathy in the interpersonal domain.

Forbes says that the most important trait of a leader is the human and emotional side and thanks to this outstanding feature, great leaders understand empathy and have the ability to „read” people, their needs and desires and therefore to fulfill them as much as they can.

According to psmag.com, when a population of a country has a low level of empathy and disbelief, its condition will be negatively affected and laws and measures of constraint will be required. Therefore, empathy affects the smooth running of a society economically, socially and politically speaking.

To empathize, in our opinion, means to connect you at a fundamental and profound level with that person. Empathy is a feature that can be gained after following one constant practice. Sometimes abstract, sometimes easily defined, empathy is a tool that every leader should acquire. One of conditions for an effective communication between leaders and followers is that capacity of being empathic.

¹ PhD candidate, West University of Timisoara, Romania
We believe that empathy should not be selective, it should be a part of the “daily” routine, a habit that brings us closer to others, but also one which involuntarily leads us to ourselves.

2. EMPATHY– ASPECTS REGARDING THE CONCEPT, DEFINING

In the present and future organization we must look at leadership as a process in which members of the organization interact, become objective and responsible. In the professor Bailesteanu's opinion (2008), leadership captures following situations: it is an interchangeable process, a transactional process – because the leader and members of the organization are permanently exchanging ideas and responsibilities, a transformational process – in which the leader promotes change through motivation and confidence and a process oriented towards achievements of goals – a permanent cooperation between the leader, individuals and groups. Therefore, a performant leadership requires an optimization between relation-oriented leadership – relational, socio-emotional, affective orientation and task-oriented leadership – task, purpose, production orientation. The leader of the present and the leader of the future must be able to develop specific qualities belonging both to the leadership and the management.

W. Bennis (2001) sees future leaders able to develop a whole new set of skills, these being: empathy, the strength of appraisal, continually reminding people what is important, generating and maintaining trust, a leader of the future and his subordinates are intimate allies.

The construction of human potential requires a new agenda, gives new challenges to leaders and calls for redefining managerial capabilities. This new agenda creates a set of expectations from leaders. Future leaders will have to get rid of the heavy burden of command and control.

We propose a classification of capabilities expected from a leader, based on the observation that everyone has their own definition, their own qualities based on experiences they lived. Thus, due to the fact that attributes of a leader are very different, a classification based on their degree of complexity is required:

Basic managerial knowledge - we consider that they are inherent to a leader - he cannot perform if he doesn't have the domain competence in which they activate. We believe that currently, a leader cannot be a good leader only with intuition and common sense. Leaders must have the necessary knowledge needed in their professions, knowledge which is mainly gained in a formal way.

Abilities, features - the most popular being: empathy, flexibility, confidence (reputation, competence, predictability and honesty), vision, effective communication, charisma, integrity, courage, authenticity, character, ethics, assertiveness.

Meta-skills. In this category we can find: interest in self-development (growth potential), desire to learn, good self-knowledge, creativity and interest for human development (education and keeping valuable people), appreciating the work of subordinates: valuing workforce diversity and recognizing the human resource role, management style.

Meta-attitudes: authenticity and modesty. Modesty is anything else, but a humble attitude… and here we refer to Jim Collins (2007) model: window and mirror. According to Collins, a 5 level leader, looks out the window when the organization does well and gives all the credit to other people that he considers valuable; the same 5
level leader looks in the mirror to take responsibility for bad results, without blaming others or bad luck.

Capabilities – represent, in our opinion, leader’s potentialities, the transformation engine. They exist in a latent state and through activation they generate economic effects.

Goleman (2007), Gardner (1988), Stein, Book, (2003), Bailesteanu (2008) stated that the leader has the maximum capacity to influence everyone's emotions. These authors claim that leaders can channel people's emotions towards enthusiasm, performances being thus born; and the lack of positive emotions creates resentment and anxiety, causing people to lose efficiency. An extremely strong interpersonal instrument in such situations is empathy.

Empathy is a term launched by the German philosopher Robert Vischer (1847-1933) and it became more and more popular nowadays.

According to Oxford dictionary, empathy means "a person's ability to fully understand, to identify himself mentally with another person or object contemplated". Some of definitions found in the literature can be summarized in table 1:

### Table 1: Definitions of the concept empathy

<table>
<thead>
<tr>
<th>Year</th>
<th>Authors</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>George Herbert Mead</td>
<td>“Taking the role of other”</td>
</tr>
<tr>
<td>1948</td>
<td>Thedor Reik</td>
<td>&quot;Listening with the third ear&quot;</td>
</tr>
<tr>
<td>1959</td>
<td>Kohut</td>
<td>“Indirect introspection”</td>
</tr>
<tr>
<td>1959</td>
<td>Carl Rogers</td>
<td>Empathy is the accurate perception of the internal reference background of another, with all its emotional components and meanings that belong to that person &quot;as if&quot; you were the other person, but without losing the condition of &quot;as if&quot;.</td>
</tr>
<tr>
<td>1960</td>
<td>Greenson</td>
<td>&quot;Emotional knowledge&quot;</td>
</tr>
<tr>
<td>1966</td>
<td>S. Stark</td>
<td>A short identification of a process by which a person, through a conscious or unconscious imagination, would merge itself with another person being able to understand and share feelings and attitudes of the other.</td>
</tr>
<tr>
<td>1970</td>
<td>Alfred Kadushin</td>
<td>&quot;Imaginative entry into the inner life of the other&quot;</td>
</tr>
<tr>
<td>1979</td>
<td>Beck, Rush, Shaw and Emery</td>
<td>Effort to see and experience things from the other person’s perspective.</td>
</tr>
<tr>
<td>1997</td>
<td>Marcus</td>
<td>Empathy is that psychological phenomenon of reliving states, thoughts and actions of the other, acquired through psychological self-transposition into an objective model of human behavior, enabling a person to understand how does the other person see the world. In empathy, introjection provides knowledge of others and the projection of one’s personal experience, adapted to the social requirements, also contributes at increasing the accuracy of empathy.</td>
</tr>
</tbody>
</table>
Conveying empathic emotion is defined as the ability to understand how others feel (Duan, 2000; Duan & Hill, 1996; Goleman, 2006), the ability to share, in an active way, emotions with others and to confront in a passive way with feelings of other (Kellett, Humphrey, and Sleeth, 2006), in order to be effective.

Daniel Goleman separates rational (cognitive intelligence) from emotional (emotional intelligence) stating that "in fact, we have two minds, one that thinks and one that feels" which are interacting. The rational mind is "the comprehensive mode we are most aware of: more prominent in the waking state, operating with thoughts, able to weigh and ponder" and the emotional mind is a system of knowledge "impulsive and very strong, even illogical sometimes". He includes empathy – sensing feelings and perspectives of others, real interest towards others – within the social awareness component group (Social "Awareness"). Goleman claims that there are at least three types of empathy, each with different implications: cognitive empathy – is the one that helps us to understand how others think, we can understand their point of view, emotional empathy is the one that allows a person to feel interlocutor's feelings and empathic interest which represents not only understanding and living feelings of others, but also the desire to help that person if we feel likes he needs it.

Humphrey, et. al. (2002) emphasized that leaders who display empathetic emotion can be able to understand others better which contributes at building and strengthening relationships, to provide support for others and a greater capacity of communication and performance. Based on this reasoning, we believe that emotional empathy correlates positively with performance. This author, based on a study on the relationship between empathy and leadership, has concluded that empathy is one of two paths to success in leadership: one, by performing complex tasks, the other one, through empathic events. Although it is such a powerful tool, empathy is often poorly understood because of some misconceptions such as the following: a polite behavior, compassion, having empathy is not the same thing as demonstrating empathy.

In conclusion, from presented definitions we observe that perspectives of others regarding empathy are not very different and thus we can deduce that empathy, whether

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>Compton and Gallaway</td>
<td>Entering into feelings and experiences of the other</td>
</tr>
<tr>
<td>2003</td>
<td>Steven J. Stein, Howard E. Book</td>
<td>Empathy is the ability to be aware, to understand and appreciate feelings and thoughts of others. This means being able “to read from an emotional point of view” other people. People who possess such qualities show their interest in others and are concerned of their situation.</td>
</tr>
<tr>
<td>2006</td>
<td>Daniel Goleman</td>
<td>Knowing feelings of others, feeling emotional states and reactivity full of compassion when it comes to pain, these describing a sequence: observation, feeling and action in providing aid.</td>
</tr>
<tr>
<td>2007</td>
<td>K. Albrecht</td>
<td>Positive state of resonance between two people.</td>
</tr>
</tbody>
</table>

(Source: own processing following authors definitions, 2015)
it is directed towards us, towards someone else or towards groups of people, requires knowledge of the "state".

Empathy is an extremely powerful interpersonal tool which helps us see the world from other person’s perspective. Metaphorically, we could say that emotions are a language with clear signs through which we and the people surrounding us communicate and these signs are interpreted using empathy. Thus, an empathic person can easily identify emotions of others which are not expressed and can easily see beyond masks. Besides the fact that they automatically identify what people around them feel, they are able to imagine very well how that person should feel even if they have never been exactly through the same situation.

These being said, in our opinion, through empathy we understand the situation, emotions, needs and reasons of other people; we have the ability to "read" from an emotional point of view, those around us, to "put ourselves in another person’s situation," to see the world "through the eyes of another", to absorb emotions of others. We believe that empathy does not necessarily mean to agree with the way that others perceive things, it means being able to understand how it is to live what the other person lives, to understand latent emotions, which are not expressed.

2. THE CASE STUDY

The research direction that we have decided to explore is represented by the identification of the link between the leader’s empathy and the performance at their work place. We consider this approach a pilot study because so far no complex empirical studies which can pursue this leader's capability in Romanian organizations have been identified in specialized literature.

Pilot study - theoretical and methodological approach

The proposed research model to be investigated is as follows (Figure 1):

![Figure 1. Conceptual model for the pilot study](Source: own approach, 2015)

The research hypothesis: Given the fact that empathy is considered a part of social intelligence, we presume that the empathic level of leaders is determined by the level of social intelligence that they have.

In our research we applied the multiple intelligence model (Băilesteanu-Burz, 2008) to assess the social competence level of a leader. The leader's ability to interact with people reflects the social competence as a dimension of outwardly competencies and includes following skills (Figure 2):
According to this model, the social competence level is calculated by taking into account categories of competence with the same importance or with a different one. Thus, we give each category of competence an importance coefficient. Formulas of the calculation are:

\[
K_{ISo} = \sum_{i=1}^{n} \frac{p_{CSoi}}{n \times p_{max}} = \sum_{i=1}^{5} \frac{p_{CSoi}}{5 \times 5} \quad (\text{condition} \ p_{CSoi} > 2)
\]

or

\[
K_{ISo} = \frac{\sum_{i=1}^{n} p_{CSoi} \times k_i}{\sum_{i=1}^{n} k_i} \quad (\text{condition} \ p_{CSoi} > 2)
\]

Where:
- \(K_{ISo}\) – coefficient (average) of social intelligence;
- \(p_{CSoi}\) – points awarded to social competence \(i\);
- \(k_i\) – importance coefficient;
- \(p_{max}\) – maximum score (5);
- \(p_{CSoi} > 2\) – We consider that if a category of social competence lies in the critical area, meaning under two points, in order not to distort the reality this score should not be taken into account. It is not actually a competence, but an incompetence.

Appreciation:
1. if: \(K_{ISo} \leq 0.4\) – a low level of emotional incompetence, low potential;
2. if: \(K_{ISo} > 0.4 \leq 0.7\) – an average level of emotional competence, average potential;
3. if: \(K_{ISo} > 0.7\) – a high level of emotional competence, high potential.
3. RESEARCH METHODOLOGY

The study uses a research methodology following a descriptive and exploratory approach. The research method is based on questionnaire analysis. Our research approach will be implemented in the next period, when the questionnaire will be disseminated among the top management of 10 companies in Timisoara. In order to analyze links between variables, a questionnaire that includes 15 questions of different types was developed: 4 Likert scale questions, 6 semantic differential scale questions, 3 dichotomous questions and 2 open questions. In order to estimate the time needed to fill this questionnaire, it has been given to three people: the manager of an organization, a leader and a researcher.

The research instrument used is a questionnaire, having as a theme “The leader's empathy”. The investigated population is represented by a number of 120 subjects from 10 companies from Timisoara.

The objectives of questionnaire are:
- identifying the Romanian manager’s attitude towards empathy;
- identifying the correlation between empathy and performance.

The method used to analyze the questionnaire answers is SPSS. The questionnaire has 15 questions structured as it follows:
1. Respondent identification questions which have as purpose to differentiation answers and to interpret them on respondents categories.
2. Questions regarding the concept of empathy which have as a purpose to find out the perception and attitude towards empathy of the top management from Timisoara, the measure in which empathy is taken into account and if it is linked to the performance level of the company.

4. CONCLUSIONS

Partial conclusions regarding leaders with a high level of social intelligence - we can say that they are able to create stronger interpersonal relationships, they motivate themselves and motivate easily subordinates, they adjust to change, cooperate more easily, are at peace with themselves, create resonance and are regarded with trust by subordinates.

Empathy is a construct that is fundamental to leadership. The leader must be able to know what followers want, when they want it, and what prevents them from getting what they want - this is the reason why leader must develop this capability called empathy.

We assume that empathetic leaders are important "assets" for organizations where they work because they are able to build and maintain effective relationships with others.

We believe that every leader is a combination of capabilities and personal attributes that is better than that of others in a given situation. A leader with same capabilities may not do as well in another situation. Given the transparency of the contemporary
world, we believe that any gaps that a leader may have when it comes to capabilities, personality or character features would quickly come to light.

Analyzing the empathetic capacity of the leader is the direction which can sometimes find solutions to explain performance or nonperformance.

Future research directions are represented by applying the questionnaire to a number of 10 companies from Timisoara, centralizing the data, validating or invalidating research hypotheses and drawing conclusions.

REFERENCES


Reik, Theodor (1948) “Listening with the Third Ear: The inner experience of a psychoanalyst” New York: Grove Press

***www.zf.ro/business-international/forbes
***http://www.oxfordlearnersdictionaries.com/definition/english/empathy?q=empathy
***https://de.wikipedia.org/wiki/Robert_Vischer
***www.psmag.com
ENTREPRENEURIAL PARTICULARITIES AROUND RELIGIOUS HOLIDAYS OR EVENTS

Venera Cristina MANCIU

ABSTRACT
The mirage of religious events or holidays is nowadays far more intensely lived, both by consumers and merchants. Both partners prepare to welcome the religious event or holiday, by maximizing their own interest or needs. It becomes thus appropriate for any entrepreneur to be capable to enjoy their own success, determined by these events, while failure or the assumed risks to be minimal.

KEY WORDS: religion, events, religious holidays, consumer preferences, consumer behaviour, merchant
JEL: D12

1. INTRODUCTION
From the moment of birth and until death, the consumer relates to the most important events (festivals or holidays) in his religious existence.

Both religion and religious events (holidays) are essential landmarks for any nation, as well as aspects that manifest great influence upon the attitude and consumption habits of customers. Religion is one of the exogenous elements that manifest influence upon the consumer behaviour (Tănase, 2013, pg.85), as well as one of the essential parts which play a significant role in designing the social behaviour (Fam et al, 2002).

Most times in recent years, religious events or holidays have influenced decisively the consumer behaviour and the individuals are being prepared to pose both the rational consumer attitude and especially the one of irrational customer. Statistics demonstrate that the approach of any religious event (celebration), usually leads us to the explosive growth of sales for food, non-food goods or services. The importance of the religious events or holidays is also demonstrated by the amount of money allocated by each individual, from their own budget, for it. In recent years, it appears that significant sums are allocated from individual income, not only to purchase food that is specific for religious events (holidays), but also for the purchase of thematic vacations or gifts. In fact, often, the religious event itself is no longer lived, instead we witness the entertainment of purchases generated by the event that occurred.

People have always been concerned in reaching eternity, but thus, in doing so, they knew that sacrifices must be made. Through the religious events, man is constantly invited to make the transition from old custom to the new one, which consists in forgiveness and indulgence for sin. In other words, the individuals (consumers), next to

---

1 Associate Professor, PhD., University ”Eftimie Murgu” of Reșița, Faculty of Economic Sciences, Romania, v.manciu@uem.ro
religious events (festivals) reassess their religious behaviour, interpersonal relationships and do everything in order to fully cross that religious event.

2. THE RESEARCH METHODOLOGY

For the argument's sake, regarding the aspects mentioned above, we conducted a research during the month of March-April 2015. The survey consisted in a direct research in Resita, developed on a representative sample of 72 people, which determined the attitude formulated by consumers in the city of Resita, regarding religious events (holidays). The population of Resita is representative for such a study, given that here it is felt a strong presence of ethnic groups: Hungarians, Germans, Ukrainians, Serbs, and many other, for whom the impact of religious events (holidays) is strong and also respected.

The questionnaire, on which the research was developed, consisted in 9 closed questions, to which there were added 3 identification questions. The admitted margin of error was + 5% and the sampling method used is the method of quotas, ie a rational selection of individuals, aiming to obtain a structure of gender, age groups and occupations, at sample level, but which is designed to be identical to the structure of the overall population of Reşiţa.

Thus, the structure of the sample was as follows:
- 47.91% male, 52.09% female;
- 19.64% are under 20 years, 15.98% between 20-29 years old, 16.42% between 30-39 years old, 16.06% between 40-49 years old, 13.61% between 50-59 years old, 16.29% over the age of 60;
- according to the socio-professional category, the sample comprised: 19.44% pupils/students, 15.27% workers, 16.66% clerks, 18.05% intellectuals, 15.27% other occupations, 15.27% retired individuals / pensioners.

3. RESULTS AND CONCLUSIONS

The questionnaire administration was followed by the collection and interpretation of data, according to which there can be drawn the following conclusions:

1. When religious events or holidays are approaching, the inhabitants from Reşiţa usually spend a sum of 500 Lei, overall. Approximately 30.55% of the interviewed subjects state this. Only 18.05% of the interviewed subjects allocate over 1000 lei. These amounts are destined only to purchase food and nonfood products, but which are specific for the religious celebration.

2. Consumers from Reşiţa choose products destined for religious events (holidays) mainly according to the price level - 41.66% or considering the quality level - approximately 40.27% of the subjects. Only 4.16% of the interviewed subjects, identify the branding of the product as the most important when choosing a product.

3. Approximately 70.83% of the inhabitants of Reşiţa, select Romanian products, which are purchased for religious events or holidays, while imported products are sought at a rate of 29.11%.

4. With the occasion of religious holidays, the inhabitants from Reşiţa prefer to shop in supermarkets – answer selected by 36.11% of the respondents, but also in
5. According to the answers of the respondents, around religious holidays, people usually buy food that is significantly linked to the specific of the event. Over 32% of subjects buy meat products or fish, while 31% consider especially fruits and vegetables. Also very popular are pastry, sweetshops products, bakery products, which almost 27% of the respondents specify. Usually around the holidays, consumers include in the purchase of food also of those of high quality, which have a status of delicacies, without excluding any category of food.

6. Non-food products which are very frequently requested by the consumers in Resita, around specific religious events (holidays) are the following: toys – which are preferred by 37.50% of the investigated subjects, clothing – mentioned by 35.83% of the respondents, footwear – selected by 12.5% of the individuals. Only 14.13% of the investigated subjects mention electronics and durable goods as being purchased mainly around religious holidays.

7. Customized presentation of products which are representative for the religious events persuade consumers to buy them on impulse. Therefore, for over 61.11% of the consumers in Resita, customized products with the specific of religious holidays influences and determines them to purchase such products. Only 38% of the subjects surveyed said they are not influenced and do not buy personalized products specific for religious events (holidays).

8. Within the occasion of religious events (holidays), it is traditional to offer gifts to the loved ones. In this regard, the respondents from Resita prefer to offer as gifts the following categories of products: candies - 23.23%, toys - 17.77%, cosmetics 25% or electronic products and durable goods in proportion of 14%. Also they offer non-food products, at a rate of 20%, clothing and footwear that are offered to relatives or close friends during the events (holidays).

9. Religious events or holidays are also an opportunity of vacation. Only 36% of the respondents from Resita said that they want to go on a vacation during the holidays. Of these respondents, 68% would like to spend the holiday abroad and are willing to allocate around de 200-300 euros by person. A significant number of respondents want to spend the holidays in the country, in areas where they can observe the traditions during religious events (holidays).

In conclusion, the approaching religious events (holidays) become a reason of joy and interest for consumers, which generate the show of consumption for goods and services, but also for merchants, which must be prepared to present to the consumers the most attractive, complete and profitable offer.

REFERENCES

Amavilah Heinrich (2009), „Holidays and the economic growth of nations”, MPRA Paper No 17326
Anand C., Kumar M (1982), „Developing a modernity attitude scale”, Indian Educational Review, vol 17, no. 3
Fam Kim Shyan, Waller David, Erdogan Zafer (2002), „The influence of religion on attitudes towards the advertising of controversial products”, Emerald Insight
***https://ro.wikipedia.org/wiki/Masa_de_Crăciun;
***http://www.china.org.cn/english/business/242536.htm
***http://www.traditii.ro;
***http://www.libertatea.ro;
***http://www.desarbatori.ro/paste/obiceiuri
ETHICAL ISSUES TARGETED BY CUSTOMERS WHEN BUYING A PROPERTY

Venera Cristina MANCIU

ABSTRACT
When purchasing a property, the potential customer considers a series of aspects: the area where the building is located, several facilities like connection to water, sanitation, but also the price, the transparency of the transaction, the level of information acquired, the assistance provided by the real estate agent. The present study aims to identify the main issues that a customer targets when planning to purchase a property.

KEY WORDS: ethics, customers, property, real estate market

JEL: D23, L85

1. INTRODUCTION

If we conduct an analysis regarding the residential buildings developed in recent years, we see that they have demonstrated that customers can obtain high quality housing within the sum of money that would have been spend in order to buy an apartment located in a building of at least 30 years old.

The new buildings are usually insulated, while the surface is also more generous. However, though the years there were identified enough cases when enthusiastic customers have paid significant sums of money for apartments with many hidden defects (Waller et al, 2010). This is the main reason why a buyer should check the following aspects: the developer and manufacturer reputation, the quality of other previous projects or satisfaction of tenants who already moved before in the building. Checking the building permit is another aspect that the buyer must take into account, since it is possible that the developers have done additional work work further or did not respect those required for initial authorization.

The ownership document is the most important in the acquisition process of an estate (“Canons of ethics for the real estate industry”). The signatures must be legible, without deletions or stamps unclear. A property can be acquired by law, conventions and judgment, but other people may have the right to live or to use a property without being the rightful owner of the house (Waller et al, 2010).

According to the “Canons of ethics for the real estate industry”, real estate agents develop their business activities in order to ensure a transparency code of conduct, as follows (Miceli, 1989):

- they ensure that the information provided are the same as the procedures used for carrying out the transaction
- they sign contracts
• ensure the safety of payments
• engage in the provision of quality services, assuming that customers also provide complete and accurate information.

2. THE RESEARCH METHODOLOGY

In order to demonstrate the accuracy of the above mentioned aspects, we conducted a research during the month of February - March 2015. The survey consisted in a direct research developed in the city of Resita, on a representative sample of 72 respondents, in order to determine the attitude formulated by individuals regarding the ethical issues targeted by customers in the acquisition process of an estate (when buying a property).

The questionnaire, which the research was based on, consisted in 9 closed questions, to which there were added 3 identification questions, the research being developed with an admitted margin of error of $\pm 5\%$, while the sampling method used was the method of quotas, thus a rational selection of individuals, with a structure of gender, age groups and occupations, at sample level, designed to be identical to the structure of the overall population of the city of Resita.

Thus, the structure of the sample was as follows:

Table 1

<table>
<thead>
<tr>
<th>The gender criterion</th>
<th>The criterion of age</th>
<th>Socio – professional category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male – 47,91%</td>
<td>Under 20 years old -19,64%</td>
<td>Students – 19,44%</td>
</tr>
<tr>
<td>Female – 52,09%</td>
<td>20-29 years old – 15,98%</td>
<td>Workers – 15,27%</td>
</tr>
<tr>
<td></td>
<td>30-39 years old – 16,42%</td>
<td>Clerks – 16,66%</td>
</tr>
<tr>
<td></td>
<td>40-49 years old – 16,06%</td>
<td>Intellectuals – 18,05%</td>
</tr>
<tr>
<td></td>
<td>50-59 years old – 13,61%</td>
<td>Other occupations – 15,27%</td>
</tr>
<tr>
<td></td>
<td>Over 60 years old – 16,29%</td>
<td>Pensioners – 15,27%</td>
</tr>
</tbody>
</table>

(source: processing made by the author)

The main objective of the study was to assess the consumer attitude on ethical issues regarding the purchase of a building.

The hypothesis consisted in the following ideas:
1. Citizens who have purchased or wish to purchase a property are considering the real estate area, insulation, connection to water and sanitation and the possibility to perform other necessary facilities;
2. The purchase of a building is strongly related to the opinion of relatives and friends
3. If it is possible, consumers would like to purchase a property in urban areas, in the downtown region, and those wishing to purchase a property in the countryside, would like it to be located in a quiet area.
4. Currently, a real estate transaction completed between a buyer and a seller can be achieved safely.
5. A real estate agent is well informed about his field of activity, explains the advantages and disadvantages of each property when presented for sale, and offers
assistance in signing documents and dealing with procedures for the acquisition of a property.

3. RESULTS AND CONCLUSIONS

After analyzing the data collected, we found that the largest share of respondents 41.67% considers the real estate area, insulation, connection to water and sanitation and the possibility to perform other necessary facilities, as the main aspects when purchasing a property, while 33.33% of respondents consider the access to the real estate and the quality of infrastructure as the most important aspects to be taken into account in the purchase. The lowest percentage, only 25% of respondents consider that a low price is the most important aspect, because further developments can be carried out later.

Most respondents, 41.67%, 25% men and 16.66% women aged 29 -59 years, believe that the real estate area, insulation, connection water and sewage network and perform other necessary facilities are the most important aspects that should be taken into account, while the lowest rate, of 25% considers that low price is the main issue to consider when purchasing a property, for installations can be made afterwards.

Most of the respondents aged over 60 years, 54.16%, 37.5% of the men and 16.66% of women, believe that the real estate area, insulation, connection to water and sanitation and perform other necessary facilities are the most important aspects to be taken into account when purchasing a property, while the lowest rate of 8.34% selected the answer regarding the low price. The same issue of price is mentioned by respondents from the category of students, namely of 66.66%. Workers, in a share of 40%, mention both the low price, the access to property and infrastructure quality as the main aspects to be taken into account when purchasing a building, while the lowest rate of 20% registers individuals who believe that the real estate area, insulation, connection to water and sanitation are the most important elements.

Also, the low price is mentioned by most of the individuals with income below 1,000 lei. While analysing the data, we find that when buying a property, most of the people surveyed always take into account the advice of family and friends, idea shown by a percentage of 48.61% of the respondents. Also, a percentage of 33.33% mention taking into account the specifications of a real estate agent. Publications with information about for sale are frequently followed by a percentage of 40.28% of respondents; respectively 48.61% regularly read real estate magazines when they want to purchase a house.

Regarding the building site that consumers would like to acquire in urban areas, most of the respondents - 48.62% said they would like it to be located in the centre of the town, while the lowest share - 23.61% belongs to respondents who would like the property to be located away from the crowds and noise.

Regarding consumers who wish to purchase a property in rural areas, the largest share of 48.62% subjects would like to purchase the property away from the crowds and noise, while a small percentage of just 13.88% of respondents would like to live in a building in the centre of the rural village.
REFERENCES

***The ethical code of the real estate agent, 30th of March 2006
***www.carasseverin.insse.ro
***http://businessday.ro/category/imobiliare/
***http://businessday.ro/01/2014/cum-evoluat-preturile-piata-imobiliara-anul-trecut/
***http://www.realtor.org/code-of-ethics
INNOVATION - AN USEFUL TOOL FOR CLUSTER DEVELOPMENT

Mădălina MATICIUC

ABSTRACT
This paper aims to find out whether the development of spatial organization business forms may be associated with emergence of various levels of innovation, given that the clusters are considered enablers for knowledge and innovation. Although we have presented empirical evidence to support this hypothesis, theories studied showed that the interaction inside clusters, but also inter-clusters improves the process of innovation. Also we follow to identify the types of relationships that develop between members of different forms of spatial organization of business, relationships that support or not innovation. Innovation has become a natural process. Passing through several stages, is moving toward the new paradigm where key terms are no longer „firm” and its „knowledge” but „networks” of companies and „flexibility knowledge transfer” between them. In this context, we want to determine whether companies that are interconnected are able to work together to create value.

KEY WORDS: co-innovation, co-creation, open innovation, clusters

JEL: M19, O 31, R11

1. INTRODUCTION
The paper is predominantly a theoretical research focused on defining current context that facilitates innovation. Relationships that have formed over time between spatial agglomeration of business and innovation have been observed by the various authors (Carlino and Kerr, 2014). Both argue that innovative activity became more pronounced than the industrial one, and spatial agglomeration of business and innovation are reflected in the performance of companies and in the economic growth. Although most theories of spatial agglomeration of business literature focused mainly on externalities from production of goods and services, there have risen externalities like knowledge spillovers with significant relevance for innovation activity.

2. INNOVATION CONCEPT EVOLUTION
During its evolution, innovation has been defined as the new appeared in the fields of art, technology, sociology, economics, displaying numerous concepts that supported the current understanding of the term.
According to Benoît Godin the "Novation" (novation) term appeared for the first time in legislation in the 13th century and refers to renew an obligation by changing the contract for a new debtor (Godin, 2008).
Niccolo Machiavelli was among the few people of his time addressing in his terms of innovation, using the term as such, and referring to people's resistance to change (Soares, 2009).

Woodmansee presented innovation as a way of differentiating the originality by imitation (Woodmansee, 1984). French sociologist Tarde remembered terms such as: innovation, novation and novelty to refer to the ingenuity, inventiveness and skill (Tarde, 2001).

In the economic field, Maclaurin was the one who used alongside the notion of change and technological innovation. "Creative destruction" (Schumpeter, 1928), derived from Schumpeterian ideas, referring to innovation as a cause of it. According to Schumpeter "innovation is possible without anything we should identify as invention and invention does not necessarily induce innovation" (Schumpeter, 1939).

3. INNOVATION TIPOLOGY

Innovation can be observed in different forms. According to Lee et al. (2010), innovation presents four forms:

- reinventing customer value, which focuses on better products and services, speed, customization, emotional gratification. Here appears the creative ideas;
- process innovation spotlights reduced value chain cost and improve quality simultaneously, and this involves increased productivity;
- redefine the customer base with impact on E-customers, global customers, customer communities, noncustomers;
- strategic innovation where the focal points are the new ways of doing old tasks, in a much improved manner implicating new business models.

The authors promote the strategic innovation in correlation with convergenomics (the convergent strategies), which involves dropping out preconceived notions to deal with new ideas. „Opportunities for strategic innovation are constrained only by limits on human imagination and creativity” (Lee, et al., 2010).

Regarding the creativity authors mention in their paper, Fischer, in 2002, and Sanders, in 2006, popularized the idea of a changing world using the creativity during its four levels, and these ideas were developed.

Table 1
Levels of creativity

<table>
<thead>
<tr>
<th>Level</th>
<th>Type of creativity</th>
<th>Motivated by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Doing</td>
<td>Productivity</td>
</tr>
<tr>
<td>2</td>
<td>Adapting</td>
<td>Appropriation</td>
</tr>
<tr>
<td>3</td>
<td>Making</td>
<td>Asserting ability /skill</td>
</tr>
<tr>
<td>4</td>
<td>Creating</td>
<td>Inspiration</td>
</tr>
</tbody>
</table>

(Source: (Sanders and Stappers, 2008))

The same authors (Lee et al., 2012), two years after the previous interpretation, developed a typology of generations of innovation:

- Innovation 1.0: closed innovation when companies design and commercialize their own ideas ;
Innovation 2.0: collaborative innovation where the physical barriers and knowledge ones should be dealt with (Swink, 2006);
Innovation 3.0: open-innovation like the way firms manage, use, employ and generate intellectual property (Hergoz, 2008);
Innovation 4.0: co-innovation being the place where new ideas come from inside the company or outside it to create new value for stakeholders.

We identify some trends in open innovation research by analysing how the literature on this topics has evolved since the introduction of the concept in 2003 by Henry Chesbrough (van de Vrande Vanhaverbeke and Gassmann, 2010).

According with Independent Expert Group Report on Open Innovation and Knowledge Transfer, in 2014, open-innovation implies accelerating internal R&D and innovation along value chains through transactions between the technological supply- and demand-side.

Open Innovation 2.0 or co-innovation, however, moves from bilateral transactions and collaborations towards networked, multi-collaborative innovation ecosystems. In other words a specific innovation can't be seen as an separated activity without seeing the effects for its entire economic and social environment (Independent Expert Group Report on Open Innovation and Knowledge Transfer, 2014). The same team established that co-creation refers to the joint development of knowledge through relationships with specific partners.

The concept of closed innovation was discussed in terms of internal accumulation of certain IT like web 1.0 where information was cross-linked. In time, staring with 2004, the emergence of web 2.0 interesting views were given in terms of collaborative innovation using interactive tools between business and consumers. this time the users are cross-linked. One of the most common definitions of open innovation is "the use of purposive inflows and outflows of knowledge to accelerate internal innovation and expand markets for the use of the respective innovation" (Chesbrough and Crowther, 2006). In this case we can speak about cross-linking knowledge. When the co-innovation appeared, cross-linking intelligence is the associated relation. (Hafkesbrink and Schroll, 2010).

The collective creativity is called co-creation according to Sanders and Stappers, in 2008, in the paper called Co-creation and the new landscapes of design. Co-creation, the active involvement of customers in the process of new product and service development, has been identified as a reliable source of competitive advantage (Lorenzo-Romer et al., 2014).

At the beginning, co-creation and co-innovation focus on a user-centred approach where users are used as subjects that are studied while performing different tasks. After that, appears a participator approach, when the user is implicated as a supplying partner for experience.

As seen in the papers of numerous authors, the differences between closed and co-innovation are various. It was a move from dependence to independence, and today we can talk about interdependence between innovative companies. These companies were originally solitary and later organized as clusters and networks of clusters or today as cluster ecosystems. It was even made a shift from linear subcontractors to quadruple helix model. The initial thinking was inside the box thinking, and today we exceeded including the notion of out of the box, to reach no boxes.
4. CREATING VALUE WITH INNOVATION

It takes five steps to get innovation to create value (Lee et al., 2012). These authors present the first step as boosting innovative ideas to create new products, services or companies.

This process requires collaborative efforts with internal and external partners for a new space, where there is competition, can be created. New products and services can be based on convergence applications or existing products and new companies may be based on a combination of entrepreneurship or inter-organizational collaboration.

The second step to create value is to innovate the value chain, drawing a more efficient architecture that will reduce costs, improve quality and/or increase process speed.

The third step is to reinvent the concept of value for customer by taking advantage of opportunities for co-creating value with customers and sharing value with them. Currently, customers are increasingly aware of their role in the market and the importance they have in creating value.

The fourth step for value creation is expanding customer base. Currently the focus is increasingly on e-business. Creating customer value for all customer categories, and then differentiating this value for specific consumer groups requires innovation.

The fifth step can occur where innovation is a new business model. The Internet has revolutionized the business, leading to the emergence of e-banking, e-business, e-government, electronic markets and others. However, new ways to increase the speed of transactions, to improve consumer safety, to improve exchange of information and service quality, to provide new solutions to customer problems will create value for all stakeholders and will create a platform co-innovation.

Platform (Lee et al., 2012) is the place where the organization can create value through the five steps described above and is based on convergence, collaboration and co-creation with partners (suppliers, partner organizations, collaborators external customers and the public at large). It is worth mentioning that each partner should have their own network of partner organizations.

5. CLUSTER BASED INNOVATION SYSTEMS

Clusters have multiple effects on innovation like increase productivity, stimulate innovations, offers multiple opportunities for new companies with lower entry barriers and all these helps competition which is essentially enhanced by linkages across all cluster members. Open innovation appears in companies to overcome the boundaries their offers, and introducing a new business models.

The geographical proximity develops linkages between-universities-state and companies, supporting knowledge based on flows. All these are based on increased trust, and this type of connectivity facilitate the emergence of open innovation. This paradigm is seen as a counterpoint to the traditional 'closed innovation' approach (Fang, 2013).

The spatial organization was influenced over time through various ways of innovation and this attracted researchers' attention (Porter, 1990).
According to Cooke and colleagues (Cook et al., 2005) adopting businesses innovative models has some implications for spatial organization of innovative relations.

6. CONCLUSIONS

Innovation is considered an elementary resource for the competitive advantage in a constantly changing environment (Tushman and O'Reilly, 1996), where the performance of companies is determined by their ability to innovate (Mone et al., 1998). Competitive advantage in the case of co-innovation can only be achieved if companies will know how to turn unique knowledge in inimitable business intelligence (Sang, 2015).

This new model of innovation extends beyond the clusters to cluster networks by adapting the model triple helix of innovation in the new business environment where the helix is quadruple, based on co-creating solutions for clusters organized as multi-disciplinary ecosystems. The key element in this case is innovation based on inspiration (Open Innovation 2.0 Yearbook 2015).

The key to this new paradigm of strategic innovation is the network type of different actors within the cluster. Innovation should be based on scientific knowledge depth and supported by modern infrastructure. The heterogeneity and contingency nature of innovation means that there can be a simple innovation model of best practices to be followed by companies, but the creativity in each one should not be repressed. Innovation is considered to be an engine of contemporary society development, supporting performance in different areas of activity, in different companies or even between them and representatives of academic or political environment. Clusters need to support innovation culture and to reach innovation, they should benefit from involvement in the form of desire to reach positive results, but also creativity based on freedom of thought and implicit trust.

REFERENCES

Hafkesbrink, J., & Schroll, M. (2010). Innovation 3.0 – Embedding Embedding into community knowledge: the relevance of trust as enabling factor for collaborative
***Open Innovation 2.0 Yearbook 2015 available on:
CAPITAL STRUCTURE DETERMINANTS. EVIDENCE FROM THE ROMANIAN LISTED COMPANIES

Marius Cristian MILOŞ

ABSTRACT

In this paper we analyse the determinants of the capital structure of the Romanian companies listed on the regulated market using panel data. The results show that there is a negative connection between liquidity, tangibility, profitability, size, growth and leverage. Our results are consistent especially with the econometric results provided by the majority of the studies realized in Central and Eastern European countries.

KEY WORDS: capital structure, trade off, pecking order, Bucharest Stock Exchange

JEL: G30, G32

1. INTRODUCTION

The modern theory regarding capital structure was established by Modigliani and Miller (1958). Numerous papers have arisen since then on this subject, with focus on the developed economies. Cornelli, Portes and Shaffer (1998) have outlined for the first time the importance of investigating empirically the capital structure determinants in Central and Eastern European (CEE) countries. Since then, a growing number of papers have investigated this problem, with application mainly on the companies listed on the domestic stock exchanges. The capital structure pattern in CEE economies, alongside its determinants may differ from the one registered in the developed economies, due to the more reduced level of development of the financial markets. The current paper aims at bringing new evidence on the determinants of the capital structure of the Romanian companies listed on Bucharest Stock Exchange.

2. THEORETICAL AND EMPIRICAL BACKGROUND

Capital structure is one of the most important decisions for the management of the company. The literature recognizes two important theoretical models that explain how firms decide to structure their liabilities: pecking order theory, respectively the trade-off theory. While the first theory states that, due to asymmetric information, companies will rather use internal financing instead of issuing debt or securities, the second one has its framework on the tax benefits associated with debt, bankruptcy risk and also agency costs.

The table below (Table 1) presents some of the most frequent determinants of capital structure, that were previously empirically proven to be connected with capital structure. From the wide empirical literature that has focused on this subject, we have selected only the determinants that we finally introduced in our own empirical research.

---

1 Assoc.Prof.PhD., University “Eftimie Murgu” of Resita, Faculty of Economic Sciences, m.milos@uem.ro

---
(size, profitability, tangibility, growth and liquidity). We have summarized also the arguments that were in favour of one direction of influence or another, alongside the sign of the coefficients obtained in the literature.

### Table 1
Determinants of capital structure in the empirical literature

<table>
<thead>
<tr>
<th>Determinants</th>
<th>Arguments</th>
<th>Expected sign</th>
<th>Empirical evidence</th>
</tr>
</thead>
</table>
| Profitability| Companies with higher earnings and less volatility in earnings are the ones that have greater indebtedness, due to the increased credibility in front of potential creditors. Moreover, they have more income to shield from taxes.  
More profitable firms are the ones that can use their retained earnings in order to finance their investment projects. | +             | Ross (1977), Leland and Pyle (1977), Fama and French (2002)                        |
| Size         | Larger firms have more stability, benefit from economies of scale, are less exposed to financial distress risks, are more diversified and consequently they should have better access to debt.  
Larger firms are more transparent, are more trustful for market participants.  
Size might also indicate the information that outside investors possess, which should increase the equity demand and not debt. | +             | Rajan and Zingales (1995), Tittman and Wessels (1988), Gaud et al. (2005)           |
|               |                                                                                                                                                                                                           |               | Titmann and Wessels (1988), Frank and Goyal (2009)                                |
| Growth       | Firms should increase leverage in period of growth.  
A firm that experiences growth must be financed by equity, since debt financing is limiting its investment opportunities.                                                                                   | +             | Ross et al. (2008)                                                               |
| Tangibility  | Tangibility plays a crucial role in ensuring the necessary collateral for bank borrowing and raising secured debt. A low level of tangibility could decrease the volume of debt that the company may achieve. A high level of tangibility may ensure cheaper debt resources and lowers the risk taken by the | +             | Jensen and Meckling (1976), Rajan and Zingales (1995), Booth et al. (2001), Ross et al. (2008), Margaritis and |
creditor.

Companies rely more on short-term debt, than on long-term one, in which case the collateral is not so important.

- Cornelli, Portes and Schaffer (1998),
- Dragotă and Semenescu (2008),
- Booth et al. (2001),
- Nivorozhkin (2002),
- Bauer (2004),
- Berk (2006)

Liquidity

More liquid companies are less costly to monitor and liquidate hence higher liquidity increases leverage.

+ Williamson (1988),
+ Schleifer and Vishny (1992),
+ Anderson (2002)

More liquid companies are less leveraged, since they could use the extra liquidity to internally finance their activities.

- De Jong et al. (2008),
- Lipson and Mortal (2009),
- Sarlija and Harc (2012)

Source: realized by author

3. DATA, METHODOLOGY AND ECONOMETRIC RESULTS

Our research approach intends to assess the determinants of capital structure having in consideration 50 non-financial companies listed on the Romanian regulated capital market. Data used in the analysis was collected from the website of the domestic stock market (Bucharest Stock Exchange) alongside the information provided by Tradeville (one of the largest financial intermediaries from the stock market). We have covered the period 2003-2014.

In statistical notation, the panel data model can be described as it follows:

\[
DEBT_{i,t} = \alpha_0 + \alpha_1 \text{Prof}_{i,t} + \alpha_2 \text{Size}_{i,t} + \alpha_3 \text{Growth}_{i,t} + \alpha_4 \text{Tang}_{i,t} + \alpha_5 \text{Liq}_{i,t} + \epsilon_{i,t}
\]

(1)

where \(DEBT_{i,t}\) is the dependent variable, the capital structure, proxied by the ratio between total debt and total liabilities, and the following independent variables: \(\text{Prof}_{i,t}\), which accounts for the profitability of the company and is computed as the return on assets, \(\text{Size}_{i,t}\), the size of the company, proxied by the natural logarithm of total sales, \(\text{Growth}_{i,t}\), the growth experienced by the company, computed as the variation of total sales, \(\text{Tang}_{i,t}\), tangibility, measured as the ratio of tangible assets divided by the
total assets of the firm, as well as $Liq_{i,t}$, the liquidity ratio, which is computed as the ratio between current assets and current liabilities and $\epsilon_{i,t}$ is the error term.

From a methodological point of view, we will first run an OLS model regression. The major problems with the pooled OLS model is that it does not distinguish between the companies, ignoring the heterogeneity or individuality that may exist among these. An individual-specific effects model allows for heterogeneity across companies.

The main question is whether the individual-specific effects are correlated with the regressors. If they are correlated, then we will have a fixed-effects model and if they are not, we will deal with a random effects model. We will apply Hausman-Test to check which model (Fixed Effect or Random Effect model) is more appropriate.

Table 1 reports the estimates of the performance equation. We present the estimates of the panel data with OLS (1), fixed effects (2), random effects (3), and the corrected fixed effect model with cross-section weights (PCSE) standard errors and covariance. After running the Hausman test we could not obtain a significant P-value (p<5 %), therefore, we rejected the null hypothesis, that Random Effects model is more appropriate.

Table 2  
Econometric results

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OLS</td>
<td>FE</td>
<td>RE</td>
<td>FE</td>
</tr>
<tr>
<td>Profitability</td>
<td>-0.9183***</td>
<td>-0.2785**</td>
<td>-0.4311***</td>
<td>-0.2770***</td>
</tr>
<tr>
<td></td>
<td>(0.1212)</td>
<td>(0.1133)</td>
<td>(0.1081)</td>
<td>(0.0684)</td>
</tr>
<tr>
<td>Growth</td>
<td>0.0195</td>
<td>-0.0180</td>
<td>-0.0110</td>
<td>-0.0040***</td>
</tr>
<tr>
<td></td>
<td>(0.0156)</td>
<td>(0.0120)</td>
<td>(0.0119)</td>
<td>(0.0050)</td>
</tr>
<tr>
<td>Size</td>
<td>0.0166***</td>
<td>-0.0104*</td>
<td>0.0076</td>
<td>-0.0128*</td>
</tr>
<tr>
<td></td>
<td>(0.0.0058)</td>
<td>(0.0120)</td>
<td>(0.0085)</td>
<td>(0.0065)</td>
</tr>
<tr>
<td>Tangibility</td>
<td>-0.4633***</td>
<td>-0.4805***</td>
<td>-0.4797***</td>
<td>-0.4691***</td>
</tr>
<tr>
<td></td>
<td>(0.0425)</td>
<td>(0.0627)</td>
<td>(0.0523)</td>
<td>(0.0290)</td>
</tr>
<tr>
<td>Liquidity</td>
<td>-0.0218 ***</td>
<td>-0.0126***</td>
<td>-0.0147***</td>
<td>-0.0023***</td>
</tr>
<tr>
<td></td>
<td>(0.0020)</td>
<td>(0.0019)</td>
<td>(0.0018)</td>
<td>(0.0013)</td>
</tr>
<tr>
<td>Observations</td>
<td>593</td>
<td>593</td>
<td>593</td>
<td>593</td>
</tr>
<tr>
<td>Number of companies</td>
<td>50</td>
<td>50</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.3222</td>
<td>0.6581</td>
<td>0.1731</td>
<td>0.9013</td>
</tr>
<tr>
<td>Adj. R-squared</td>
<td>0.3165</td>
<td>0.6238</td>
<td>0.1660</td>
<td>0.8914</td>
</tr>
<tr>
<td>DW-stat</td>
<td>0.9141</td>
<td>1.4610</td>
<td>1.2899</td>
<td>0.9892</td>
</tr>
<tr>
<td>Hausman-test</td>
<td>47.28</td>
<td>0.0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Standard errors in parantheses  
***p<0.01, **p<0.05, *p<0.1  
Source: realized by author
4. CONCLUSIONS AND FURTHER RESEARCH

The results of the econometric study show that all the independent variables (profitability, growth, size, tangibility, liquidity) are negatively related with capital structure. All the coefficients are statistically significant. Our results are consistent especially with the econometric results provided by the majority of the studies realized in Central and Eastern European countries (Nivorozhkin, 2002, Sarlija and Harc, 2012).

The negative correlation between profitability and capital structure suggests that less profitable firms rely more on leverage than high-profitable firms, that can finance internally their activities. The situation is confirmed also by the negative relation between liquidity and capital structure that shows that illiquid firms obtain the necessary capital by borrowing (short-term loans are often used when there is a lack of liquidity).

Size and growth have also a negative influence on capital structure, suggesting that companies of larger size and larger growth perspectives can more easily attract equity.

The negative correlation between tangibility and leverage could be explained by the fact that companies with high-valued tangible assets rather use their retained earnings or issue equity than finance their activity by increasing indebtedness. Another explanation could arise from the fact that usually, in emerging economies, companies rely more on short-term loans rather than long-term ones, consequently the importance of collateral is reduced.

Further research could take into consideration a larger sample, including more companies traded on the regulated market of Bucharest Stock Exchange, respectively could consider more variables that are likely to have an influence on the capital structure (such as growth opportunities, non-debt tax shields, volatility).

REFERENCES

PROPOSAL FOR A MODULAR APPROACH TO DISCIPLINE MICROECONOMICS - FUNDAMENTAL LANDMARK IN DESIGNING LEARNING STRATEGIES „RESPECT”

Mirela MINICĂ

ABSTRACT
In the context of the Bologna Declaration which launched the process of reforming European higher education, the transition from 'traditional curricula' to 'emerging curricula' becomes a necessity in any university.

This paper presents a proposal for a correlation between targets adopted at the national level for study programs in economic sciences - educational objectives of discipline microeconomics and teaching methods specific to each module of the course. This adaptation of the model Biggs is part of a complex educational project called RESPECT, initiated by the author in 2015-2016 academic year, to microeconomics and macroeconomics disciplines in the curricula of educational offer of the Faculty of Economics from University Eftimie Murgu of Resita.

KEY WORDS: curricular design, learning objectives, teaching methods, student-centred statement.

JEL CODE: A23

1. INTRODUCTION
The Bologna Declaration issued in 1999 can be considered the starting point for a paradigm change in the European Higher Education Area. The European Qualification Framework (EQF) is the backbone of the paradigm change in Europe. It covers all aspects of qualification, including but in no way limited to the three cycles of the Bologna process, agreed upon in 2008. Its implementation has started all over Europe, it “acts as a translation device to make national qualifications more readable across Europe, promoting workers' and learners' mobility between countries and facilitating their lifelong learning” (European Commission, 2013).

A curriculum represents „a mix of dimensions and elements embedded in such media as disciplinary developments, state-sponsored debate, the student market and increasing academic-employer discussions”. “From a holistic perspective, 'curriculum' may be defined as the nexus of teaching, learning, knowledge and context.” (Barnett, 2000, p. 259)

According to the reference system EQF learning outcomes represent the knowledge, skills and attitudes that identify the learning process. The need for the formulation of learning outcomes is combined with the commitment of the EQF (European Qualifications Framework) to outline design guides with learning outcomes in order to promote the recognition of paths and therefore the mobility of job profiles and skills.

A learning outcome is a student-centred statement of what you want your students to know, understand or be able to do as a result of a completed process of learning.

1 Associate professor PhD, Faculty of Economic Sciences, University “Eftimie Murgu” of Resita, Romania, email: m.minica@uem.ro
Learning outcomes are generally seen to contribute positively to teaching, learning and assessment at institutional level. They thus seek to describe the student’s learning progress in terms of the knowledge acquired, the comprehension of that knowledge, the capacity to apply it, and the capacity to analyse, synthesise and evaluate (John Scattergood, 2006).

A set of stated ‘learning outcomes’ can be less understood as a blueprint for their faithful reproduction and more as a guide to a set of educational hopes and efforts (Barnett & Coate, 2005, p.46)

Most theorists and practitioners agree that, generally, learning outcomes should be:
1. summaries of essential areas of learning that result from a course of study
2. written in the future tense, often expressed as ‘you will be able to’
3. explicit and clearly expressed
4. limited in number
5. expressed with a verb indicating the relation to of the outcome to ‘domains (or types) of learning’
6. written with a level of learning/learner in mind.

2. THE CORRELATION BETWEEN OBJECTIVES OF THE STUDY PROGRAM AND GOALS OF DISCIPLINE MICROECONOMICS

At the Department of Economics are set objectives and competencies in correlation with requirements to work of National Regulatory Agency in Higher Education (ARACIS).

Table 1
Matrix skills for field of study accounting

<table>
<thead>
<tr>
<th>MAIN OBJECTIVES OF THE STUDY PROGRAMME</th>
</tr>
</thead>
<tbody>
<tr>
<td>General goal:</td>
</tr>
<tr>
<td>• training of specialists in accounting possessing fundamental knowledge and specialist able to meet labor market requirements.</td>
</tr>
<tr>
<td>Specific objectives:</td>
</tr>
<tr>
<td>• specific skills training analysis, interpretation and proper use of financial information.</td>
</tr>
<tr>
<td>• understanding the need to faithfully apply accounting regulations in economic entities and award a judgment appropriate size.</td>
</tr>
<tr>
<td>• development of interpersonal, intra- and cross-disciplinary field of accounting and related fields.</td>
</tr>
<tr>
<td>• the ability of a database management and use of information systems in finance and accounting.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>POWERS PROVIDED BY THE CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Professional Skills</td>
</tr>
</tbody>
</table>
PS1 - Identification and registration of economic operations in accounting entity / organization.
PS2 - Using computer resources in finance and accounting.
PS3 - Information processing in order to produce financial accounting reports and / or tax.
PS4 - Determination and interpretation of economic and financial indicators.
PS5 - Carrying out specific operations accounting financial control.

II. Transversal skills

TS1 - Applying the principles, norms and values of professional ethics in their strategy work rigorous, effective and accountable.
TS2 - Identifying roles and responsibilities in a multi specialized team and application techniques and effective work relationships within the team.
TS3 - Identify training opportunities and effective utilization of resources and learning techniques for their own development.

Source: Economic Department of Faculty

Microeconomics discipline that is taught in the first year, first semester is a theoretical discipline, fundamental, offering epistemology, the basic concepts of economics, providing practical economic ABC.

At the end of the course students should understand the concepts related to the behavior of economic agents in a market economy, to achieve correlations between them and recognize their manifestations in the real economy, ie to achieve the following objectives contained in Sheet Discipline (main planning document).

Table 2
Objective of microeconomics

<table>
<thead>
<tr>
<th>The overall objective of discipline</th>
<th>• proper use of basic concepts in accounting highlight specific phenomena and processes of individual economic agents.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific objectives</td>
<td>• identification/definition of factors influencing the microeconomic behavior;</td>
</tr>
<tr>
<td></td>
<td>• analyze the decision-making of individual economic agents;</td>
</tr>
<tr>
<td></td>
<td>• analysis of market elements and their relationships;</td>
</tr>
<tr>
<td></td>
<td>• development of practical applications: problems, tests, modeling of economic phenomena.</td>
</tr>
</tbody>
</table>

Source: conducted by author

3. CURRICULUM DESIGN

3.1. Models of Curriculum Design

In literature there are many models of curricular design, of which the most important are:
3.2. Proposal for a modular approach to discipline microeconomics

Using Biggs' Model of Constructive Alignment in Curriculum Design I redesigned the discipline modules Microeconomics and I developed the following structure for the actual academic year:
Table 3
Proposal for Microeconomics modules structure

<table>
<thead>
<tr>
<th>Name module</th>
<th>Learning unit title</th>
<th>Objectives of the unit</th>
<th>The teaching methods used on seminars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Module I</td>
<td>The economics</td>
<td>Identifying the subject of economics; Understanding the functions of economic science and research methods; Multidisciplinary approach to the economic system.</td>
<td>Restructuring of value knowledge Multiple Choice Questions Case studies Quizzes on terminology</td>
</tr>
<tr>
<td>ECONOMY</td>
<td>Economic activity</td>
<td>Identify type and traits needs; The generalization of the fundamental law of economics; Understanding the characteristics of economic laws and assessing risks in the economy.</td>
<td>Analysis of the causes and consequences</td>
</tr>
<tr>
<td>AND</td>
<td>The production of</td>
<td>Knowing the characteristics and elements production of material goods; Understanding the concept of merchandise; Identifying production system; Knowledge forms and achieving productivity computing applications.</td>
<td>Fishboning Technique (Diagram Ishikawa)</td>
</tr>
<tr>
<td>ECONOMICS</td>
<td>material goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Production factors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Module II</td>
<td>Types of markets</td>
<td>Identification of market structure; Knowing the price formation mechanism; Understanding the concept of competition and its analysis in a particular market segment.</td>
<td>SINELG Technique Debate</td>
</tr>
<tr>
<td>THE MARKET</td>
<td>and pricing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>mechanisms</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demand</td>
<td>Defining demand and its Task cards</td>
<td></td>
</tr>
<tr>
<td>Module III</td>
<td>ECONOMIC AGENCIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>THE MARKET</strong></td>
<td><strong>ECONOMIC AGENCIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offer/Supply</td>
<td>Forms of business organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market balance</strong></td>
<td>Definition of the market balance; Exemplifying the dynamic nature of equilibrium; Application statements to the request of demand or offer.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market economy</strong></td>
<td>Identifying content market economy; Understand and exemplify typology market economies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Production cost</strong></td>
<td>Understanding the meaning of concepts of cost of production; Identify cost components; Analysis of correlation cost-benefit and producer behavior.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income forms</strong></td>
<td>Knowledge of economic significance and sources of income; Exemplification method of</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application</th>
<th>Task cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications</td>
<td>Problems</td>
</tr>
<tr>
<td>Faulty tree method; Force field analysis.</td>
<td></td>
</tr>
<tr>
<td>Venn diagram</td>
<td></td>
</tr>
<tr>
<td>Map kinesthetic type &quot;spider&quot;, (mind-mapping)</td>
<td></td>
</tr>
<tr>
<td>Systemic analysis technique Team Project</td>
<td></td>
</tr>
<tr>
<td>Technology up and down</td>
<td></td>
</tr>
<tr>
<td>Modul IV</td>
<td>THE SPECIFIC MARKETS</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Labor market</td>
</tr>
<tr>
<td></td>
<td>The money market</td>
</tr>
<tr>
<td></td>
<td>Capital Market</td>
</tr>
<tr>
<td></td>
<td>Market Natural Resources</td>
</tr>
<tr>
<td></td>
<td>Externalities and public goods market</td>
</tr>
</tbody>
</table>

Source: conducted by author

I adapted the model cited to the first unit structure:
### Table 4
Assessment and teaching activities for the first learning unit

<table>
<thead>
<tr>
<th>Learning Outcomes:</th>
<th>Assessment Methods</th>
<th>Teaching/Learning Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Identify the subject of economics</strong></td>
<td><strong>Multiple Choice Questions</strong></td>
<td>Lecture on various, reading different opinions of different schools of economic researchers. In class exercises/quizzes on terminology.</td>
</tr>
<tr>
<td><strong>To understand the problem of method in economics</strong></td>
<td><strong>Schematic Display 15% Presentation of end product 85%</strong></td>
<td>Lecture presenting case studies of the research method. Students plan own project and present as poster. Student projects on food consumption behavior of young people.</td>
</tr>
</tbody>
</table>

*Source: conducted by author*

### 4. CONCLUSIONS

One of the most important goals of the school remains to prove the high quality of training and education of the students, equipping them with skills that aim at their professional and personal life. (Ispas, 2013)

Modular design and identification of learning methods adapted to each chapter of discipline microeconomics, was made from the view of educational objectives of educational project RESPECT.

The project aims is to substantiate an educational strategy centered on student learning activities based on psycho-pedagogical research, adapted to employers, through the use of modern teaching - learning - evaluation resources.

In order to scientifically the three axes on the model RESPECT: axis cognitive (Responsibility, rationality; Efficiency, equability), axis social behavior (Sustainability, social capabilities; Personalization, practical; Ethical attitude, empathetic) and axis of skills and attitudes (Communication/creativity; Transdisciplinary, technology), we started to develop a proposal for organizing the theoretical content on modules.

Experts in science education emphasizes that modular programs are designed to generate a greater students responsibility in learning and enables to promote a model open, active and flexible of teaching-learning-assessment.

Rules that have been considering this proposal were as follows:

1. The structure of the chapters should be consistent with the learning objectives and the teaching methods used.
2. Students must learn to learn, using their tendency to focus on the topics that will be evaluated (during the semester and on final exam).
3. Knowing from the beginning of the semester of evaluation criteria and requirements.
4. The existence of a logical sequence of progressive learning goals specific to each module.
5. Learning methods are tailored to each individual learning style (auditory, visual, basically).
6. The complexity of individual topics to be upward to allow for a gradual adaptation of first-year students to the academic requirements.
7. The existence of only two written evaluations during the semester.
8. Diversifying the forms of assessment to support principles of inclusive learning.
9. Permanent encouraging of students coaching techniques and personal development, without overstatement of results.
10. Focusing on oral evaluating which enhances communication and professional skills.

Designing curriculum is an ongoing process, which from my perspective is essential in improving the quality of higher education.

Without an adaptation of learning content and resources to the peculiarities of the current generation of students and the expectations of potential employers, we can’t talk about academic quality.

REFERENCES

Caggiano, V. & Gordon, J. (2015) „Curriculum design process of university education”, course of UNIVERSITARIA - advanced school of academic and scientific research, POSDRU/157/1.3/S/135590, Beneficiary: West University Timisoara, Romania


Minica, M. (2015) “Education - the foundation for sustainable economic development. The „RESPECT” learning strategy principles implemented in higher economic education”, accepted for publishing on ECOFORUM Suceava

ADVANTAGES AND DISADVANTAGES OF THE SIIIR IMPLEMENTATION IN ROMANIA

Claudia Tatiana MUNTEAN¹

ABSTRACT

The Integrated Information System for Education in Romania (SIIIR) is a project of MEN which aims to provide full management services of the activities of the pre-university education system in terms of operational, technical, administrative and strategic.

This paper aims to analyze the advantages and disadvantages of the new information system compared to the existing ones until now. Among the identified advantages we mention the following: 1) improving the pre-university management for primary and secondary education through computerization of all processes and aligning it with the European standards; 2) generating reports and financial analyzes aimed at providing high quality informational and decisional support; 3) fast processing of information; 4) unique mechanism to secure the system; 5) time-saving.

Regarding the disadvantages posed by SIIIR, we have identified the following: 1) human resource reluctance to create a complete and accurate database (high workload, improperly paid); 2) lack of skilled personnel, especially in rural areas, who is able to create and then manage the database 3) school managers who do not have specialized knowledge (the technology of information) exhibit a resistance to change, thus hindering the implementation of any system, no matter how powerful it may be; 4) the transition from previously used systems (ex. BDNE) to the new system should be done by the possibility of importing the database created initially and then just changing it according to the new requirements; 5) numerous inconsistencies and even some anomalies.

In the applied research we aimed to test the advantages and disadvantages identified in sample of 20 educational institutions in Timis County, using a questionnaire with 20 questions to both managers of educational institutions as well as to the other stakeholders of SIIIR. The results have shown an extremely high level of resistance to change. The main identified reasons were: fear of the unknown, elimination of routine and the lack of rewards associated with the change, since this process has assumed additional effort form the users. In contrast to the level of studies the users have, we found that they have a low level of education in the spirit of change.

KEY WORDS: education, management, informational system

JEL: I20, M15

1. INTRODUCTION

The contemporary pre-university education, especially in Romania, is characterized by rapid and profound changes that require continuous improvement of management and educational performance in pre-university educational institutions. Educational institutions are forced to adapt and to be properly equipped to meet these challenges. In such a context, the choice and implementation of some solutions which

¹ PhD candidate, West University of Timisoara, Faculty of Economics and Business Administration, ctmuntean@yahoo.com
offer access to better services, the alignment of the technological resources with the institutional missions and the growth of the value of the institutional data is imperative.

The alignment to the existent European standards in the area of education targets a range of objectives, such as:

• Encouraging the process of development of the educational institutions oriented towards obtaining outstanding intellectual results.
• Offering the necessary support to the educational institutions to develop their own culture of assuring the quality of the process of learning.
• Informing and raising the requirements set vis-à-vis the processes and outcomes in education. The stakeholders are the educational institutions, the students, the employers and others.
• Creating a common framework for assessing the performance of school education.

In order to comply with European standards related to pre-university education, we aim to study the way in which the implemented systems in Romanian schools provide a framework for compliance. The pre-university educational institutions are obliged to ensure a fair and coherent process of collection, analysis and use of the relevant information so as to effectively manage education programs and related activities.

The starting point for effective quality assurance of pre-university institutions is the deep knowledge of all aspects of it. The means of collecting and analyzing information concerning their own work is the key to achieving the objectives of quality of education. In their absence, the school management is unable to identify the strengths and weaknesses of the school, and is therefore not aware of the progress of their projects.

Information systems that meet the needs of quality assurance, which are implemented in schools, differ according to the place where they operate, but all must cover at least the following information needs:

• The progress of the students and the exam passing rate;
• The admission rate of students in high school;
• The students and parents’ level of satisfaction regarding the undertaken curriculum;
• The teachers’ effectiveness;
• The available educational resources and their cost;
• The performance indicators of the organization.

In order to establish the performance of educational institutions comparative analysis between them are necessary, identifying thus the measurements of the growth of performance and quality of the educational process.

2. MANAGEMENT INFORMATION SYSTEMS

A management information system (MIS) is a system that provides the information necessary to effectively manage the organization. (O’Brien, 1999) MIS involves three primary resources: technology, information and people. All three resources are key components of a MIS, but the most important resource is the human resource. MIS are considered a subset of a set of internal control procedures
in a business, which cover the practical needs concerning people, documents, technologies as well as the used procedures to solve different problems.

We start, therefore, from the existing application in the pre-university education system, which are:

- **EDUSAL** – application created in 2011, it allows every school to be able to create the personnel state
- **REVISAL** – General Register of the employees which records individual employment contracts of the employees
- **BDNE** - It is a platform for online data collection, developed by Siveco Romania in 2009
- **ROCNEE Portal** – used for file transfer in national examinations; access is permitted only with SSL certificate
- **ESOP Portal** (National Institute of Statistics )
- **ISJ Sites** – provide information to the general public but also to directors or inspectors; it is also used for data collection https://sites.google.com/site/colectaredateisjtimis/

Some of these applications and sites will disappear or will be integrated into the new Integrated Information System in Romania (SIIIR).

This paper aims to analyze the advantages and disadvantages of the new system compared to the existing ones until now.

I. What is SIIIR and what is its purpose?

**SIIIR = Integrated Information System for Education in Romania**

This system aims to provide full management services of the activities of the pre-university education system in terms of operational, technical, administrative and strategic. It addresses both the needs of users at a central level, as well as those needs identified locally, at the school level.

SIIIR implementation is part of a project entitled “Integrated Information System for Education in Romania”, financed from the European Social Fund through the Operational Programme Administrative Capacity Development 2007-2013. The beneficiary of this project is the Ministry of National Education – the Foreign Financing Projects Management Unit.

The context of the project (as specified in the course materials published in May 2014) is the following: “The Ministry of National Education, as a central authority which coordinates the national education system, has a set of **unintegrated information, databases and primary tools of analysis and control.**

SIIIR intends to offer support to increase the capacity of MNE to plan and monitor the Romanian education system, which will ensure a greater capacity of Romania to compete on a long term on the global market of goods and services.”

The general objective of the project is: **The increase of performance in the Romanian education system by implementing SIIIR.**

- With the help of SIIIR, MNE intends to implement a unitary and flexible system of complete management of the activities of education, which will integrate with BDNE, other existent databases and applications, other information systems from other projects.
SIIIR will become a strategic tool contributing to the elaboration of public policy, education strategy and efficient communication with the citizens and the other institutions in subordination/coordination.

- The system will implement mechanisms of management and workflow and information on the organization and activity of the education system at central and regional levels as well as the level of each education institution.

The specific objectives of MNE are:

- Identifying the dysfunctions of the information system through a dedicated study.
- Defining a procedural framework and indicators for measuring the performance of the education system.
- The development of the Integrated Information System for Education in Romania – SIIIR.
- The implementation and adoption of the system, mainly by improving the skills of the personnel related to SIIIR.

Regarding the technical description of the project, MNE states:

SIIIR will respond on one hand to the needs identified in education and recommendations for improvement stated, but at the same time it wants to be the bearer of a comprehensive vision on how it can meets the needs of the education system.

Carrying out the project covers a complete suite of activities meant to ensure optimal transition from the existing systems and procedures which are deficient at the MNE level to the suite of advanced systems that will be made available within SIIIR.

**Architectural Description of SIIIR**

In order to fulfill all the functionalities proposed, SIIIR is made modular. For this reason, SIIIR aims to be a unitary system as easy to administer as possible.

In terms of addressability, SIIIR is designed so as to address all relevant stakeholders in education and it is trying to provide specific functionality goals involved in coordinating educational processes at all levels.

From a technical standpoint, SIIIR is accessible via the Internet, using a modern generation browser (minimal versions: Internet Explorer, version 8, Google Chrome, version 24, Mozilla Firefox, version 23) and without the need to install other applications. The technical architecture is scalable, meaning that it supports a large number of users.

![Figure 1 Components and Modules of SIIIR](image-url)
SIIIR has three main components:

- The Educational Management Component
- The School Mapping Component
- The Analysis and Decision Support Component

These components are interconnected and use common data in order to deliver individual functionalities, dedicated to a particular group of users.

A. The Educational Management Component is designed to manage data, processes and educational activities at the schools, the ISJ, and the MNE. It includes the following modules:

- Administration module
- School Network module
- Tuition Plan module
- Sign module
- Sales module
- Catalog module
- Notepads module
- Human Resources module
- Students module
- Social programs module
- Material resources module
- Statistical Data Collection module
- Standard cost per student module
- Reports module
- Audit module
- Communication module

B. School Mapping Component allows data presentation that is characteristic of educational activities at the national, regional and local level to any interested person. It also presents processed data from the system as diagrams.

C. Analysis and Decision Support Component includes queries, reports, and data integration and metadata management. It is intended as an advanced tool for reporting and analysis, which will provide important functionality of Business Intelligence (BI).

SIIIR Access

SIIIR can be accessed at the following web addresses:

- http://test.siiir.edu.ro/ - for instruction and familiarization with the application
II. Critical Analysis of the Systems (from the manager of pre-university school’s point of view)

As a main objective, the paper aims to analyze the advantages and disadvantages of the new information system compared to the existing ones.

As a working method we proposed to test the advantages and disadvantages identified in a sample of 20 educational institutions in Timis county, through a questionnaire with 20 questions to both managers of educational institutions and other beneficiaries of the new system recently implemented in Romania.

<table>
<thead>
<tr>
<th>Supposed Advantages</th>
<th>Constant disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>The improvement of the pre-university management and its alignment with the European area of primary and secondary education through computerization of all the processes.</td>
<td>Human resource reluctance to create a complete and accurate database (high workload, unpaid on the measure).</td>
</tr>
<tr>
<td>This solution makes available to the school management reports and financial analysis aimed at providing decision support and quality information.</td>
<td>Lack of skilled personnel, especially in rural areas, to create and then manage the database.</td>
</tr>
<tr>
<td>The solution provides fast processing of information, knowledge of all the situations being available at all times.</td>
<td>School managers who do not have specialized knowledge (the technology of information) exhibit a resistance to change, thus hindering the implementation of any system, no matter how powerful it is.</td>
</tr>
<tr>
<td>The system uses the most advanced technologies in terms of information security, providing unique mechanisms that ensure the security of the system.</td>
<td>Switching from previously used systems (ex. BDNE) to the new system should be done by the possibility to import the database created initially and then just change it according to</td>
</tr>
<tr>
<td>The solution helps to save time thanks to the automation of operations performed daily and to the rapid processing of information.</td>
<td></td>
</tr>
</tbody>
</table>

Table 1
Advantages and disadvantages identified
A more efficient management of the resources of pre-university schools helps to simplify and improve activities in schools and the use of cutting-edge technologies and platforms significantly reduce implementation costs.

After the schools introduce the tuition plan, the county school inspectorates could take information from SIIIR without requesting them from schools (thus avoiding queuing and relieving some people who are responsible for the school network of some of their responsibilities)

The statistics are correct; they can no longer be embellished.

A student may not appear enrolled in two or more schools.

Local and central authorities always have available a detailed and updated situation as regards the material basis of schools and their technical condition (specifying whether or not they require rehabilitation).

The information could be retrieved directly by representatives of school inspectorates or by the local authorities (without needing to request situations from the school).

The obtained results have shown an extremely high level of resistance to change. The main identified reasons were: fear of the unknown, eliminating routine and lack of rewards associated with the change, because this process has assumed additional effort from users. In contrast to the user studies, we also found that they have a low level of education in the spirit of change.

REFERENCES


C.J. Date (2009), „SQL and Relational Theory”. 1st Edition, Ed. O'Reilly Media


Marin Fotache (2009), „Dialecte DB2, Oracle, PostgreSQL si SQL Server”, Iasi: Ed. Polirom
Herbert Schildt (2009), „C#”, București: Ed. Teora
Julia Lerman (2010), „Programming Entity Framework: Building Data Centric Apps with the ADO.NET Entity Framework”, Ed. O'Reilly Media
Mike Snell, Lars Powers (2010), „Microsoft Visual Studio 2010 Unleashed”, Ed. Sams
Alex Mackey (2009), „Introducing .NET 4.0: With Visual Studio 2010”, Ed. Apress
Matthew MacDonald (2010), „Pro ASP.NET 4 in C# 2010”, Ed. Apress
Steven Sanderson (2010), „Pro ASP.NET MVC V2 Framework”, Ed. Apress
Turban, E., ş.a. (1996), „Information Technology for Management”, Wiley & Sons
DREAM OR REALITY? ROMANIAN CLUSTERS BETWEEN OPPORTUNITIES AND LIMITS

Csaba NAGY

ABSTRACT
In this article the author aims to analyze the opportunities and limits of Romanian clusters between unexploited opportunities and obstacles they encounter. The phenomenon known as clusters boomed lately, but it still faces issues among the distinct characteristics of the economies of EU countries. Romania has supported clustering phenomenon by creating the legal framework and effective involvement of state institutions. Although there are positive results, the reality differs from other more developed European economies. Existing cluster development opportunities are not exploited, being hampered by the limits of their specific results of our economy and the current economic and geopolitical context.

KEY WORDS: economy, clusters, development, legal framework, institutions.

JEL: O25, R11, Q55

1. INTRODUCTION
In terms of economic theory, clusters have become a synonym for economic policy development. It is generally accepted that successful economic regions are, in certain proportions, specialized. Even the most diversified areas include industries as a result of history, employment policies or specificity relief are found in higher concentrations than in other regions. Competitive advantage of a particular region is best understood in terms of comparative advantages of given industries within the region. No country can achieve performances in all possible fields. In conclusion, successful regions should focus on specific industries developed at capacity, called clusters. Clusters enable companies to have access to more providers and provide specialized support services, human resources development centres specialized as well as a permanent transfer of know-how. The clusters attract companies not only similar but also complementary companies, so a cluster can give birth to another cluster.

At first glance, a system based on clusters seems to be the right solution for weaker economies. The model assumes only an economy to be seen and assisted systematically. In other words, the industry must be helped and systematic collective, not individual, in order to achieve the best results.

Each region has certain characteristics and one or more concentrations of interdependent companies that exceed the national average, although not officially recognized as a "cluster". Clusters are defined in terms of geography, also they are defined by the distance and the time that individuals are willing to spend to travel to work, and the distance and time that companies can spend for meetings and networking.

---

1 PhD, Associate Lecturer, University of Reșița, „Eftimie Murgu”, Economics Faculty, ROMANIA
2. THE CONCEPT OF CLUSTERS

The cluster concept is not new, initially it’s significance was similar with “pole of competitiveness”, “industrial district”, “concentration” etc, nowadays “cluster” means an economic concentration.

“Clusters are geographic concentrations of interconnected companies and institutions, in a particular area. Clusters include a group of related industries and other entities important to a competition point. These include, for example, suppliers of specialized inputs such as components, machinery and services, or specialized infrastructure providers. Often clusters extend downstream to various distribution channels and customers and laterally to manufacturers of complementary products and related industries through skills, technologies or common inputs. Finally, some clusters include governmental and other institutions - such as universities, standardization agencies, think tanks, vocational training providers and employers - providing specialized training, education, information, research and technical support”. (Porter, M., 1998). Clusters are regional agglomerations of companies, research institutions, government agencies, and others in a specific area of business activity related through various knowledge and economic linkages (Porter, 2008).

The definition of cluster is found in Romania's legislation (in 2006 – the "Impact" Program) and it states that a cluster is a group of producers, users and/or beneficiaries, which implement best practices in the EU to increase the competitiveness of economic operators.

The European Commission through the communication COM (2008) 652/2008 to the cluster of world class EU companies focused on the implementation of strategy based on innovation, defines a cluster as a group of companies and economic actors of related institutions located in geographical proximity that have reached an order of magnitude required to develop specialized expertise, services, skills and suppliers.

Clusters are part of the economic reality, reflecting the balance of agglomeration and dispersion forces for specific economic activities (Ketels, 2009). Clusters affect prosperity through their impact on productivity, innovation, and entrepreneurship. The positive impact of cluster strength on economic performance works through a number of distinct channels (Porter, 1998). It needs long periods of time to develop strong clusters and it is not an easy or an automatic development process. A strong cluster does not necessarily require a strong economy. Clusters usually develop when there are specific factors and conditions of economic transactions across locations, offering conditions for the appearance of clusters.

The need to regulate and boost entrepreneurial behavior led to the definition of certain sets of policies regarding the activity and the functioning of clusters; these policies deriving from research, innovation policies, industrial policies and the SME. Most of these policies on innovation clusters have been and are implemented through various government programs or initiatives.
The European Commission established in 2006 the European Cluster Observatory who is providing both quantitative and qualitative statistics and comparative analyzes on the cluster situation in Europe. The objective of the European Cluster Observatory is to inform decision makers interested in the European clusters and policies in this area.

Research and studies by this observer in over 30 European countries led to the identification of over 130 national measures to support clusters that could be classified as Cluster policy. These results highlight the fact that currently almost all EU Member States implement measures and programs for the promotion and development of clusters, suggesting that they represent a key element of national strategies to support innovation.

Cluster policies can be distributed in three main categories, depending on the objectives and motivations that were the basis for their adoption:

- "Policies to facilitate" - targeted towards creating a favorable microeconomic environment and development and innovation, it indirectly favors emerging and dynamic clusters.
- "Policies of traditional framework" - policies for SMEs and industry, research and innovation policies, regional policies, which include references to clusters as tools for improving their efficiency.
- “Development policies” - focused on the creation and deployment of a specific category of clusters, in order to strengthen a particular economic sector. This category is only aimed directly at the addressed issue clusters.

Materialized often in programs for clusters policies, clusters are in 63% of cases promoted and funded nationally, adding the programs funded by the European Commission - 19%, the remainder being financed programs at local or regional level.
The enabling environment for the development of clusters is characterized by:

- **Local competition** which facilitates growth, changes these conditions and lays the foundations for an offer from various suppliers. In parallel with intense competition, there must be cooperation between the different institutions.
- **Access to specialized and advanced factors of production** and active links with universities and research institutes.
- **Relationships with related industries**, facilitating the transfer of know-how and new technologies
- **Approaching a sophisticated consumer demand**

Innovation, entrepreneurship and imitation encourage the development of competitive clusters. While the success of any company depends on its ability to protect new technologies, products or concepts, the success of a cluster depends precisely on the dissemination of information, access to innovation and transfer of know-how. Innovation develops a strong company but imitation and competition generates a strong cluster. Imitation is as important in a cluster as innovation because it allows the circulation of new concepts and practices among companies and generates future innovation. Entrepreneurship is the engine that generates clusters’ growth. The momentum for build new enterprise in most cases was given by the decline of the parent companies. A common stimulus for entrepreneurs are new market niches and the development of new concepts.
3. STUDIES OF ROMANIAN CLUSTERS

The first reference to the global economic clusters in literature was by Alfred Marshall as "supply chains". Analyzing industrial areas of England he found the existence of clusters, of enterprises collaborating and thus generating a series of positive economic effects he called externalities.

The cluster which enshrined the term was Michael Porter, who explained the economic success of a country as the interaction of factors, meeting the model known today as "Porter's Diamond", which includes: application, business strategy factors of production, suppliers and horizontal integration.

In our country there are concerns regarding the study of clusters as seen in a number of studies. An important study was conducted by Romanian European Institute, "Economic competitive growth potential: guidelines for a new industrial policy in Romania". This study uses a set of indicators of cluster analysis regarding their economic size. This case study was conducted in NE region of Romania.

Another study was introduced by Institute IRECSON, INOBAROMETRU report, which is published annually since 2008, showing the degree of innovation in developing regions of Romania. It offers reference designs and trends objectives, based on innovation in these regions. INOBAROMETRUL analyzes and classifies regions according to their capacity to support innovation and maintain a pristine environment.

A comprehensive study was conducted by the Cluster Association in Romania. The study provides a quantitative and qualitative analysis, given several factors, such as geographical concentration, research and development, employment, cooperation, internationalization of institutions catalyst (in terms of quality) and its contribution to GDP, nr. employees, innovation (according Methodology Innovation Scoreboard) and exports (in terms of quantity). This analysis identifies the sectors of motor vehicles and

Figure 3 - Two Perspectives on Cluster Development
(Source: Ketels, 2009, pp.23)
transport equipment as most important in Romania, based on a ranking that uses a competitiveness index and a method of granting stars.

The National Commission for Prognosis of Romania has achieved, in turn, some degree of competence assessment. It uses a composite index, denoted by P, which includes: the importance of innovation and exports, as well as an index ICCS, which includes: manufacturing, technology, structure and exports.

The study of clusters led to an accepted model "triple helix" (Cosnita, 2010) in a cluster that brings together representatives of:

1. **enterprises** - representing the business side of the cluster;
2. **universities and research institutes** - representing providers of innovative solutions applicable to the real needs of enterprises in clusters;
3. **local authorities, regional** etc.

![Figure 4 - The Triple Helix](Source: Cosnita, 2010:9)

In Romania, experience has shown, however, that those three natural partners of the model "triple helix" do not cooperate, moreover they do not know or talk to each other. There is a need to adapt the model and turning it into a model "four clover" - "four leaf clover", the fourth actor being the catalyst organizations - consulting firms specializing in technology transfer and innovation, technology transfer centers, etc. (Cosnita, D. Guth, M., 2010).

Recent studies (Cosnita, 2011) on the competitiveness of the economic sectors have been conducted by the National Commission for Prognosis of Romania. The correlation between competitiveness assessments made by the Commission for Prognosis and the Cluster Association in Romania can be seen in Figure 2 below:
4. OPPORTUNITIES AND LIMITS OF ROMANIAN CLUSTERS

OPPORTUNITIES

More research on Romanian clusters highlighted a number of opportunities of the Romanian clusters, but also a large number of their limits. Romanian clusters have good opportunities to develop in the future given the proximity to the EU market and having the domestic market large enough, the seventh Market in the European Union.

The cultural and geographical proximity to the Single Market is also an opportunity to Romania. The existence of skilled labour, multidisciplinary, cheap, highly stable, experienced, serious and with confirmed competency makes possible future investments in Romania.

Language skills of Romanian have broken the linguistic barriers. The flexibility of the Romanian Industry is also an advantage. Other opportunities for the Romanian cluster development are:

- Increasing demand for innovative products
- Foreign investor interest for the Romanian Economy
- Existing partnerships and collaborations
- Great potential in several areas
- Creating and developing competitive clusters and innovative clusters
- Development of technologies for innovative products
- The development of R & D for new, smart products
- Increasing the share of unconventional energy used in Romania
- Developing training level of human resources
- The existence of the Structural Funds for clusters
Factors in the development and operation of clusters involve the local and central government; skilled human resources; capital resources; physical infrastructure, administrative, scientific and technological; related industries (local providers).

Economic clusters increase competitiveness of companies located in a region as:
• can turn common weaknesses and problems of SMEs isolated in the same geographic area in common opportunities and advantages;
• may increase the bargaining power of companies, both domestic operations value chain upstream and downstream activities in foreign markets;
• allow small and micro enterprises to penetrate collectively and successfully in target markets where an individual SME has little chance;
• encourages businesses to work together to agreed quality criteria, in accordance with international standards;
• provide an opportunity for knowledge transfer.

LIMITS
The main limits of Romanian clusters are given by several specific problems they have to face. Lack of investment in a region over time limits the possibility of developing clusters. In most cases, the cause is the lack of adequate infrastructure, lack of capital, technical engineering and innovation, regional isolation, low population education in the region, lack of talent, the existence of mature industries, etc.

Infrastructure deficit creates differences between regions, preventing the absorption of capital. Rollout of broadband instance generated the need of even the most remote rural areas. The biggest problem is the regions where there isn't cheap and regular transport. As the travel time to the destination is particularly important for consumers, poorly developed transport networks become a barrier to the development of clusters.

Lack of access to capital. Clusters are dependent on entrepreneurial skills and the innovation of local employees and companies. Development and commercialization of new ideas and capital resources stands behind capital markets but favours new economies, at the expense of mature and low technology.

Deficient technological structures. Clusters depend on local institutions for a variety of services that can not produce their own regime and they can not get from other companies. Regional institutions are used to getting information on technological, economic situation, education, etc.

Regional isolation. While capital is the medium for the transmission of information within a cluster, competitiveness depends on its ability to import information and ideas from great distances. Successful clusters include companies that are part of global networks and are exposed to globalization, involving people who are active in the international professional associations. Companies are usually open to the best practices in every region. Because usually skills are obtained from various sources, more managers are open to the outside so they will benefit more. Poor peripheral regions have limited access to the best practices, innovations and markets.

Lack of skills and opportunities for their development. Companies do not want to extend to the Community level of training and the education is low and does not reach the required standards.

Other limits for the Romanian clusters are:
• Lack of trust between partners and fear of failure
• Lack of adequate infrastructure, which leads to high costs
• Lack of effective own strategies and difficulties in accessing foreign markets
• Low productivity compared to competitive countries.
• Low demand on domestic and foreign markets, in general, for Romanian products
• Low level of research funding
• The relatively low level of use of information technology in current activities
• The liquidity problem and dependence on bank loans
• Insufficient financing of R & D activity, far below the EU and therefore a low level of R & D activity
• The existence of a small number of local innovative technologies and advanced manufacturing
• Low level of entrepreneurial culture
• Failure environment CDI connection with business
• Increasing prices for raw materials and utilities.
• Insufficient promotion opportunities and the need to protect intellectual property at the EU and international level
• Insufficient absorption of Structural Funds and specific European Funds and the insufficient dissemination of the CDI results internationally
• Insufficient funds for clusters
• Inexperience of SMEs in accessing European funds
• Frequent changes of the exchange rate
• Aggressive competitor products outside the EU
• The economic crisis in the national economy in the EU and globally
• Insufficient human resources of member firms
• The lack of predictability of the Romanian tax system
• Lack of vocational education
• The existence of more efficient universities and research centres

5. CONCLUSIONS AND RECOMMENDATIONS

The clusters of Romania even if they have more opportunities, they face many limitation given by the specifics of the Romanian economy, society and culture. Clusters in Romania are still more a challenge than a reality. Is true, there are a number of clusters and their number is growing, there are cluster policies, founds for clusters, etc., but strong, efficient and serious clusters are not too many in Romania.

In the present:
• There is a real interest for the formation of innovative clusters in Romania, at local authorities, NGOs, companies, universities, and the business community.
• It is necessary to generate a climate of trust between partners, a condition essential to create and develop a successful cluster.
• The development is very different from one region to another, and it must have the support of innovative products and specific cluster role and the help of academia and research.
• It is necessary to define a Romanian concept from adapting common international models and also understand the term and use an unified approach both in terms of competent authorities and beneficiaries.
• It is needed to develop a national strategy for clusters, combined with a healthy industrial policy and national reform programs.
• It must extend different activities in clusters funded from budgetary sources.

REFERENCES

Ionescu, V. (1999). “Supply-Side Strategy for Productivity, Competitiveness and Convergence between the CEECs and (in) the EU 7 Romania case study”.
STUDY ON THE NEED FOR DEVELOPMENT E-BUSINESSES IN BANAT THROUGH NEW INFORMATION TECHNOLOGIES

Gheorghe POPOVICI

ABSTRACT

The paper presents the results of the research about the need for development e-businesses in Banat through new information technologies. Many businesses are using Internet technologies to web-enable business processes and to create innovative e-business applications. A business may use Internet, intranets, extranets and other networks to implement information system. In essence, e-business is defined as the working from inside the enterprise (intranet) to reengineer business processes, implement electronic commerce systems with their customers and suppliers (extranet) and promote enterprise collaboration among business teams and workgroups. Today, the companies moved from functional mainframe-based legacy systems to integrated cross-functional client/server applications. This applications involved installing: ERP – enterprise resource planning, SCM – supply chain management or CRM – customer relationship management.

Also, the companies are using the Word Wide Web and their intranets and extranets as technology platform for thei cross-functional and inter-enterprise information systems.

In Banat companies are increasingly developing full-service B2C and B2B e-commerce portals. Successful e-commerce ventures must build market and manager thei web businesses while serving their customers.

KEY WORDS: e-business, e-commerce, information systems, Internet, intranet, extranet, marketing, manufacturing, accounting and finance.

JEL: M31

1. PREMISES

Today, many businesses are using Internet technologies to web-enable business processes and to create innovative e-business applications. A business may use Internet, intranets, extranets and other networks to implement information system. In essence, e-business is defined as the working from inside the enterprise (intranet) to reengineer business processes, implement electronic commerce systems with their customers and suppliers (extranet) and promote enterprise collaboration among business teams and workgroups.

Electronic commerce is the buying, selling, marketing and offering of products or services and information over a variety of computer networks. E-com systems include Internet websites for online sales, extranet acces of inventory databases by larges customers and intranets by sales reps to acces customer records for CRM - Customer Relationship Management.

New tends Information Systems presents major challenges to business:

1 Professor PhD University „Eftimie Murgu” of Reşiţa
• Developing competitive products and services that give an company a strategic advantage in the marketplace;
• Efficiency and employee productivity, customer service and satisfaction;
• Support to promote effective decision making by managers and business professionals;
• Source of information to business success as the functions of accounting, finance, manufacturing, marketing and human resource.

2. THE ISSUES RESOLVED

A business is an example of an organizational system where economic resources (input) are transformed by various business processes (processing) into goods and services (output). Information systems provide information (feedback) on the operations of the system to management for the direction and maintenance of the system (control) as it exchanges inputs and outputs with its environment (Figure 1).

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Distributors</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>MANAGEMENT</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Feedback</td>
<td>INFORMATION SYSTEM</td>
<td></td>
</tr>
<tr>
<td>RESOURCES</td>
<td>BUSINESS PROCESSES:</td>
<td>GOODS AND SERVICES</td>
</tr>
<tr>
<td>Materials, energy</td>
<td>Market</td>
<td>Products</td>
</tr>
<tr>
<td>Machines, land</td>
<td>Develop</td>
<td>Services</td>
</tr>
<tr>
<td>People</td>
<td>Produce</td>
<td>Payments</td>
</tr>
<tr>
<td>Money</td>
<td>Deliver products</td>
<td>Contribution</td>
</tr>
<tr>
<td>Information</td>
<td>Services customers</td>
<td>Information</td>
</tr>
<tr>
<td>INPUT</td>
<td>PROCESSING</td>
<td>OUTPUT</td>
</tr>
<tr>
<td>Community</td>
<td>Administration</td>
<td>Competition</td>
</tr>
</tbody>
</table>

**Figure 1**
(Source: G. Marakas, Management Information Systems, 2008, p.28)

Input consists of capturing and assembling elements that enter the system to be processed: materials, energy, data, and human effort must be organized for processing.

Processing involves transformation processes that convert input into output: manufacturing process, the mathematical calculations and human breathing process.
Output consists of transferring elements that have been produced by a transformation process into goods and services as outputs: finished products and user services.

Feedback is data/information about performance of a system. Data about sales performances is feedback to a sales manager.

Control involves monitoring and evaluating feedback and it is necessary adjustments to system’s input and processing components to ensure that it produces proper output. A sales manager exercises control over sales persons to new sales territories after evaluating feedback about their sales performance.

The issues resolved is: *If businesses in Romania applied the information system (IS) it should be easy to see the development opportunities?*

### 3. THE CORE OF THE PROBLEM

All information systems use people, hardware, software, data and network resources to perform input, processing, output, storage and control activities that transform data resources into information products (Figure 2).

**Figure 2**

Figure 2 illustrates an information system model that expresses a fundamental conceptual framework for the major activities. An information system depends on the resources of people (end user and IS specialists), hardware (machines and media), software (programs and procedures), data (data and knowledge bases) and networks (communications media and network support) to perform input, processing, output, storage and control activities that convert data resources into information products.

There are four concepts that can be applied to all types of information systems (G.Marakas, 2008):

- **People, hardware, software, data and networks are the five basic resources of information systems:**
- **People resources include end user and IS specialists, hardware resources consist of machines and media, software resources include both programs and****
procedures, data resources can include data and knowledge bases and network resources include communications media and networks;

- Data resources are transformed by information processing activities into a variety of information products for end users;
- Information processing consists of the system activities of input, processing, output, storage and control.

Many companies moved from functional mainframe-based legacy systems to integrated cross-functional client/server applications. This applications involved installing: ERP – enterprise resource planning, SCM – supply chain management or CRM – customer relationship management.

Also, companies are using the Word Wide Web and their intranets and estranets as technology platform for their cross-functional and inter-enterprise information systems. (Figure 3)

**Enterprise Resource Planning (ERP)** is a cross-functional enterprise system that helps a business integrate and automate many of its internal business processes and information systems.

*Application components*: order management, production planning, accounting, finance and human resource systems.

*Business benefits*: improvements in the quality, efficiency, cost and management of internal business processes.

*Challenges*: failure of order processing and inventory accounting systems that are reengineering to accommodate a new cross-functional system.

*Trends*: Flexible ERP, Web-enabled ERP, Inter-enterprise ERP, e-Business Suites; ERP is continuing evolution: more flexible, user—friendly, adoption of Internet technologies (web-enabled software), extensions e-business applications and integrated into e-business software suite.
Supply Chain Management (SCM) is a cross-functional enterprise system that helps a business manage its network of relationships and process with its business partners.

*Application components:* demand forecasting, inventory management, logistics management and warehouse management systems.

*Business benefits:* development of a fast, efficient and low-cost network of business partners to get products from concept to market.

*Challenges:* a lack of adequate demand planning knowledge, tools and guidelines may cause major overproduction and excess inventory problems.

*Trends:* toward the use of Internet technologies to integrate and enhance collaboration with a company’s network of business partners.

Customer Relationship Management (CRM) is a cross-functional enterprise system that helps a business develop and manage its customer-facing business process.

*Application components:* contact and account management, sales, marketing, customer service and support systems.

*Business benefits:* acquiring, enhancing and retaining profitable relationships with customers.

*Challenges:* resistance from sales and customer service professionals who are not adequately involved in the development of the system.

*Trends:* toward web portals and collaborative systems involving business partners as well as customers to coordinate sales and service across all marketing channels.

Partner relationship management (PRM) focuses on acquiring and retaining partners who can enhance the selling and distribution of a firm’s products and services.

Knowledge management (KM) application focus on providing a firm’s employers with tools that support group collaboration and decision support (DS).

These applications may be interconnected by Enterprise Application Integration (EAI).

Online transaction processing systems play a vital role in business. Transaction processing involves the basic activities: data entry, transaction processing, database maintenance, document and report generation and inquiry processing.

Companies are using the Internet, intranets, extranets and other networks for online transaction processing to provide superior service to their customers and suppliers. Enterprise Collaboration Systems (ECS) using electronic communications, conferencing and collaborative work tool to support and enhance collaboration among teams and workgroups (Figure 4).
Thus, the goal of Enterprise Collaboration systems is (G. Marakas, 2008) "to enable us to work together more easily and effectively by helping us to:

- **Communicate**: sharing information with each other;
- **Coordinate**: coordinating our individual work efforts and use of resources with each other;
- **Collaborate**: working together cooperatively on joint projects and assignments."

For most companies, electronic commerce (e-com) is more than just buying and selling products online. E-com is the online process of developing, marketing, selling, delivering, servicing and paying for products and services. There are three basic categories of electronic categories applications:

- **B2B** – *business to business*
- **B2C** – *business to consumer*
- **C2C** - *consumer to consumer*

**Business to business (B2B)** applications involves electronic catalog, exchange and auction marketplaces and direct market links between businesses. Using an e-com portal for auctions by business customers and their suppliers is an example.

**Business to consumer (B2C)** is form of electronic commerce to which businesses must develop attractive electronic marketplaces to sell products and services to consumers. Business selling to consumers at retail web stores is an example. Many companies offer e-com wesites that provide virtual storefronts and multimedia catalogs, interactive order processing, secure electronic payment systems and online customer support.

**Consumer to consumer (C2C)** is form of e-commerce for success buy and sells with each other in an auction process at an auction website. Electronic personal advertising of products or services to buy or sell by consumers at electronic newspaper sites, C2C portals, or personal wesites is also an important form of C2C e-commerce.
E-commerce depends on the Internet and the world wide web and on other networks of browser-equipped client – server systems and hypermedia databases.

**E-commerce applications** must implement several major categories of interrelated process such as search management and catalog management (Figure 5):

1. Access control and security.
2. Profiling and personalizing
3. Search management
4. Content management
5. Catalog management
6. Electronic payment systems
7. Workflow management
8. Event notification
9. Collaboration and trading
Acces control and security helps to establish mutual trust between customers with e-tailer at an e-commerce site.

Profiling and personalizing. On tracks client’s website behaviour to provide it an individualized web store experience. User profiles are developed using profiling tools such as user registration, cookie files, and website behavior tracking software and user feedback.

Search management. Efficient and effective search processes provide a top e-commerce website capability that helps customers find the specific product or service they want to evaluate or buy.

Content management software helps e-com companies develop, generate, deliver, update and archive text data and multimedia information at website.

Catalog management software suite to retrieve data from more supplier databases, standardize the data and translate them into HTML or XML for web use.

Electronic payment systems provide efficient, convenient and secure payments in e-commerce.

Workflow management software ensures that proper e-commerce transactions, decisions and activities are performed to better serve clients.

Event notification process sends to the client an e-mail when what client ordered at an e-commerce site has been shipped.

Collaboration and trading includes negotiation and mediation processes among buyers and sellers.

Today, Banat companies are increasingly developing full-service B2C and B2B e-commerce portals. Successful e-commerce ventures must build market and manage their web businesses while serving their customers.

Figure 6 illustrates how information systems can be grouped into business function categories.
Marketing Information Systems (MIS) include interactive marketing al e-commerce websites, sales force automation, customer relationship management, product management, targeted marketing, advertising and promotion and market research. Thus, MIS assist marketing managers in electronic commerce product development and customer relationship decision, as well as in planning advertising and sales promotion strategies and developing the e-commerce potential of new and present products and new channels of distribution. MIS is an information system for customer relationship management, sales management, product management and promotion management.

Interactive Marketing means collaborating interactively with customers in creating, purchasing, servicing and improving products and services. Sales force automation using mobile technologies to support salespeople in the field.

Production / Manufacturing is information systems that support manufacturing operations and management. CIM help a company to simplify, automate and integrate many of activities needed to quickly produce high-quality products to meet changing customer demands.

Computer-aided design (CAD) using collaborative manufacturing networks helps engineers collaborate on the design of new products and process. Finally, manufacturing execution systems (MES) monitor and control the manufacture of products an the factory floor through shop floor scheduling and control systems, controlling a physical process (process control), a machine tool (numerical control), or machines with some humanlike work capabilities (robotics).

Accounting information systems record, report and analyze business transactions and events for the business enterprise. This system include six essential activities: order processing, inventory control, accounts receivable, accounts payable, payroll and general ledger.

Order processing handles sales orders from customers. Inventory control keeps track of items in stock. Accounts receivable keeps track of amounts owed by customers. Accounts payable keeps track of purchases from suppliers. Payroll produces employee paychecks. General ledger produces the financial statements of a firm.

Finance information system is support in decisions regarding the financing of a business and the allocation of financial resources within a business. It includes cash
management, investment management, capital budgeting and financial forecasting and planning.

A fifth informational system is **Human Resource Management Information System (HRM)**. It includes information systems for staffing the organization, training and development and compensation administration.

Online HRM Systems using the Internet for recruitment and job hunting.

Online accounting systems using the Internet and extranets to do accounts receivable and accounts payable activities.

Online transaction processing systems are the systems that immediately capture and process transaction data and update corporate database.

### 4. CONCLUSIONS

From the study conducted we identified the next conclusions:

A first conclusion is that a business may use Internet, intranets, extranets and other networks to implement information system. E-business is defined as the working from inside the enterprise (intranet) to reengineer business processes, implement electronic commerce systems with their customers and suppliers (extranet) and promote enterprise collaboration among business teams and workgroups.

The second conclusion is that in Banat companies are increasingly developing full-service B2C and B2B e-commerce portals. Successful e-commerce ventures must build market and manage their web businesses while serving their customers.

The third conclusion is that new trends Information Systems presents major challenges to business:

- Developing competitive products and services that give an company a strategic advantage in the marketplace;
- Efficiency and employee productivity, customer service and satisfaction;
- Support to promote effective decision making by managers and business professionals;
- Source of information to business success as the functions of accounting, finance, manufacturing, marketing and human resource.

### REFERENCES

AUDITING EXPENDITURE CARRIED OUT OF SOURCES OF FINANCING OF THE EUROPEAN UNION

Doina RADA

ABSTRACT

Non-reimbursable funds beneficiaries of EU patrimony may be entities, public institutions and companies. These have obligation of management accounts for separate use of the financial resources and the preparation of financial statements in which are reflected expenditure incurred with implementation projects. Financial Statements shall be subject to an audit and is based on the provisions of the standards international audit SSRI 4400 “International Standard for related services” and ISAE 3000 “ International Standard for measures of certification”. The recipient of the Audit Board may require in certain situation application of provisions ISA 800 audit international standard “Special consideration – audit financial statements drawn up in accordance with general frames with special purpose”

KEY WORDS: The keeping of accounts, expenditure, audit, non-reimbursable funds, European Union

JEL: M42

1. THE NEED OF ACCESSING EUROPEAN FUNDS

Currently, European funds represent an opportunity for Romania, but at the same time, directly, they also represent an opportunity for businesses and public institutions, that can access, by the projects developed, significant amounts of money for development, modernization, structural changes and cooperation. In order to know and to use in the self-interest the European funds, it is necessary to be aware of the laws, values, operational tools, business opportunities and also economic and geo-strategic lines of action. These funds are an expression of freedom and European democracy, based on cooperation and initiative in each country which wants to highlight their cultural values and economic initiatives, supported by the financial resources of the European Economic Community. For a better success it is necessary the knowledge of structural instruments implemented by several regional operational programs (seven in all), plus eight new programs of cooperation with other states.

For this purpose, in Romania, has been appointed the Managing Authority among the ministries, which deals with the program implementation at a territorial level, while, in addition to these, it also operates other intermediary bodies at a central or regional level, depending on the programs adopted.

In collaboration with the European Community, in order to coordinate national programs, it operates the Authority for Coordination of Structural Instruments (ACIS), an institution created in the interior of the Ministry of Finance.

The total amount of Structural and Cohesion Funds allocated to Romania is 19.668 billion Euros, of which 12.661 billion represent funds under the 'Convergence' objective, 6.552 billion euro allocated to the Cohesion Fund and allocated 0.455 billion euro allocated for the objective of "European Territorial Cooperation".

¹ Associate Professor, PhD, University "Eftimie Murgu" of Resita, d.rada@uem.ro
To access these important financial resources made available by the European Union, it was necessary to create a programmatic framework that includes a number of strategic documents for the implementation of Structural and Cohesion Funds in Romania. These are:

- The National Development Plan 2007-2013;
- The National Strategic Reference Framework 2007-2013;
- Operational programs;
- Framework Implementation Documents.

The necessity of these strategic documents was claimed by several factors:

- The need to systematize the multiple requirements of the Romanian economy, to eliminate disparities and gaps to the European Union;
- Creation of a national strategy in order to absorb European funds;
- Ensuring the most efficient use of these funds;
- Ensuring transparency of the destination for European funds;
- Establishment of a charge for those who access and use the European funds, establishing powers and responsibilities to ensure the integrity of European public funds and lack any possibility of fraud.

The latter objective also contains the organization of audit activity of expenditures regarding grant funding sources, obtained by applicants, which can be both public and private entities in Romania.

The audit activity, as an external financial control, made by an accountant, a member of a professional union, affiliated to the European accounting bodies comes to provide the assurance for the management authority of European projects that funding sources were used on the purposes determined by the project (legal), they are related to the implementation period and were used with maximum efficiency.

### 2. REQUIREMENTS OF U.E. REGARDING THE AUDIT ACTIVITY OF EUROPEAN PROJECTS

Like any public funding, those with funding which comes from The European Union funds, should be subjects of financial control to ensure their safety, efficient use and allocation according to established objectives.

In addition to its own control of users of such resources, the sponsor (EU), by managing authorities of Structural and Cohesion programs requires that costs incurred to implement these projects to be checked (audited) by an external expert, independent member of the national professional body.

Requirements are formulated in terms of reference that are transmitted to the auditor and that record the documentation procedures agreed by the contracting authority to be applied in order to ascertain the quality of expenditures, to be incurred on the project (the reality), to be accurate (accuracy) and eligible.

Ethical requirements which need to be applied in carrying out the audit mission are, integrity, objectivity, professional competence, confidentiality and professional conduct. Independence is not a requirement invoked by ISRS 4400, but if it is affected, the situation will be referred in relation. Audit engagement is based on the International
Standard of Related Services ISRS 4400 - Commitment to perform agreed-upon procedures regarding financial information, as promulgated by the International Federation of Accountants (IFAC).

The SSRIs are addressed to missions related to financial information and allows the auditor to apply specific procedures agreed by the customer, in order to find some facts that can be communicated through a report which in the case of the auditing EU funds, is called "Report of Factual Findings". Since this report only provides feedback on the quality of information in the financial statements of applicants for EU funded projects, it expresses no certification. Procedures applied were determined solely by the contracting authority and serve it to assess whether the costs claimed in the financial report prepared by the beneficiary are eligible under the terms and conditions of the financing contract.

Financial situation over which goes the audit engagement is called Claims for reimbursement of expenses (CRC) or Financial Report. Regardless of the name, this summary includes all costs incurred by the customer in order to achieve the project objectives. The mission of the auditor is to verify that the expenditure presented by the beneficiary refund application has been made in the interest of the project and that they are correct and payable.

The object of an audit of the type in question, is the auditor to perform specific procedures agreed by both sides, but, with the report prepared, the auditor does not express any assurance mission since it is not an audit (review). This report is strictly addressed only to those parties that have agreed to the procedures to be performed.

Since contracting audit work is not done by letter but by contract assignment under the provisions of the Civil Code, the auditor is unable to formulate in accordance with ISRS 4400 - audit requirements.

The basis of the procedures to be applied are the terms of reference for an expenditure verification, emanate from the beneficiary and complying with auditing standards impugned by paragraph 12. Audit mission planning will take into account both the provisions of ISRS 4400 and the terms of reference, the role of planning is to streamline the mission, to order it so as expenses to be checked for the most part (materiality threshold being 60%).

Proper planning will help identify important areas of mission and treat them accordingly to the identifying potential problems with time management and organizational mission; also, adequate designating the tasks of the team members, coordination of work done by other practitioners and experts.

At the beginning of the engagement, critical issues will be analyzed for instance:

- terms of the mission
- characteristics of the problem and identified criteria
- the mission and possible sources of evidence
- understanding the entity and risk
- identify users and their needs
- analysis of materiality and risk assurance engagements
- personnel and experience requirements
- nature and the degree of involvement of the experts
Documenting of the auditor will aim to obtain sufficient appropriate audit evidence and fair at the same time, able to support the auditor's opinion on the quality of information contained in the application for reimbursement or financial report.

The practitioner (the auditor) will use professional judgment and he will use professional skepticism in the evaluation of the amount of evidence, quality of evidence, credibility of the information. Obtaining a sufficient evidence is a systematic and iterative process that involves:

- obtaining an understanding of the problem, including the internal controls
- assessment of the risk of distortion of information received
- developing overall responses and determining the nature, timing and extent of procedures
- appropriate risk-carrying procedures identified as for example, inspection, observation, computation, interviewing, testing the effectiveness of controls.

Documents to be checked by the auditors will be in all areas of accounting and financial records of the applicant and in this respect the Terms of Reference transmitted by the Contracting Authority to collect samples refer to:

- Accounting Books under L.82/1991, accounting law and subsequent amendments;
- The budget of the beneficiary into chapters, subchapters, paragraphs and titles;
- Checking balances, both analytical and synthetic;
- Cards account various operations;
- Accounting notes;
- Public procurement files developed in accordance to OUG no.34/2006;
- Contracts and order forms;
- Invoices;
- Statements of work and payment conditions;
- Takeover process;
- Bank statements and orders;
- Contracts of employment concluded between the beneficiary and employees;
- Times – sheets with the actual time worked on the project;
- Payrolls.

Regarding the procedures to be applied both ISRS 4400 and terms of reference, indicate two categories namely general procedures and analytical procedures.

In the stage of appliance of the general procedures the auditor verifies that:

- The request for reimbursement is in accordance with the terms of the financing contract;
- The beneficiary shall keep accounting records for the project using different analytical accounts and accounting system is in accordance with national legislation
- It is possible to evaluate the efficiency and effectiveness of expenditures included in the request for reimbursement;
- Information contained in the request for reimbursement is reconciled with the accounting and beneficiary records.

In the second stage, of analytical procedures, the auditor performs a thorough check of expenditure categories in the request for reimbursement, analyzing if:

- Categories of expenditures from the refund application correspond with the categories of expenses of the project budget;
Costs incurred correspond to those of the project budget;
Costs incurred are in accordance with the Grant Agreement;
The total amount requested by the CRC does not exceed the grant provided for in the grant agreement;
Budget provisions were modified by reallocation between budget lines of the same chapter and if they have undergone a memorandum to the Contracting Authority.

Sampling for an audit of EU funds is a very important issue given the diversity of activities for a project. After a preliminary risk assessment accompanying each category of expenses, the auditor will select those who are at a high risk. A special note for this type of audit is to check public procurement operations as required by the Contracting Authority issued terms of reference, which should be checked at 100%.

Feature of expenditure on projects with European funding, to be eligible, it is a prerequisite that these expenses be reimbursed by the Contracting Authority. Checking the features (eligibility) costs begins with documentary evidence of expenditure performance, or payment for the purchase made. Such bills are reviewed in terms of quality of documents (form and substance), then the corresponding payment orders or other documents of equivalent probative value. The next step in this line (to verify eligibility) will be the highlight mode control in accounting transactions: transaction accounting note, registration card or register warehouse inventory numbers, drawing an acceptance report, preparing a bill for the commissioning etc.

For an expense to be considered eligible for funding under the Agreement, it must meet the following conditions:

- It needs to be designed and provided in the grant agreement;
- It needs to be made and paid by the Beneficiary or his partners before the deadline for submission of the final reimbursement;
- It needs to be recorded in the accounts of beneficiary / partner based on evidence that can be identifiable and verifiable, and be original.

An important issue arising from ISRS 4400 and standard provisions of the Terms of Reference is to verify the accuracy and reality reflected in the request for reimbursement operations or the financial report. It is in this case to determine whether transactions / operations were recorded chronologically in the accounting system and the application for reimbursement and then systematically different analytical accounts of the project. It also verifies that expenditure for a transaction were correctly classified in chapter (section) cost of the project budget and have been used correctly currency exchange rates.

To establish the reality of expenditures, the auditor uses the work procedures as following:

- Verifying the receiving of goods delivered, in terms of indicating the place and date of receipt of registration and accounting management, specifying management and accounting note recording;
- Verification of work performed and services rendered;
- Verification of shipping documents (delivery note, invoice) notes the reception and operation.

Finally the auditor shall express its opinion on reality, legality and accuracy of transactions / operations carried out by project grant of the findings.
The following assurance report shall refer to:

- significant limitations, inherent problems associated with the evaluation;
- identify the party responsible for producing the information contained in the audited financial statements;
- performing the mission according to international ISAE audit standards.

In the report, the practitioner will record the adequacy of communication as well with those charged with governance, on the relevant aspects of governance interest arising from the assurance engagement.

The practitioner should obtain written statements from the responsible party, regarding authorship accountability for audited financial statements, the request for reimbursement and the expenditure.

In case a written statement might be missing, the practitioner will be able to:

- draw a conclusion with reserves
- declare the impossibility of expressing a conclusion because of the limited area in which the mission can be applied
- includes a restriction on the use of the assurance report

The elements of the report of factual findings are the following:

- Title: Report of factual findings
- The recipient (usually the client who engaged the auditor - Contracting Authority)
- Identify specific financial information on which procedures have been agreed
- A statement that the procedures performed were those who agreed with the client
- A statement that the mission was performed in accordance with International Standard on Related Services
- A statement of compliance with auditor independence - although ISRS 4400 – does not require it
- Identifying the purpose for which it was performed the procedures agreed
- A statement that the procedures performed do not constitute either an audit or examination and therefore do not express any certification
- A statement that the report is limited to those parties that have agreed procedures agreed
- Date of report
- Auditor's address
- Signature of The Auditor

The report containing factual findings above items shall be prepared in duplicate and accompanied by a record receipt for the beneficiary.

As can be seen from the articles, the task of auditing the expenditure for the EU grants is a reasonable assurance engagement, the objective of which is to reduce the mission’s risk to a level low enough to allow the auditor to obtain a basis for a positive form of expression of an opinion.

REFERENCES

Munteanu V. ,coordinator, (2003), „Control si audit financiar contabil”, Bucuresti: Editura Lumina Lex
Peres Ion, Ovidiu Bunget, Peres Cristian, (2006), „Audit financiar contabil“, Timisoara: Editura Mirton
***C.E.C.C.A.R, Manualul privind standardele internationale de audit, certificare si etica, Editia 2007, Bucuresti;
***C.A.F.R., Norme minimale de audit, 2006
***Law nr. 82/1991, with subsequent amendments;
***O.U.G 34/2006, on public procurement, with amendments and supplements;
***O.M.F.P.3055/2009, with amendments and supplements, for the application of accounting regulations in accordance with the Accounting Directives.
ADMINISTRATION OF NON-PROFILE MARKETING IN THE THIRD SECTOR

Bojana STOYCHEVA

ABSTRACT
Marketing is an effective instrument of control thanks to which favorable economic and social change has been achieved. For the environment in which they operate, non-profit organizations face significant challenges in carrying out their activities which can be overcome with more effective marketing. The relevance of marketing in the non-profit sector has become particularly important in recent years. Non-profit organizations must be more entrepreneurial and marketing oriented in order to survive in the environment in which they operate.

KEY WORDS: marketing, non-profit organizations, non-profit marketing, a third sector
JEL: L31, O17, M31

1. INTRODUCTION
Application of marketing activities in the management of non-profit organizations began at the end of the 1970s. Whilst at the time non-profit marketing was focused primarily on communications, in the 1980s it became a strategic management approach. The managers of non-profit organizations began to realize the need for the use of effective marketing. The problem is that they did not always know how to do it. At the end of 1995, more than 70 US universities offered courses in non-profit marketing, which was one of the factors contributing to the rapid development of this type of marketing. The studies of various researchers emphasize on specific marketing activities that can be used by various non-profit organizations. The mission of non-profit organizations is to contribute to the benefit of society as a whole. In relation to this, the interest of researchers in the non-profit marketing continues to grow.

2. CONCEPTUAL FRAMEWORK
The aim of this report is to present the theoretical foundations of the role of marketing activities and the effect of their application in the third sector. This report is part of a larger study of the best practices and opportunities of application of non-profit marketing in non-profit organizations.

In order to achieve the aim, the following tasks have been set:
1. Determining the nature and importance of non-profit organizations.
2. Clarifying the nature of non-profit marketing.
3. Tracing the development of non-profit marketing.
4. Analyzing the difficulties faced by non-profit organizations in their operations.

2.1. Non-profit organizations - nature and importance

The most commonly used terms in Bulgaria with regard to organizations of social purpose and public benefit are: non-government or non-state organizations; enterprises with non-economic activities; non-profit legal entities; non-profit sector organizations; third sector; non-profit organizations; nonprofits (Pozharevska (2003)).

Non-commercial organizations are divided into market and non-market producers depending on the prices which they supply products and services at.

Non-market producers provide their products free of charge or at prices that are economically insignificant. Therefore, in order to cover the costs of their activities, they rely on other resources such as membership fees and transfers from the other sectors of economy.

Non-profit organizations are included among the non-market non-commercial organizations.

In terms of the institutional structure of economy, non-market non-commercial organizations are divided into two main groups:

(1) Non-commercial organizations that are mainly controlled and financed by the state and serve business and/or households - the organizations are classified to the government sector.

(2) Non-commercial organizations that are mainly financed by transfers from non-government sources (households, corporations or foreign sector) - the institutions are divided into a separate sector in the System of National Accounts - non-commercial organizations serving households. It includes non-profit organizations such as trade unions, political parties, consumer associations, religious communities and social or sports clubs.

In a broad sense, the term non-commercial organizations is used to describe the whole range of non-profit organizations regardless of the type of activity conducted.

The term non-profit organizations is used in a narrower sense. This includes non-commercial organizations only: groups of business organizations and such of employers; trade unions and associations; creative unions; other non-commercial organizations - foundations, unions, associations; community centers, as well as entities active in the field of education, vocational training and retraining; health and social services; culture, arts, scientific and technical information; physical education and sports activities. (Zhecheva et. al., (2002)).

According to their type and purpose, non-profit legal entities can be associations, foundations, political parties, trade unions, denominations, community centers, etc. The Law for the non-profit legal entities is a general law which regulates the basic forms of non-profit organizations - foundation and association. There are separate laws on the other types of non-profit legal entities - the Law on political parties, the Law on denominations, the Law on culture centers and others. (http://bcnl.org/uploadfiles/documents/pravna%20ramka/qa10.pdf).

In foreign literature, the source of funding is a good basis for the classification of non-profit organizations (Andreasen&Kotler (2007)). We can distinguish between organizations that are funded by: profit, government revenues and
taxes. A key difference must be the organizational form of the enterprise (individual enterprise, association, corporation, joint venture or foundation).

Non-profit organizations also vary according to the degree of political control to which they belong.

Globally, non-profit organizations are the kind that do not allocate their budget surplus between the owners and shareholders but use it to achieve their objectives instead. Examples of such organizations are foundations, trade unions and organizations of public art.

Non-profit organizations work to improve society as a whole through allocation and use of adequate resources to provide services or products. These organizations do not exist in order to obtain personal gain or profit. They generate profit, but it helps to facilitate the achievement of the organization's mission.

The non-profit sector, also called the third sector, marks its revival in Bulgarian economy, particularly in recent years. Non-profit organizations operate in a unique environment, including government institutions, the private sector and civil society. They carry out activities that include complex behavioral patterns and relationships. Non-profit organizations must provide users with a huge amount of information which implies specific organization and management.

It is necessary to further strengthen the stability of non-profit organizations as institutions with an enormous role in the development of civil society and improvement of the dialogue between the state and the third sector.

The non-profit sector exists for the benefit of society. It provides services that are not provided by the business sector. Many of the activities carried out by non-profit organizations do not generate large revenues and are therefore unattractive to business organizations. One of the distinguishing aspects of a free and vibrant society is the strong non-profit sector which citizens actively participate in. Non-profit organizations operate in a dynamic and ever-changing cultural environment. To be effective, the managers of these organizations need to make changes. They must be aware that the social, economic, political and technological environment influences their activity. The organizations must adapt to the changes in their environment (Wyner.Ch.1 (2006)).

2.2. Nature of non-profit marketing

Analyzing foreign literature, different angles can be displayed, which scientists set while describing non-profit marketing.

In the opinion of Andreasen and Kotler (2007) marketing plays a very important role in the management of non-profit organizations. The non-profit sector has some of the typical problems of business environment associated with rising costs and increasing competitive pressure. Therefore, the skillful use of marketing activities (techniques and approaches) would help non-profit organizations in their survival, growth and fulfillment of their missions. Marketing is no longer considered a radical approach in solving the problems of non-profit organizations. It is an effective management tool. Economic and social changes and proven success have led to the expansion and deepening of its implementation. In the mid-nineties of the 20th century diminished support (funding) from the traditional sources became a factor that dramatically enhanced the importance of non-profit marketing.
Non-profit marketing is associated with the use of marketing tactics to achieve the objectives of non-profit organizations. Although advertising and public relations are examples of marketing tools that are used by non-profit organizations, marketing in this area includes a wide range of other activities. Collecting and processing of information for decision making are considered components of non-profit marketing. Relations with governments, board members, donors and volunteers are part of the objective of non-profit organizations.

According to Bennett and Lamm (1988), Yancey (2002) and Salamon (2004) non-profit marketing represents management orientation that helps the non-profit organization expand its horizon beyond its domestic operations and programs by covering also the external environment of the organization. Marketing tools are used in order to achieve the objectives of the organization. A marketing-oriented structure capable of projecting a systemic image of itself and influencing the way it is perceived by the world outside.

In the opinion of Susan Forman (2005), development of partnerships and alliances with business organizations is possible through non-profit marketing. Three stages of achieving cooperation are defined: (1) Relationship begins with philanthropy in the form of corporate donations. (2) Relationship is developed to a stage of concluding transactions, which is due to marketing associated with a cause. (3) The final stage is maturity - an interactive time period for carrying out close relationship and cooperation.

According to Burger and Veldheer (2009), in the early 21st century, public funding of non-profit organizations is still a major source of funding. Non-profit marketing has acquired significance following the growth in competition among non-profit organizations seeking funding from the state budget. Marketing activity of non-profit organizations is mainly focused on the relationship with different groups of audiences in order to provide additional revenue. Two fields of marketing have generated considerable interest among researchers - increasing of audiences and marketing of relationship, that retain audiences.

The audience in the context of non-profit organizations

It is necessary to define the concept of audiences in the context of non-profit organizations. Andreasen and Kotler (2007) recommend that any such structure classified their audiences into groups by degree of importance. The most important include those with which the organization is actively and constantly connected - consumers, employees, managers and the general public. Second are those that need monitoring or are less frequently, although regularly, contacted - suppliers, agents (intermediaries), state institutions and competitors. The third group must incorporate various organizations seeking benefits for their members - trade unions, religious organizations, clubs, foundations and associations, as well as ones of social action and philanthropy.

Non-profit marketing within the line of sight of Bulgarian researchers

Parcheva, Doganov, Dimitrov and Kamenov (2001), Antonova (2008) define non-profit marketing as: "... any marketing activities conducted by individuals or organizations to achieve some purpose other than the regular purposes of business profit, market share or return on investment. Non-profit marketing uses most of the ideas and approaches applicable to business situations. While the main beneficiary of a
business enterprise is its owner, a non-profit organization must contribute to the benefit of its customers and the members of the general public. The objectives of a non-profit organization reflect its unique philosophy and mission. The marketing objective of this organization is to get the desired response from the target market defined. Developing a non-profit marketing strategy consists of defining the target market, creating and maintaining the marketing mix."

Marketing, in its functional genesis, explores the relationship of non-profit organizations with their surroundings. It provides answers to questions like: on what market or in which segment must non-profit organizations develop, how they must operate, what products they must offer. These problems are even more relevant to our reality in which non-profit organizations are facing difficulties created by the ever-changing environment. Simultaneously, the third sector in our country is underdeveloped, which is a significant barrier to those willing to operate in it. (Pachev and Davidkov (1999)).

Pachev and Davidkov (1999) divide the marketing of non-profit organizations into three groups:

1) Political parties, which we associate political marketing with. It is a set of tools used by political parties to influence the opinion of voters in their favour;

2) State organizations and administration whose tool is social or public marketing. For a long time it has been enough for these institutions to use the regulated power they have in order to get their desired behaviour from the consumers of public services. However, regulation increasingly ceases to be sufficient or even a solid deficit of one emerges;

3) Social organizations - in which marketing associated with a cause is applied.

In non-profit organizations, marketing efforts are directed towards raising funds of their own for the achievement of their basic goals and objectives.

We can conclude that the need for implementation of marketing in the operation of non-manufacturing organizations today is stronger than ever. The survival of structures operating in the third sector depends on the degree of efficient implementation of various marketing activities.

2.3. Development of non-profit marketing

In the late 1970s, some non-profit organizations began to appreciate the importance of application of marketing principles in achieving their goals for the first time. Non-profit organizations carried out a number of activities that were schematically defined as marketing. Messages were created regarding the nature of the services performed and traditional advertising was implemented to attract more consumers of the intangible products offered. Tactical maneuvers of public relations were used to generate interest and provide support for political and social initiatives. In most organizations, the interconnection between different activities was not understood and the potential benefits of the implementation of targeted marketing focus were not appreciated. And those who did see the difference, did not call what they were doing marketing because in their opinion it had too many negative meanings.

In the early 1980s, it all began to change. More and more marketing was used in education, arts, social services, libraries and public services. Today most non-profit organizations consider it a key measure of their success. In theory, the organizations operating in the third sector realize that in virtually everything they do, especially in
terms of their main goals, influencing the behavior of the other stakeholders is extremely important. The managers of non-profit organizations know that they must be effective marketers and that their organizations must implement effective market approach, but they do not always know how to do it (Andreasen & Kotler (2007)).

In the 1980s, a number of popular science materials were published that summarized the experience of practitioners in non-profit marketing.

By 1995 more than 70 US universities offered courses in non-profit marketing. A number of studies of non-profit marketing over the last 20 years represent experience from the United States.

According to Kotler (2010) in the 1990s four major changes took place which significantly accelerated the development of non-profit marketing:

1) First, many governments that were once the main source of social support, have now transferred that burden on the shoulders of private non-profit organizations.  
2) Second, many international social agencies such as the World Bank and the US Agency for International Development have to rely on local non-profit organizations and to perform and maintain substantial social interventions.  
3) The emergence of many new countries such as the new democracies in Southeast Europe and, lately from the former Soviet Union, significantly increases the interest in non-profit organizations. The third major change is the growing importance of cause-related marketing.

4) The fourth change is related to the growing concern about ethics in the non-profit sector.

5) The factors for expansion of the field of application of non-profit marketing are mainly limited to: Complete withdrawal of the state from some public programs; and reducing the traditional government support.

These changes also determine the specifics of the marketing activities applied it non-profit organizations. They are mainly focused on six components (Dickman (1997)):

1) Research - obtaining information about the environment according to the marketing mix, information on consumers;
2) Analysis - SWOT analysis, PEST analysis;
3) Planning - short-term, long-term;
4) Promotions - combinations of activities to raise the awareness of the organization;
5) Publicity and public relations;
6) Staffing and training of the staff.

The characteristics of marketing in the non-profit sector are limited to the mode of funding and satisfying the public interest. The services in the non-profit sector are funded by state subsidies or targeted programs, corporate and private donations. In many non-profit fields these sources are either decreasing or are at serious deficit. Unless there is a change in the political or social climate, these sources can be expected to play an increasingly smaller role in the years to come.

Non-profit marketing primarily satisfies public needs and interests. The activities associated with it are directed towards servicing the collective choice of large consumer groups.

In traditional marketing, the emphasis is on equivalent exchange. The main goal of the economic organization is realizing annual net profit and the higher it is, the more
viable and competitive is the company considered. The goal of the operation of non-profit organizations is to achieve public benefits by satisfying needs. Some non-profit organizations consider marketing an improper spending of public funds and the activities performed are considered intrusive. In other cases, marketing is considered manipulative. (Andreasen & Kotler (2007)).

An essential feature of non-profit marketing is its function for finding additional sources of funding. Non-profit organizations do not operate for profit and that changes the importance that the managers of these organizations attribute to marketing activities.

2.4. Principal difficulties in the functioning of non-profit organizations

In the aspect of marketing, the difficulties in the functioning of non-profit organizations can be reduced to a few basic arguments.

1) There is an extremely wide range of consumers of the products of non-profit organizations. This not only hinders the proper allocation of resources, but also the possibility of satisfying the consumers of their services to the maximum. The roots of the problem could be traced down to the very nature of non-profit organizations, namely to their democracy and openness to the largest possible number of consumers;

2) The tasks that non-profit organizations set to themselves are diverse in nature - a natural consequence of the vast variety of needs they seek to satisfy. Often this can obfuscate their activities, because they find it difficult to determine priorities in the short and long term as well as the target group mostly in need;

3) The result of the activity of non-profit organizations is of intangible nature rather, with the process of implementation and use of the product coinciding in time and space;

4) Control and pressure is performed by the public which is sensitive to the way of spending the accumulated public resources. This is a very serious problem, especially for those non-profit organizations that carry out activities partially funded by the state;

5) Usually the goals that non-profit organizations set to themselves are much more difficult to achieve than those of business entities.

All these specific characteristics and barriers to the operation require a much more spread and intensive use of marketing approach in the strategic and tactical solutions for non-profit organizations. Their management must scan the issues and use creatively the opportunities that marketing gives to protect the authority and public prestige of their organization.

Non-profit organizations of all of the above types are facing significant challenges that must be attacked with more effective marketing tools.

Market segmentation is one of the most important activities of the marketing of non-profit organizations due to the wide range of consumers already discussed. The approach of outlining the various groups of consumers of the services of a non-profit organization set in the segmentation allows dividing them into relatively homogeneous groups on the basis of certain typological characteristics. In order to get the desired
change in the behavior from a particular segment, we have to use various external and internal means of impact.

The elements of the environment external for the non-profit organizations are those that the managers of the units cannot change but must comply with in their actions. This makes the specifics of the ongoing activities particularly proactive and provides perspective opportunity to achieve the goals of the non-profit organizations. The basis of interaction with the selected target consumer segments is economic coercion as a lever to influence the non-profit organizations. The representatives of the third sector must initiate concerted actions with the state administration to increase the benefits of their joint activities.

As for the internal marketing of non-profit organizations, the question there stands considerably more complex, due to the complicated nature of human resources within them - a combination of creative and economically identifiable qualities and features. This stems from the fact that the strength of managerial impacts is determined by the personal qualities of the managerial staff of the third sector organizations. (Ivanova et. al., (1998), Antonova (2008)).

According to Bennett and Lamm (1988), marketing activities in the non-profit organizations are limited to:

- Analyzing the market - where differentiating between the various consumer audiences who have diverse needs and desires must not be forgotten. Properly identifying the needs of the various segments, especially in the non-profit sector is a challenge to marketing professionals.
- Strategic and operational planning - in most cases the techniques and methods of marketing planning are taken from the business sector, but reflecting the peculiarities and differences in non-profit organizations.
- Implementing the classic marketing mix in the third sector - decisions about the product, price, distribution and communication, but taking into account the different process of performing the activities in the sector under discussion.
- Monitoring the implementation of marketing activities in the sector through analyzing the indicators of achieving the goals and identifying corrective actions in case of failure to achieve them.

3. CONCLUSIONS

Based on the theoretical analysis run, the following conclusions can be formulated:

1. Non-profit organizations are a kind of organizations that do not allocate their budget surplus between owners and shareholders but use it to achieve their objectives instead.
2. Non-profit organizations do not operate for profit which changes the importance that the managers of these organizations attribute to marketing activities.
3. Non-profit organizations of all of the above types are facing significant challenges that must be attacked with more effective marketing tools. In response to the pressure from the increasingly dynamic environment in which non-profit organizations operate, they need to be more entrepreneurial and marketing oriented in order to survive and fulfill their predetermined objectives and obligations to their target consumers.
4. Marketing activity of non-profit organizations is mainly focused on the relationship with various stakeholders, groups and audiences in order to provide additional revenue.

5. The mission of non-profit organizations is to contribute to the benefit of society as a whole. In view of this fact, non-profit marketing causes a growing interest among researchers as a powerful tool for impact.

6. The best practices relating to the implementation of non-profit marketing in the third sector must be studied, analyzed and accepted as a norm of behaviour.

REFERENCES


THE ATTITUDE OF RESITA’S CUSTOMERS TOWARDS THE ROLE OF ADVERTISING IN THE COMMUNICATION BETWEEN THE ORGANISATION AND THE CLIENT

Adrian TĂNASE¹
Diana TĂNASE²

ABSTRACT
Both from the social, the economic and financial point of view the success of a colectivity is conditioned by the way in which its management approaches and solves the problems connected to the initiation and development of the communication process. By the policy of communication and its concrete means, any organisation pursues the ample diffusion of information regarding the activity, the products and the services they offer. Therewith, it is also interested in receiving the information regarding the way the products and services are received on the market, the impact generated by them on the consumers. Even if, during the time, the importance of communication generally and the communication in marketing especially, have attracted the attention of specialists who have dedicated numerous pages to this subject, we consider that the vast problems of communication in marketing still deserves a special attention, a fortiori, it seems that now more than ever, the companies are in a permanent communication with the components of the environment among which they develop their activity. Having in view all these, the present paper proposes to identify the attitude of Resita’s population towards the advertising role in the communication between the organisation and the client.

KEY WORDS: communication, marketing, advertising, consumer
JEL: D11, D12, M39

1. INTRODUCTION
The consumer’s behaviour, an important part in the study of modern economic theory has attracted during the time a special attention from the part of numerous authors as Engel and Blackwell (1982), Assael (1992), Becker (1994), Boier (1994), Filser (1994), Miron (1996), Plăiaş (1997), Blythe (1999), Dobre (2000), Marder (2004), Catoiu and Teodorescu (2004, 2007), Zaltman (2007), Tănase (2006, 2009, 2013, 2014), Anghelina (2011) etc., authors who treat in their works some complex topics connected to the demand, to the consumption and its behaviour. Of course, references to this subject are also found in other authors such as Rîndaşu (2005, 2009), Dinu (2010, 2012), Georgievici (2013), authors which analyse delicate topics of consumption: the consumption of ecologic products, electoral products and even the drugs consumption.

¹ Associate Professor PhD., Faculty of Economics, University Eftimie Murgu of Reşiţa, Romania, a.tanase@uem.ro
² Associate Professor PhD., Faculty of Engineering and Management, University Eftimie Murgu of Reşiţa, Romania, d.tanase@uem.ro
Even if the problems of consumption and the consumer’s behaviour have enjoyed a special attention from the part of the specialists, by its vast themes, studying the consumption models of the population still remains a field which must be exploited with scientific insight.

2. GENERAL PRESENTATION OF THE RESEARCH

Keeping in mind all the above, the present paper aims at identifying the impact of advertising on the consumption of Resita’s population.

In order to reach this goal, in the research conducted we used the questionnaire-based individual structured inquiries and in order to ensure the sample representativeness, we choose as sampling method the quotas methods combined with the areolar survey.

Due to the complexity of consumption, even among a relatively small population group, the endeavour of its empirical study often imposes the realisation of a methodological adaptation, in the context of respecting the basic requirements of the standardisation of research methods (Stanciu, 2006).

In the case of our study, we set on the determination of a non-exhaustive poll, for which the minimum size of the sample is given by the relation (Cătoiu (coordinator), 2009, Dobre et. al., 1995)

3. INTERPRETATION OF STUDY RESULTS

(SAMPLE=1308 PEOPLE)

1. The perception of subjects referring to the role and impact of present advertising on the target public

After the present study, 31.92% of the subjects (26.47% of the men interviewed and 36.84 of the interviewed women) consider that the advertising is captivating for them. As regarding the age, the highest percentage is registered by the pupils and students under 20 years of age (57.16%).

At the counter pole there are those who state that the advertising is unuseful: 11.12% (8.84% of the men interviewed and 13.18% of the interviewed women). Referring to the age criterion, the smallest percentage is registered for those under 20 years (7.14%), and regarding the jobs, the smallest percentage is registered for the category: „workers”.

It is important to observe that for 22.22% of the interviewed subjects, the advertising is aggressive, for 18.05% of the respondents, the advertising is manipulating and for 16.67% the advertising is neutral.

2. The necessity of advertising for organisations

61.11% of the total of the interviewed people (67.64% of the men and 55.26% of the women) declare that in some cases, the organisation needs advertising. The highest percentage is remarked for those between 20 – 29 years (72.72%), and from the job perspective, the workers register the highest percentage – 83.34%.

Only 16.67% of the respondents (11.76% of the men and 21.05% of the women) state that advertising is really very necessary for organisations; the smallest percentages were registered for those with the age between 40 and 49 (8.33%) and especially clerks.
We mention that 22.22% of the respondents consider that the advertising is *less important* for organisations (20.60% of the men and 23.69% of the women).

3. *The attitude of the subjects referring to the credibility of advertisements in general*

Most of the questioned subjects - 38.88% (41.19% of the men and 36.85% of the women) *give only partial credibility* to advertisements, this attitude is characteristic especially for those between 40 and 49 years (58.34%) and especially for those who are in the category „workers”: 66.67%.

The smallest percentage is registered by those who do not believe in the presentations of products or advertising services – 27.78% (23.52% of the men and 31.58% of the women).

It is important to highlight that one third of those questioned (33.34%) believe *in a great extent* in the information offered by the advertisements of products and services.

4. *The attitude of the questioned people towards the importance given to advertisements*

Half of the questioned people - 52.78% (50% of the men and 55.26% of the women) consider they have been *sometimes* influenced by advertisements. Referring to the age criterion, the most important percentage is represented by those under 20 years (71.43%), pupils and students, respectively.

At the counter pole, the smallest percentage is represented by those who always have bought products, being influenced by advertising (18.06% - 14.76% of the men and 21.05% of the women). The most reserved to the information offered by advertising are those between 50 and 59 years of age, especially clerks and retired people. We must highlight that almost one third of those questioned (29.16%) state that they have never been influenced by advertisements in making the decision of buying.

5. *The degree in which the respondents have done an acquisition immediately after watching an advertisement*

Just a little more than one third of the respondents – 36.11% (38.23% of the men and 34.21% of the women) declare that they *rarely* bought different products or services immediately after watching advertisements, this opinion belongs mostly to the people under 20 and those between 40 and 49 and from the jobs point of view they belong to the category pupils/students and clerks.

As opposed to the smallest percentage, there are the people who say that they *never* purchased the product or service which was advertised, after watching the advertisements - 9.73% (8.84% of the men and 10.54% of the women).

We must highlight the fact that there are also subjects who said that they *often* purchase products after watching advertisements: 19.44%.

6. *The position of the respondents towards the category of products/services for which they consider that advertising is very useful*

Most of the questioned subjects - 29.16% (26.47% of the men and 31.57% of the women) state that *the advertising is very necessary for the category of food products*. Mainly, this is the opinion of those under 20 years of age, respectively the pupils/students with a percentage of 42.85%.
The smallest percentage – 16.68% (23.52% of the men and 10.53% of the women) is represented by those who say that non-food products such as detergents or cosmetics etc, have the least need of advertising, this idea is especially expressed by those with the age between 30-39 and 40-49 (8.33%), and referring to the jobs, the smallest percentage is represented by the intellectuals.

It is important to highlight that both the category of long-term use (electronic and household appliances, cars etc) have registered a percentage of 27.78%, and the category of services (bank, touristic, telephone) with a percentage of 26.38% require only a little amount of advertising.

7. The attitude of the questioned people regarding the companies that are advertised

Almost half of the questioned people 47.22% (50% of the men and 44.73% of the women) state that the firms which are advertised are modern and innovating; this fact is highlighted by those between 20 and 29 years of age (66.67%), and especially by the intellectuals (64.67%).

Only a quarter of the questioned people 25% (26.47% of the men and 23.70% of the women) support the idea that as a rule the poor quality products are promoted, this is especially the opinion of those over 60 years of age, meaning the retired people (26.33%).

We highlight that a part of the 27.78% of the interviewed people declare that the firms which are advertised are trustful.

8. The position of those questioned connected to the efficiency of advertising

The highest percentage had those which state that advertising is efficient for a company, having in view a better position on the reference market 31.95% (35.29% of the men and 28.95% of the women). Regarding the age criterion, the highest percentage have those between 50 and 59 years (54.55%), and from the jobs point of view the workers register the highest percentage (50%).

Only 18.05% of the questioned people (17.66% of the men and 18.41% of the women) agree that advertising offers an increase of profit to the companies. The smallest percentage is met for the categories: 30-39 and 50-59 and especially in the case of workers.

There were also respondents in percentage of 30.55% who support that advertising is efficient for the increase of the sales amount and on the other side a percentage of 19.45% who have chosen the variant not to answer on the reason that they do not know.

9. The perception of those questioned regarding the most attractive element in an advertisement

From the total sample 45.84% (41.17% of the men and 50% of the women) consider the characteristics of the product as being the element which mainly attracts in an advertisement. This idea is expressed especially by those under 20 years meaning by the pupils and students (64.29%).

The smallest percentage was registered by those who consider that there are other elements (colour, originality etc) which attract them when they watch an advertisement 13.88% (11.78% of the men and 15.79% of the women). Referring to the age those under 20 years represented by the pupils and students and those between 50 and 59 and especially the clerks have registered the smallest percentage.
It is important to observe that a part of the subjects (20.84%) consider that the characters represent the element that attracts in the first place. On the other side, 19.44% state that the music is tempting when they visualise an advertisement.

10. The position of the subjects towards the most efficient ways of promoting of a product

The most of the questioned people – 30.55% - consider the mass-media advertising which contains press, radio, TV, Internet, cinema etc as being the most efficient way to promote a product (38.23% of the men and 23.68% of the women), this opinion being expressed especially by those over 60 years, respectively the retired people (58.33%).

The smallest percentages were registered by those who state that the promotion by means of free advertising would be the best environment to do an advertisement – 13.88% (11.78% of the men and 15.78% of the women).

We must also take into account those subjects who considered that there were other efficient channels by which they can do an advertisement to a product such as: exterior advertising (posters and advertising pannels etc) with a percentage of 15.28%, the advertising by print (catalogues, fliers, brochures, agendas etc) having 23.62%, and the direct advertising by the establishment of phone contacts, sending personal advertising letters etc which obtained a percentage of 16.67% from the total.

4. CONCLUSIONS

The advertising is the most visible form of communication in marketing and on the consumption markets, it is the most important strategic instrument of the promotional mix level.

By the advertising action, the company pursues to ensure the public with a corresponding information connected to its activity, its products and its services, with the brands by which they are present on the market, to convince the consumer and determine him/her to purchase.

After the achieved case study we reached the conclusion that most of the subjects consider the advertising as captivating and even support the idea that the organisation requires in some situations the advertising.

Likewise, more than a third from the total of the questioned persons give partial credibility to the advertising actions and more than a half of these ones confess that they were influenced in some situations by the advertisements.

Regarding the category of products and services for which the advertising is considered the most useful, almost a third of the subjects agree that advertising is very useful for the category of food products.

The organisations which are advertised are considered modern and innovating in most people’s conception (Lala & Tânase, 2014), bringing a plus for the company having in view a better position on the reference market.

Almost half of the respondents consider the characteristics of the product as being the element which is the most attractive for them when they watch an advertisement.

Among the ways of promoting which are considered the most efficient, the mass-media advertising which contains the press, radio, TV, Internet, cinema etc, occupied the first place obtaining the majority of votes of the questioned people.
As a consequence, the marketing activity must also contain a continuous communication with the market, which supposes the sending of information towards the consumers and mediators, specific actions of stimulating the behaviours of buying and using but also of supporting the selling process.

REFERENCES


Lala, G. & Tănase, A. (2014) „The concept of innovativeness in the marketing literature“, Annals of „Eftimie Murgu” University Reșița, Fascicle II. Economic Studies

THE IMPACT OF THE BRAND ON THE DECISION OF BUYING FOR THE CUSTOMERS OF RESITA

Diana TĂNASE¹
Adrian TĂNASE²

ABSTRACT

One of the most disputed subjects within the economic theory, with repercussion both on the economic and social practice and on the political one is the issue of consumption and consumer behaviour.

As social practice and experience, the origin and core of consumption is connected to the existence of life itself, consumption being a process linking not only the producer and the consumer, but also the economic and the social activity.

Although the issues of consumption and consumer behaviour have been granted a special attention by the specialists, due to their vast scope, the study of consumer behaviour in market economy is undoubtedly an absolute requirement for any organisation operating in a competing environment, and the failure to know it is negatively reflected way upon the entire economic activity, causing serious misbalances.

Having in view all these, the present paper proposes to identify the attitude of Resita’s population towards the brand role in the communication between the organisation and the client.

KEY WORDS: communication, marketing, brand, consumer

JEL: D11, D12

2. INTRODUCTION

Theory initiated in the 19th century having undergone significant changes in time and having developed especially in these past decades, consumer behaviour constitutes an important section in the study of the modern economic theory.

The economic theory of consumption, whose foundations were laid especially by Engel and Blackwell (1982), through the theory of demand, has been substantially enriched along time grace to the contributions of modern and post-modern economists – Assael (1992), Becker (1994), Boier (1994), Filser (1994), Miron (1996), Plăiaş (1997), Blythe (1999), Dobre (2000), Marder (2004), Cătoiu and Teodorescu (2004, 2007), Zaltman (2007), Tănase (2006, 2009, 2013, 2014), Anghelina (2011) etc., authors treating in their works complex issues of consumption and consumer behaviour. Obviously, references to this subject are also found in the preoccupations of other authors such as Rîndaşu (2005, 2009), Dinu (2010, 2012), Georgevici (2013), who analyse the thorny issues of consumption: the consumption of ecological products, of electoral products and so on, even drug use and abuse.

¹ Associate Professor PhD., Faculty of Engineering and Management, University Eftimie Murgu of Resita, Romania, d.tanase@uem.ro
² Associate Professor PhD., Faculty of Economics, University Eftimie Murgu of Resita, Romania, a.tanase@uem.ro
Starting from these considerations, the present paper approaches a topic of present relevance stirring the interest of theoreticians and obviously also of businessmen and other categories of stakeholders.

Keeping in mind all the above, the present paper aims at identifying the impact of brand on the consumption of Resita’s population.

In order to reach this goal, in the research conducted we used the questionnaire-based individual structured inquiries and in order to ensure the sample representativeness, we choose as sampling method the quotas methods combined with the areolar survey.

The subjects were not included in the sample randomly, but on the basis of a certain selection procedure, so that the laws of probability become applicable, making possible the statistic inference from the values of the sample characteristics to those of the entire population. (Novak, 1998)

In order to ensure the sample representativeness, we choose as sampling method the quotas methods combined with the areolar survey, aiming at selecting subjects from all the districts of the town of Resita, the quotas used being calculated based on the data received from the County Statistics Division Caras-Severin.

2. INTERPRETATION OF STUDY RESULTS (SAMPLE=1308 PEOPLE)

1. The reason the consumers choose a certain band of products

From the total of questionned people 30.55% consider the price as being very important in making the decision to buy a certain brand.

26.39% of those questionned consider that the accessibility is the most important element when choosing a brand, 22.22% have in view the quality and on the last place as percentage - 20.84% - are those who consider the promotion as an important factor in making the decision to buy a certain brand, in general.

2. The subjects’ perception towards the way in which a brand should be promoted in order to be sold well

From the total sample 55% (53.53 % of the men and 56.32 % of the women) consider that the promotion of a brand should be varied and frequent which would lead to an increase of its sales. From these ones the highest percentage is represented by the people between 50 and 59 years (45.45%), who have answered that the varied and frequent promotion is determinant in triggering the decision to buy. Regarding the jobs, the highest percentage (40%) is represented by the category of intellectuals.

At the counter pole, the smallest percentage 12.50 % (11.76% of the men and 13.16% of the women) is represented by those who consider that there must be an aggressive promotion of brands so that their products to be sold really well.

3. The subjects’ answer to the question to what extent would they buy cheaper products even if their brand is not promoted and known

Most questionned people 12.50 % (11.76% of men and 13.16% of women) state that they rarely purchase cheap products, if the brand is not known, this is the opinion of the people between 30 and 39 years (67.36%).
At the counter pole, with only 20.62% are those who state that they *mostly* purchase cheaper products even if their brand is not known, this is especially the retired people’s opinion.

We should highlight the fact that there are also people who say that they *never* buy cheap products which do not have a rather known brand (23%), this behaviour being met especially for people under 20 years, especially pupils and students.

4. The respondents’ attitude towards the ratio price-quality of products which are commercialised under different brands

An important percentage 62.95% (65.29% of the men and 58.95% of the women) consider that between the products’ price and their quality there is a direct correlation, this is the opinion of the people between 20 and 29 years and especially the category of workers.

The smallest percentages (9.09%) were recorded for those who declare that very often there is no connection between the price and superior quality, the price being rather dictated by the notoriety of the product and not by its intrinsic qualities.

5. The change of the brand buying habits as a consequence of intense promotion of a concurrent brand

After the achieved study, we observed that 64.72% of the subjects (68.24% of the men and 61.58% of the women) *very often* change the habit of buying a certain product brand, if another brand is intensely promoted, this behaviour is typical for the people under 20 years, meaning the pupils and students.

At the counter pole, the smallest percentage (15%) is represented by those who declare that they change *very seldom* the favourite brand, the most consistent being the people over 60 years, especially the retired people.

We should remark that 20.18% of the respondents state that they *sometimes* change the habit of buying a certain product brand if another brand is intensely promoted, this is representative for the people between 20 and 29 years and especially clerks.

3. CONCLUSIONS

The brands help us to self-define ourselves, they often represent a certain lifestyle.

The brand in itself is not just a simple name, it has attributes, advantages, value, cultural symbols, personality, type of use. Thus, during the time, some powerful brands were created which have succeeded to create a significant level of clients’ fidelity towards the brand.

The study has highlighted the fact that very often, the brand has a major impact on the decision of buying but in the conditions of low income, the customers head towards cheaper products even if they do not present themselves under a well-known brand.

Regarding the age criterion, young people and especially pupils and students are more attracted to the brand products unlike older people, such as the retired people.

All the facts presented above qualify us to state that the brand indeed individualises and differentiates the products between competitors, it is a way by which the quality of the product is recognised and certified in a great extent and also by means
of the brand (but not only) the permanent communication with the customer is
achieved.

REFERENCES

Anghelina, A. (2011) „Aspecte microeconomice și macroeconomice ale comportamentului de
consum al populației” / „Microeconomic and macroeconomic aspects of population’s
consumer behaviour”, Arad: Gutenberg Univers Editions

Publishing Company

Becker, G. S. (1994) „Comportamentul uman – o abordare economică” / „Human behaviour – an
economic approach”, Bucharest: All Editions

Editions

Editions

Cătoiu, I. & Teodorescu, N. (1997) „Comportamentul consumatorului – teorie și practică” / „Consumer
behaviour – theory and practice”, Bucharest: Economic Editions

behaviour”, Bucharest: Uranus Editions

information systems – theory and applications”, Reșița: Eftimie Murgu

Press.


International Conference Psycho-Social Perspectives in the Quasi-Coercive Treatment of
Offenders „Social control and vulnerable groups”, (SPECTO 2013). Monduzzi editore
International Proceeding Division, Medimond S.R.L. Pianoro (Bologna) – Italy

Editions

Editions


Editions

Editions

Press


