



Food Consumption, Revenues and Romanian Consumer Complaints

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ABSTRACT

The present paper proposes a satisfaction assessment of the Romanian food consumer by means of the complaints lodged at the National Authority for Consumer Protection (NACP) and it analyses population revenues, main food category consumption and the evolution of the complaints connected with food products or services, legally transmitted by Romanian citizens in the last five years. The controls carried out by officials as a consequence of the complaints and the sanctions imposed to the economic agents may represent a complaint solidity indicator. Food quality and distribution for children within government programs represent a domain of interest for the Supervisory Bodies, a permanent monitoring being imposed. In the analysed period there isn't any significant change in the expenses regarding food products or services out of the total expenses of the population, in the conditions of a revenue positive evolution. Population consumption records slight fluctuations for the main food categories. Citizen complaints about food recorded a significant decrease in the analysed period. There was no obvious connection between revenues, consumption and population complaints regarding food quality.

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1. Introduction

Food represents goods which are intended for the human metabolism and which maintain the consumer's vital functions. Food quality, or more precisely its lack, represents a factor that may affect consumers' health. The connection between food safety and health constitutes an ongoing concern for consumers, producers and the authorities. The surveys carried out among Romanian consumers proved that they are very much concerned with the composition and the quality of the food consumed (Iacoboaea, 2014). The information presented on the label of the product and the quality conditions are important for Romanians when deciding to purchase a certain food product. According to the research performed by Szűcs (2014), the presence of additives in food recipes constitutes a reason for reluctance among the Romanians, the Hungarians or the Spanish consumers when deciding to purchase a certain food product. The great majority of the Romanian consumers, who participated in the aforementioned study, are unsatisfied by the specifications written on the label and they consider that they are not consistent with reality. In practice, the dissatisfaction connected with food monitored by NACP focus precisely on these specification labelling/presentation deficiencies, which are insufficiently clear for a regular consumer. Consumer protection at an EU level is also analysed by Braşoveanu, Braşoveanu and Mascu (2014), who highlight the common elements of the EU 27 politics in the domain. According to Ştefănescu and Bălţătescu (2010), quality and price are main decision factors for consumers in choosing products on the Romanian market. Consumer complaint analysis may lead to interesting information regarding systemic discontinuities that became manifest on the analysed market (GFK, 2011). In order to facilitate communication and to assess the market, EU proposes a classification and reporting system of the unitary consumer complaints, the number of complaints coming from consumers being a key indicator of market health.

2. Material and methods

For the present study different sources were used: official information provided by NACP regarding food consumer complaints, statistical data regarding consumption and Romanians' income presented by the National Institute of Statistics (NIS), EU statistics (Eurostat) or international statistics (FAO Stat), information regarding economic agents offered by the Public Finances Ministry. The statistical data were processed and interpreted by relying on the literature specific to the domain and the results were compared to studies from the same domain carried out by other researchers. The technical studies regarding food consumption were used in order to assess the food consumption trends. The specific legislative elements and the consumers

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were accessed by means of the European (EUR-Lex.europa.eu) or national (Law Portal – The Ministry of Justice from Romania) databases.

3. General aspects regarding consumer protection in Romania

Consumer protection represents a priority for the Romanian officials. According to NACP (2009), the national tendencies in the domain focus on a correct approach of the relationship between consumers and the economic agents, by adapting international regulations to the Romanian specific features. In Romania, the first laws regarding consumer protection were passed after 1990 (the government ordinance no. 21/1992 regarding Consumer Protection), being continued with a series of laws, which lately have been correlated with the EU or international norms. Since 1990, within the National Commission for Standards, Metrology and Quality, the Consumer Protection Office (CPO) was set up, which in 1992 became an independent body. Since 2001, CPO is a legal entity, operating under NACP as body of the central public administration subordinated to the Government. The reason for NACP's functioning is "the coordination and appliance of Government politics and strategy in the consumer protection domain, the prevention and control of practices that are harmful to life, health, security and consumers' economic interests" (NACP, 2009b). The technical analyses for the collected samples as a result of the controls or of the complaints made by consumers are performed by the national expertise laboratories, LAREX (The National Centre for Product Trials and Appraisal), which operates under the authority of NACP with 8 units all over the country and a specialised laboratory in Bucharest. When noticing some contraventions, measures are taken for non-compliant products (they are banned from marketing, they are withdrawn from the economic circuit, and they are destroyed if they present danger to consumer life, health or security). The sanctions imposed to economic agents are contraventional (principal or complementary), and they are provided by law. In some serious cases, the authority is bound to inform the criminal investigation bodies. In addition to controls or complaints, NACP also unfolds consultancy actions for economic agents in the consumer protection domain, it supports consumer associations, it carries out comparative tests and analyses, it informs the consumers and the local and national authorities, it cooperates with peer national and international institutions etc.

NACP is part of the RAPEX European System and it notifies the European Commission about the high-risk products identified in Romania and it cooperates with peer organisations from the EU countries or RAPEX affiliated states. In 2008, the Romanian European Consumer Centre (ECC) was set up, which was financed by means of public funds and was integrated in the ECC Net and which cooperates with the FIN-NET, SOLVIT European networks and with the European Judicial Network in civil and commercial law suits. Created with the purpose to help consumers when they make cross-border acquisitions, ECC-Net is a network that is made up of 30 national centres in the 28 EU member states, including Norway and Iceland. Since its set-up, the branch in Romania received over 4,000 complaints from the part of consumers. In 2013, a number of 948 requests were recorded (697 requests of information and 251 complaints), with 134% more requests as compared to 2008 (ECC, 2013). The complaints made against airlines were the most numerous (over 50% of the total complaints), followed by complaints regarding agreements signed in an electronic form, product guarantee, hotel accommodation or renting cars (The Consumer Protection Association – CPA, 2013). In Romania there are approximately 150 non-governmental associations, whose main activity is defending consumers' legal rights and interests.

NACP's priorities are the consumer's access to public information and the transparency of national politics. In order to record consumer complaints there are several ways: the consumer's phone, the online system (<http://www.anpc.gov.ro>) or Consumer Protection County Offices. The complaints must be lodged by obeying the legal conditions regarding their form and content, an amicable settlement with the product or service provider being firstly advised (NACP, 2015). The definition of a petition, according to O.G. nr. 27/2002. Art. 2 regarding petition settlement activity regulation, is "a request, complaint, intimation or proposal, written or sent via e-mail, which a citizen or a legally constituted organization may address to the authorities, to the local or central public institutions, to the Ministry decentralised public services and other central bodies, to the national companies and societies, to the local or county commercial societies, as well to autonomous administrations, further on named public institutions and authorities."

According to EC (2009), consumer complaints represent an important criterion in assessing the market, being a concrete proof that might signal a systematic market problem. Drawing up a complaint requires time and effort from the part of the plaintiff, this meaning that it is very likely that the complaint is made as a result of a very serious situation. Complaints represent one of the five key indicators used by the consumption market dashboard in order to determine market performance from the point of view of the consumers, together with consumer satisfaction, prices, supplier switching and safety (GFK, 2012). The analyses of the complaints made by consumers in the period 2009 – 2014, performed according to the annual reports submitted by the National Authority (NACP 2009-2014), reveal a number of 305,531 complaints, out of which 103,180 complaints were solved in favour of consumers (figure 1).

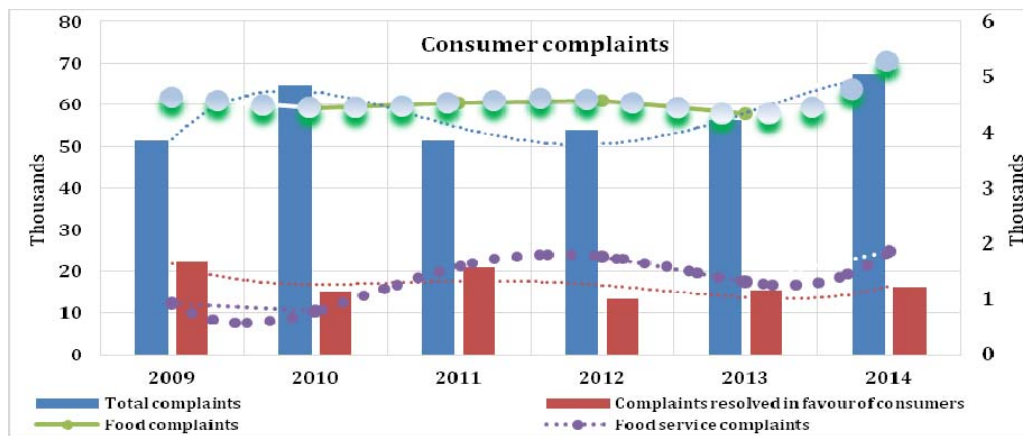


Figure 1. Consumer complaints at NACP
(Source NACP Reports 2009-2014)

Over 60% of the total complaints focus on non-food products, followed by food products, financial and non-financial services, respectively, and other product categories. In the analysed period, in the top of complaints there were the fixed or mobile phone services, electricity or thermal energy supply, cable TV broadcasting services or financial services (Cerbulescu, 2012). Thus, the complaints focus on low signal quality or functioning interruptions, the impossibility to terminate the contract, the inefficiency of public relations or the bills that are too large (APC, 2013). The year 2014 records the greatest number of consumer complaints, following the same growth trend recorded in the period 2012-2013, with a value which is slightly higher than that recorded in 2010. For 2014, the most spectacular evolution of the number of complaints was that against online commerce, with a growth of over 200% as compared to the year 2013 (Dunca, 2015).

4. Food consumption and consumer complaints

According to the data provided by NIS (2014), the evolution of the Romanian's incomes presents a slight increase, in the conditions of a relatively constant food price and a share of the food assigned expenses of about 21% (figure 2). In the analysed period, there were 29,958 complaints for the food domain, the great majority focusing on food products (27859). Most complaints focused on lack of conformity, inadequate labelling or marketing, the existence of some altered or questionable quality products (APC, 2013). In the year 2014, local consumers lodged approximately 7200 complaints at NACP, the majority for lack of price labels, non-conforming labels or the marketing of altered food (Dunca, 2015).

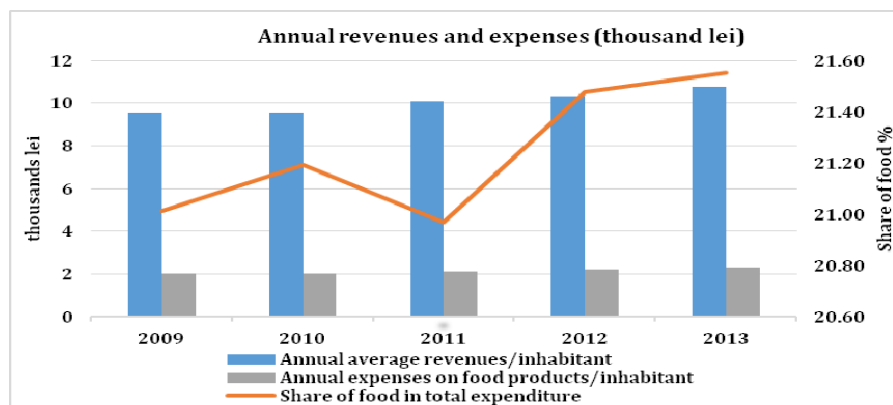


Figure 2. Population revenues and average expenses on food product purchase
(Source NIS, 2015)

According to research carried out by Albu and Nedelea (2006), the major nonconformities which constitute the most important cause of complaints in the food service domain are the inadequate sanitary conditions, the manufacturing network non-compliance, improper weighing, beverage forging, disturbing public peace and order or providing services in unauthorised places. The food expenses represent the most important financial effort within the household (Figure 3). Although the price is an important criterion in purchasing food products, almost half of the daily expenses for Romanians are on food. Nevertheless, the complaints made about the food sector are significantly less than those about the non-food products and services.

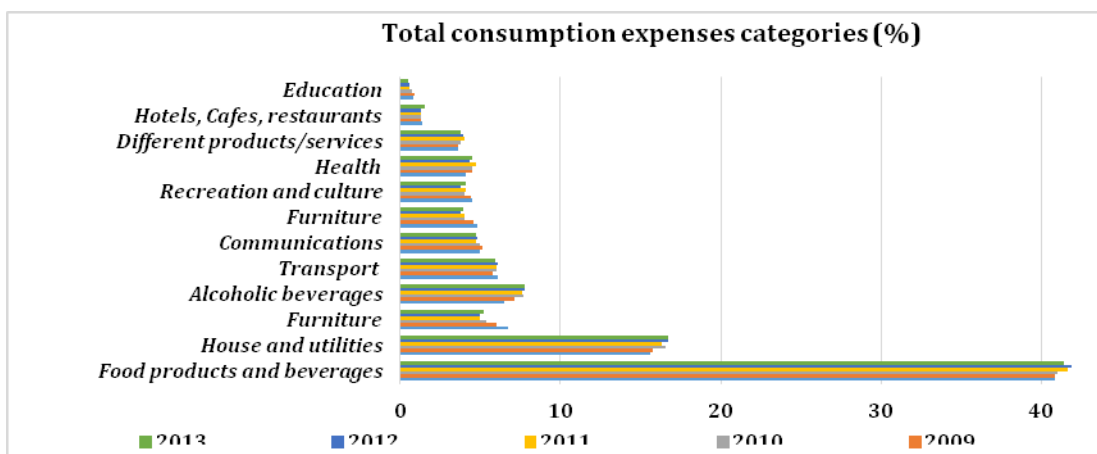


Figure 3. Total consumption expenses categories
(Source NIS, 2015)

The annual NACP controls on domains of activity in the food domain (commerce, services), the types of controls and the measures taken as a result of the controls are presented in Figure 4. The presented results cumulate thematic inspections, performed at a national level, and the controls performed as a result of the complaints lodged by consumers. According to the NACP press releases (2015), the themes of the food domain controls performed at a national level in the last year focused on fish, fish cans and by-products (24-31.03.2015); „Cornul și laptele” and „Mere în școli” (5.09. 2014 – 30.01.2015, 10.02 – 20.06 2014 respectively); fruits and vegetables (10-28.11.2014); the compliance with legal stipulations at natural mineral water marketing, presentation and advertising (26.05.2014 – 06.06.2014); food products specific to Easter holidays (01-18.04.2014). The offences detected were: the frequent non-compliance with the weight written on the packaging, the limit consumption date which was exceeded/missing, the improper manner of indicating prices. In the great majority of cases, the economic agents that didn't comply with the regulations in force significantly exceeded those who did. (NACP, 2015). In the year 2009, the greatest number of sanctions applied to the food commerce agents were recorded.

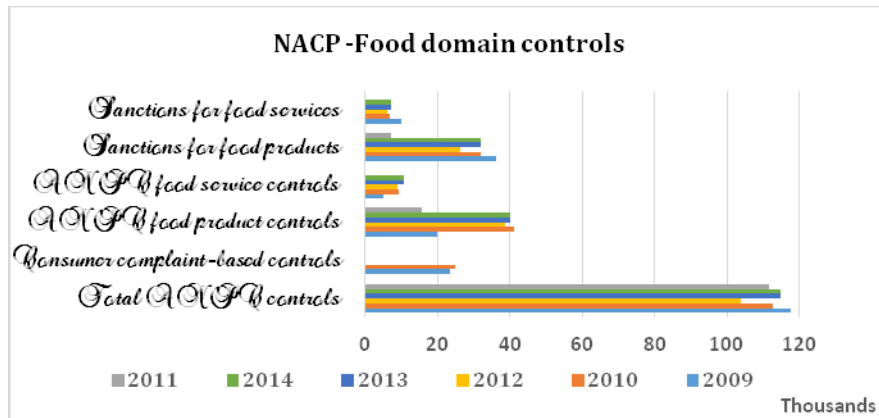


Figure 4. NACP food control categories
(Source NACP Reports, 2009-2014)

Another trend that was noticed in the study is the increase in the number of controls at the food service provider units, correlated with an increase in the number of complaints. This trend indicates the appearance of some changes in point of the Romanians' food habits regarding the place of having meals.

The controls carried out in schools focused on complying with laws in the provided service quality insurance domain. The controls focused on extended-hour kindergartens (where pre-school children have lunch), schools (beneficiaries of the food government programmes “Laptele și cornul” or „Mere în școli”), economic agents involved in food production and distribution in schools.

According to the annual reports presented by the National Authority, in the period 2009 – 2014, the most frequent deficiencies were: the poor quality of the food given to children from state or private kindergartens (products that were unfit for consumption, expired or with improper organoleptic properties, lack of net quantity, the inobservance of the transport and delivery conditions, improper storage, labelling and packaging).

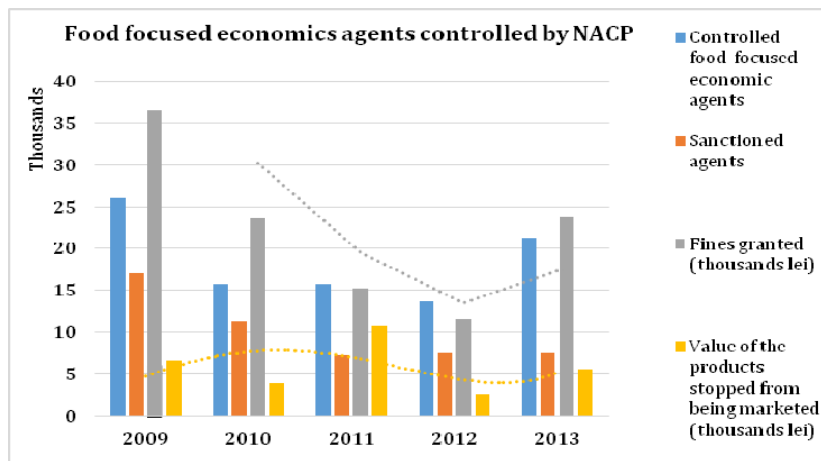


Figure 5. NACP Controls and sanctions for food-focused economic agents
(Source NACP Reports, 2009-2014)

The measures taken were the total stoppage from usage or the temporary cessation until the deficiencies were addressed, fines of 1,106 thousand lei were applied for the violations of regulations regarding consumer protection or even the temporary cessation of services until the deficiencies were addressed for some extended-hour kindergartens (NACP, 2014). No correlation could be established between the intensity of controls and the applied sanctions.

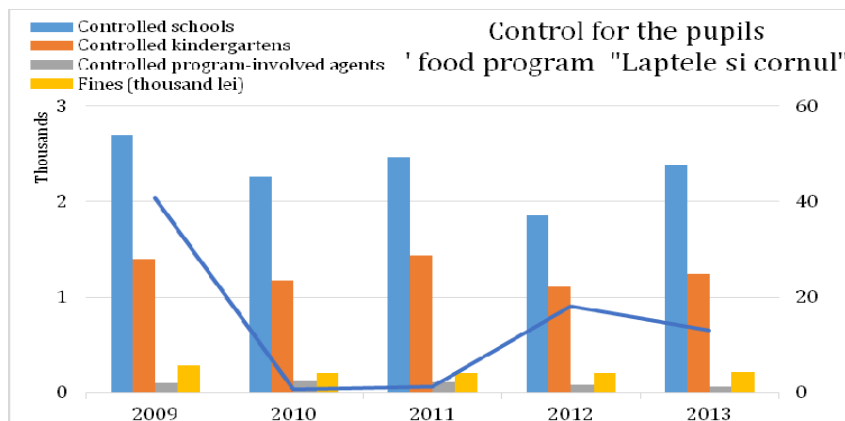


Figure 6 NACP controls for the pupils' food program "Lapte și cornul"
(Source NACP Reports, 2009-2014)

There is also no connection between the applied sanctions and the number of the controls that were carried out subsequently. Finding a non-compliance should attract a closer monitoring from the part of the authorities on the targeted economic agents so that, until the improvement of the situation, the number of controls should be higher and should have a higher frequency.

5. Conclusions

Romania achieved some important progress in correlating national politics with EU and international regulations. NACP is the national authority in the domain. It is also the representative of Romania in the EU and international networks with an intense activity in the domain of consumer interest protection. The presence at a national level of 150 non-governmental organisations with duties in the domain prove the development of the consumerist movement in Romania. The set-up of a national association integrated in the ECC-Net, intended directly for the consumer, which makes intra-community purchases, represents an important step in the implementation of the EU politics.

By means of controls, NACP tries to manage the situations that do not comply with the legal stipulations in the domain. Although the duties of the institution are less as compared to other national control bodies, the measures taken may influence the behaviour of economic agents by the implementation of some preventive systems and the careful monitoring of critical situations. The frequent modifications in the management of the institution do not allow for a continuity in the measures taken or the establishment of longer monitoring programmes.

The analysed data do not allow to make a clear correlation between consumers' incomes and their complaints to NACP. The number and intensity of the controls are not strictly correlated with customers'

complaints. Although customer complaints may represent an important criterion in monitoring the market and highlighting some systemic discontinuities, the lack of a national management system of the complaints makes it difficult to draw up some predictable models. The lack of official data continuity in the NAPC reports also led to the impossibility of carrying out thorough research. The EU initiatives in the domain, which suggest an electronic management system of complaints may facilitate the work of researchers and the efforts of the authorities in the domain.

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