



INFLUENCE OF TRADITIONAL PRODUCTS TO THE REGION MANAGEMENT IN HUNGARY

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ABSTRACT:

Region marketing is barely known in Hungary and we have only limited experience in connection with its Hungarian applications. Region marketing is by all means part of marketing. It is a mixture of such activities which purpose is to effectively channel products to the customers. It must be considered, that there is a strong competition in satisfying consumer demand.

Main goal of region marketing is to help discovering the competitiveness and charm of the region in order to reach multilateral development-, economic- and life-conduct objectives. Being a member of the European Union, it is vital for Hungary that its food industry could reserve its traditional role. Numerous high-quality, special products (hungaricums) are produced in the South Great Plain Region. Farming experience – gained throughout centuries - resulted in special, unique products representing national values. Key words: Region marketing, marketing objectives and strategies

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1. INTRODUCTION

Regional marketing is a new concept, which is not widely known in Hungary, there are only very few and limited experiences with it. It is a total of all the activities and at the same time a way of thinking, the aim of which is to take a product to the customers very efficiently (Berács, 2002). The task of regional marketing is to explore the competitive assets and attractions of a region, to help the realization of the plans in order to support achieving the goals of economic and community life (Lakner-Hajduné, 2002).

In the South Great Plain Region several top-quality products are made and these products are Hungarian specialties (Piskóti, 2002). In this immense competition an image formed about a country, a part of a country or about a region has a considerable influence on the decision of customers – both on the national and international market.

2. ROLE AND NECESSITY OF MARKETING STRATEGY IN THE REGION

2.1. Necessity of region marketing strategy in the South Great Plain Region

- ✚ The South Great Plain Region, similar to the other regions of Hungary is an artificially made formation which does not have independent internal government. One important condition of the maintainable competitiveness of the region is the foundation of independent internal identity which grounds effective regional cooperation (Juhász et al, 2006/a)
- ✚ Even currently, numerous organizations conduct marketing activity which are not coordinated with each other, and as a result they give contradictory pictures. Thus, it is necessary to coordinate region marketing activity, applying a uniform frame.

2.2. Role of the marketing strategy of the Region

- ✚ Basic document from the aspect of regional level organizations and institutions, reliable starting point for the marketing activity which provides information for the business organizations of the region.
- ✚ Draws the intentions and projected future image for the population and public opinion.

3. ASPECTS OF SITUATION SURVEY BASING THE MARKETING STRATEGY IN THE SOUTH GREAT PLAIN REGION

Region marketing has to rely on the sources of the region, thus it is vital to conduct a situation survey before the workout of marketing strategy (Figure 1.).

3.1. Results of situation survey

The South Great Plain Region is the largest region of Hungary, expands to one-fifth of the area of the country. Its population of 1.36 million gives 13.4 % of the country's population. The region lies on flat land and thus, the most important natural resource of the region is arable land. This region also provides significant proportion of the country's hydrocarbon energy resources. From the 37 towns of the region, 4 have county rights. Employment situation is about average, but differs greatly by counties: most favourable in Csongrád County (proportion of active wage earners 36 %), average in Bács-Kiskun, and unfavourable in Békés. Population structure by education level improved continuously in the past decade, the proportion of secondary and high-school graduates increased steadily (Juhász et al, 2006/b).

Level of communication network exceeded the average of other regions as did tube gas supply. Public water supply was also appropriate but the sewer network was quite undeveloped. An outstanding endowment of the region is education, but GDP is well below national average (Töpfer et al, 2005).

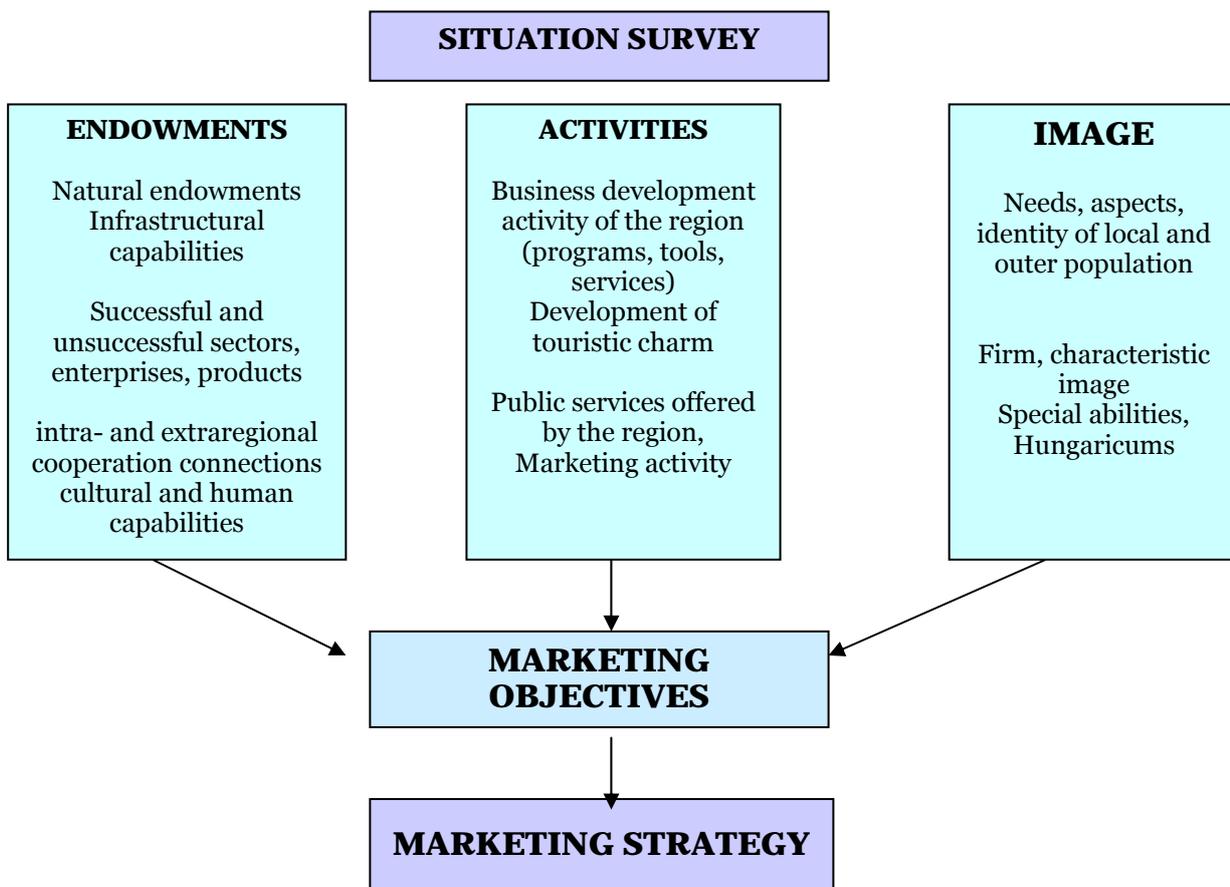


Figure 1.: Aspects of situation survey basing marketing strategy

3.2. SWOT analysis of the region

Strengths of the region:

- ✚ Role of agriculture is dominant in the Region, the food industry is competitive even by international comparison;
- ✚ Number of sunshine hours is very high and the average yearly temperature is also amongst the highest in Hungary;
- ✚ One of the busiest international transportation lines towards South-Eastern Europe crosses the Region;
- ✚ Number of tertiary educational-, research- and cultural centers is outstanding in national comparison.
- ✚ Many famous firms with high level of professional culture and brands connected to them works in the Region.

- ✚ There is a number of unique, excellent qualities „Hungaricums” produced, which are unambiguously characteristic to the region.

Weaknesses:

- ✚ The GDP per capita has remained unchanged below the national average in the past years;
- ✚ Quality and quantity of transportation infrastructure is insufficient;
- ✚ Proportion of foreign capital is lower than the national average;
- ✚ Many small regions of the Region belong to the group of small regions currently being in critical position.

Threats:

- ✚ Regional effects of the EU’s Agricultural Policy;
- ✚ Uncertainty of the Balkanic policy;
- ✚ Appropriate environmental protection agreements and cooperations wouldn’t be signed with the neighbouring countries;
- ✚ Sharpening competition between the domestic region and the regions of neighbouring countries.

Possibilities:

- ✚ Growth of the role of euroregional organizations;
- ✚ Affirmation of the South-Western European gate role with the reconciliation of the Balkanic situation (Müller, 2007);
- ✚ Change in consumer preferences;
- ✚ Positive international image of certain kinds of foods;
- ✚ Demand for unique, special provincial products.

Based on the results of situation survey it can be stated that the South Great Plain Region wants to be positively distinguished and also to shape a clear image. In case the efforts will be successful in the future, the region would gain domestic and foreign sources and in addition, the capital flow to the region could become more intensive.

4. MARKETING STRATEGY OF UNIQUE, SPECIAL QUALITY REGIONAL PRODUCTS IN THE SOUTH GREAT PLAIN REGION

One of the problems of the South Great Plain Region lies in the relatively limited number of such well-known, unique products which determine a clear, united image. And even if some are present, they exist separately. In the same time there are numerous „Hungaricums” produced in the region, which are available for conserving local traditions and forming the image of the Region. Definition, management and protection of the group of these products with the tools of active marketing policy could contribute to positively influence the image drawn from South Great Plain Region. They facilitate stabilization of special producing districts, affirmation of local economy and the melioration of the income conditions of the population.

Region-specific products (e.g.: Kecskeméti barackpálinka) which fulfil strict regulations and requirements could be the key elements of the marketing strategy of the South Great Plain Region. Quite important, that the unique products of the Region should remain real „Hungaricums” and behind trade-marks constant, guaranteed quality must appear (Ferencz, 2004).

5. TASKS OF THE REGION IN MELIORATING THE MARKET SITUATION OF HUNGARICUMS

Instead of mass production the sortiment of traditional, special products should be broadened given the fact that experiences of the centuries-long production already brought up those „Hungaricums” which represent the outstanding qualities and national values of the region;

- ✚ High-level professional skills, training and flexible marketing activities are needed;
- ✚ Origin, trade-mark and adept information must be indicated on the packaging of the products;
- ✚ Forming of support systems must be conducted in such a way that it could facilitate establishment of special production structures and concentrate on resurrection of the values of the region.

6. CONCLUSION

Material and immaterial products which are manufactured in, and are representative exclusively to the Region should be supported practically in regional cooperation. Beside measurable economic profits the following advantages can be achieved:

- ✚ conservation of traditions and cultural heritage, strengthening the idea of belonging to the same community among the people living in the region;
-

forming the peculiar image in the competition among the regions and in the accelerating globalization processes of our days.

It can be expected only as a result of a long-term, coordinated marketing strategy that the image of South Great Plain Region becomes widely known and attractive. One precondition of this is that the Region should successfully represent the selected image and to develop a positive affection for its „Hungaricum” products. This affection could be formed inside the region by positive local-patriotism, while outside the region with the sympathetic and valuable features.

This is important because the South Great Plain Region has its competitors by now – certain domestic and neighboring country regions. In the future, the enhancement and specialization of the competition between regions could be expected. The South Great Plain Region only has its chance to effectively join the domestic and international competition if conscious preparations and image-forming takes place.

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