

# **SMEs' COMMUNICATION IN THE ROMANIAN BUSINESS ENVIRONMENT – A PREMISE OF ECONOMIC PERFORMANCES' IMPROVEMENT FOR THE INTEGRATION INTO THE EUROPEAN UNION STRUCTURES**

**Lecturer Ph.D Nicoleta CRISTACHE  
Dunarea de Jos University of Galati**

## *Abstract :*

*The sector of small and medium-sized enterprises is considered to be sensitive to the transformations of the market and legislation, to the State interventions, and will be certainly affected by Romania's accession to the EU structures. Most of the Romanian companies are closed, traditional enterprises, having conservative stock-holding structures, characterized by inability of communication, lack of transparence, and servile attitude towards authorities. In conclusion, the preparation of the Romanian economy for the accession to the European Union must be regarded more as a process of internal rather than of foreign policy, a process in which the phenomenon of communication plays an important part. The cooperation with the civil society and mass-media is essential and must represent a priority for the Romanian enterprising.*

The last years, the field of communication has known an outstanding development also at the level of Romanian companies, first of all as a result of the active intervention of multinational companies. We ought to appreciate the contribution of those organizations that offered us true communication lessons and presently excel by economic force and remarkable corporative cultures.

In this context, communication should not be considered as the prerogative of those multinational organizations; practice has demonstrated that companies from SMEs' field have as much need of communication, sometimes probably more.

The Romanian business environment marked by surprising evolutions and deep changes begins to lay stress upon identity, coherence and sustained communication, and the

result is an image able to function as an element of differentiation.

Due to the intensification of the competition phenomenon, small and medium-sized enterprises have become more and more aware of the fact that the image, the reputation and fame represent a necessary investment for the business to have better chances of survival on a long-term.

A look back at the beginning of the 90's offers us reference points of an intense investment frame, marked by the fever of setting up a company. Its profile presented the following particularities: it was first of all a family business with 3-5 employees, in the trade field. All seemed to be centered around the idea of gaining bigger profit without taking into consideration aspects regarding organization's identity, values, communication with its public, its position in the market, the creation and maintenance of a favorable image, etc.

Communication was minimal and reduced itself only to a brand name without relevance for the activity field, with an ordinary slogan of the type "cheap and good" and sporadic advertising actions of the type "ad in the local newspaper".

And if we are to speak about communication techniques, those reduced themselves most of the time, only to the maintenance of a contact with the customers that employees knew directly and which was generating a series of oral recommendations ensuring continuity, but not sustained development of customers' data basis.

But now, after more than 15 years, SMEs' area changed a lot both at the level of structure and at the level of public image. Small and medium-sized enterprises from the area of the trade with consumer goods have lost ground in front of service area, some of them of high specialization. Thus, the dynamics of the Romanian consumer's life style has generated changes also in market mechanisms directing more and more the trade to the hypermarket area, overspecialization of services and production positioning on a new foundation supported by a set of values: quality, innovation, and tradition.

The Romanian SME's new profile has other particularities: a larger number of professionally well-trained employees, with much better perspectives, for whom the company makes considerable efforts to gain their loyalty. In this context, a new concept appears and spreads quickly, the concept of internal communication where employees are considered as primary public and their perception, respectively the internal image, represents an essential element of the organizations' communication capital.

Employees are trained to communicate and have a behavior according to the company's values. The company invests in their education, ensures them a professional level of training that influences the way the

public perceives its image. It has been proved that the pride of working in a strong company stimulates and motivates employees and represents an attraction factor for potential employees. Consequently, this aspect must be fully capitalized and moreover, the company ought to strengthen the communication with their own employees that are able to contribute in this way to the creation of a dynamic, innovative organization.

Thus, the opportunity of some image campaigns was apprehended in a field where theoretically the image was less important - the market of paints. Paint producer Policolor has launched in the spring of 2002 two image campaigns: one for the brand Policolor and one for Spor. According to studies carried out after the privatization, Policolor was perceived as an industrial company with products of a low quality, inflexible and with a non-performing management.

At present, the main characteristics attributed to the brand Policolor are: nearness, warmth, competence, offering support and solutions. The solution for the public awareness of these features was *the image campaign*. For the first time in the market of paints and lacquers from Romania an image campaign was launched. For the brand Spor the campaigns for the shaping of its image date back in 1998. Investments in image were doubled by intense promotional campaigns during the year 2001.

An example at the world level is offered by the German company Volkswagen that fights back competition with only one weapon: the image. This has become, after years of memorable campaigns, so strong that price cuts and promotions have no meaning, but rarely.

The image ought to be constantly supported, no matter the periods the company goes by. Even in a more difficult year the company should not give up investments. Investments in

image are on a long term and support sales in the future. A good promotion doubles sales; a good image represents a very good basis and ensures a constancy of sales.

Last but not the least, the new SME has become a communicator that has in view not only the customer but also other social actors, respectively the State institutions, the local community and their problems. In this context SMEs are carefully monitored by mass media that becomes in this way an engine for the communicational process of many organizations. Maintaining efficient relations with mass media figures in the present on the list of organizations' objectives that wish to practice a preventative management and benefit from its public's trust.

A research unfolded at the beginning of the year on a sample of 20 companies, representative for the local business environment, has supplied some interesting information, relevant for the evolution of organizational communication process.

It had in view mainly the identification of some aspects regarding: the manner of unfolding the process of communication within Romanian companies, the existence of an infrastructure to favor this process, the attitude of the Romanian managers towards the phenomenon of communication, the implications of communication on company's performances, etc.

Although the theory of communication does not establish the existence of the communication function, most of the interviewees, respectively 85%, confirm it, either from the moment when the company is set up, or only from 3-5 years, a moment that coincides with the manifestation of the preoccupations for marketing. The majority has assimilated communication function with marketing function or with the commercial one.

All the opinions of the interviewees converge to the same thing, respectively the present importance of the function of communication that it is not a simple effect of fashion but represents a determining element of the company's strategy and organization. The percentage of those who stated that the problem of communication has priority in the policy of the organization goes a little above that of 50%, while for 30% of them communication actions unfold sporadically.

In most of the questioned companies (87%) there is a communication with the staff, meaning intense preoccupation for a good internal communication with results over the external communication. At the level of companies, there is commercial communication, preoccupation for public relations (57%), financial communication (43%), communication for personnel recruitment (54%), event organization (32%), and less preoccupation for social communication (20%) and communication in crisis periods (14%).

This study's results, as well as the statistics offered by different research institution point out much more the importance of the company's image. This cannot be translated but as a strong point for the communicational phenomenon. We also must be aware that these preoccupations must be permanent with implications at the financial level, as well as at the level of organization management.

Also, statistics offer more and more situations about companies that improved sales situation, market share after developing promotional activities. Even if we cannot exactly quantify how much the communication has contributed to make organization's activity more efficient, we consider that the measures of communicational nature will always have beneficial effects at a company's level and especially on their relations with the external environment.

In the condition of market globalization, vulgarization of product offer, differentiation is a very important aspect that must be taken into consideration. To penetrate a market, to survive and especially to impose themselves presuppose investments from companies' side in brand image. Product characteristics and performances will not be enough, but it will be more important how companies know to impose themselves in public's attention.

The same deficiencies still persist in the communicational system of Romanian enterprises connected with social communication, event creation and communication in crisis times. Sometimes the inability of an organization to create and administrate a strong identity, relevant not only for the interior, but also for the exterior, the organization's impossibility to control messages are as many elements to lead to the so-called image crisis which can affect the credibility and activity of a company, even if it is a financially strong one. The practice of big international companies (Johnson & Johnson, Procter & Gamble, etc.) is an incontestable proof of the importance of crisis communication's systematization.

Like Susanne Westphal said also in her work "Unternehmens Kommunikation in Krisenzeit", crises must be considered as a "jumping-off place", "it is dangerous to jump", but there are opportunities that appear in such situations, which must be exploited, respectively the exploitation of employees' creative potential, demonstration of loyalty towards the organization, demonstration of some aspects or destruction of prejudices of the grand public, demonstration of the organization's ability to adopt innovative measures for a successful communication despite small budgets, internal solidarity in saving costs, contribution to the creation of a positive atmosphere even in a scheme of saving money, etc.

Somebody used to say that "in marketing the only truth is consumers' "; paraphrasing, we can say that in communication the only truth is the public's. The concept of image becomes more and more familiar to Romanian companies, and there are indeed preoccupations in this sense, respectively beginning image campaigns. This has complicated specialists' work and generated the diversification of communication agencies' offers. In the situation where progresses were registered, progresses regarding preoccupations in the field of internal communication, Romanian companies should be preoccupied also of conceiving internal communication campaigns. A good image is what everybody wants, but the lack of systematization of all the elements that contribute to its forming and maintenance will generate only appearances without foundation.

When they define their communicational behavior, Romanian companies must have in view that economic performances are no longer sufficient, and in order to progress, there must be conceived programs of integration into society's life, assuming responsibilities in different fields: education, culture, health, sports, etc. In order to face the stronger and stronger competition and to rise above identity crises Romanian companies face, their managers should reconsider their position towards communication.

In the near future the accent will be more and more put on the integrated communication, which will cross all the broadcasting channels and audiences with the greatest efficiency in reaching its goals. The role of communication will grow and it will benefit from a larger acknowledgement of its importance within strategies of development and management. This industry of communication will develop dynamically and consistently, including in countries where this is an incipient stage. The Internet which revolutionized inclusively

the field of communication will help identifying new instruments and vehicles of communication. The communication globalization which already started in force will be a priority in the near future.

The category "priorities" that must be taken into account in the process of implementation of communication strategies within Romanian companies includes:

- Ensuring the growth of Romanian companies' competitiveness;
- Increase of management professionalism and the appearance of the manager of communication profession;
- The growth of the flexibility degree of the organizing structure; the introduction of a communication department;
- The elaboration of strategies and communication policies with a strong creative character;
- Monitoring crisis situations of communication;
- Finding the solutions to the problems of communicational type within a specialized team; it is recommended to have a mix team that will also have an external specialist in communication;
- Ranging to the new communication technologies, methods of transformation and spread of information.

A good communication at the SMEs' level and a good image of this sector in EU countries shall have as consequences:

- growth of the number of investors from the European Union countries;
- a better positioning of the Romanian companies that want to get into the EU market and of the labor force;
- increased support for the promotion of the Romanian culture, science and education;
- increase in number of tourists from the European Union.

On the whole, the global strategy of communication of small and medium-sized companies from Romania must centre on the following guide marks:

- the intensification of each company's efforts to adapt in all respects, to the EU exigencies and standards;
- the capitalization of the whole communicational potential of Romanian enterprises, of the opportunities offered by the external environment;
- the competence and creativity of Romanian employees.

Romanian companies' measures of communicational nature ought to be supported through different measures from the decision institutions' part. The idea is to clarify the legislation in order to favor communication and broaden the communicational horizon with benefic effects on the economic performances of the Romanian companies.

We consider that by taking into consideration the trends in companies' communication at a world level it will be possible the accentuation of the practical side of communication management. This is how there will be laid the foundations of the implementation of an innovational communication management that will intermediate the passing to a competitive economy.

Communication management will permit the making of important progresses in the understanding of different aspects of organizations' communication, as well as of their impact over decisions and managerial practices.

Adopting the new orientation, the organization manager must think in communicational terms the future structure of management. In order to do this, changes are produced through the setting up of a new department, i.e. the communication department, where the following activities unfold: advertising, PR, promotion, direct marketing, etc.,

tightly connected to the other elements organization.  
with communicational value within an

## REFERENCES

- [1] Cristache N., *Managementul comunicării – strategii de promovare a firmelor românești*, ed. Bren, Bucuresti, 2004.
- [2] Cristache, N., Susanu I., *Comunicarea de marketing în activitatea organizației*, Editura Didactică și Pedagogică, București, 2005.
- [3] Scholz, C. *Corporate Policies- Wie Ihr Unternehmen erfolgreichauftritt*, ed. ECON, 2000.