

Category Management for Non Alcoholic Drinks – Case Study Tymbark Maspex Romania

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Abstract

Category definition: A distinct group of products and services which consumers perceive as being related and/or who are replaceable in satisfying a certain need of the consumer. Determining the products that substitute the category and category segmentation from the consumer perspective.

Category management process is composed by a series of structured and measurable activities regarding the production of a well defined result for commercial partners and their clients.

Category management process defines a specific approach of obligations in time and space and has a beginning, an ending also data and results clearly defined.

Category role: a role is established for the category based on a comparison of the category regarding the consumer, the market and the retailer information.

Category evaluation: subcategories, segments analysis is effectuated by reviewing the consumer, the market, the retailer and supplier information.

Performance indicators: to establish the measure and the target of performance.

Category strategies: to develop the marketing and supply strategies.

Category techniques: to determine the optimal assortment, the price, the shelf presentation and promotional techniques.

Plan implementation: to implement a category plan with a specific responsibilities list.

Non carbonated drinks represent by far one of the most sophisticated, colored and flavored market in soft drinks category.

The differentiation based on juice concentration means that, for 100% juice, there is only squeezed fruits without any addition, for nectar, juice concentration between 25% and 99%, the rest until 100% meaning syrup, and for still drinks juice concentration is 25% the most (in our country the biggest concentration is 12%).

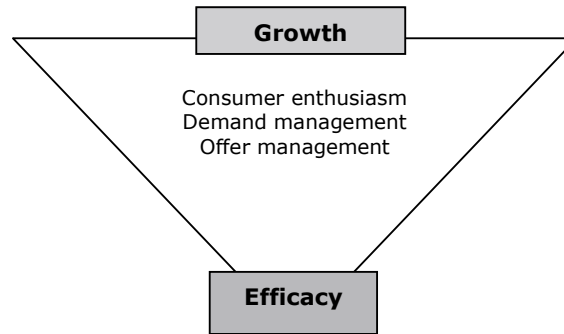
Key Words: *Consumer goods, ECR (Efficient Consumer Response), category management, category, category management process, category role, category evaluation, performance indicators, category strategies, category techniques, plan implementation, destination, convenience, seasonality, promotion, the assortment, trademark.*

Introduction

Fast moving consumer goods industry is using for many years the expression "category management". The signification has suffered o series of modifications along the years. In the past, she described a tactical convergence of the buyer with the seller. Starting with the

appearance of the ECR (Efficient Consumer Response) movement, she describes a strategy that has the consumer in the center of interest, but claims equally the supplier and the retailer must adopt new commercial processes (Popa, 2004).

Figure 1. The place of category management in ECR



Source: Cogitore, Serge, 2003

Category management appeared in U.S.A. and has over 15 years. It's appearance it's strongly related to the success of Wall Mart and his biggest suppliers, such as Procter & Gamble and Coca Cola.

Category management definition

Category management answers to three definitions, all of them related to each other:

1. First of all, it's about a philosophy allowing leading in a strategic manner the organization of a retailer or a supplier.

2. It is a philosophy who considers the categories as strategic units who allow establishing sales and profit planes and achieving the set objectives.

3. It is a process who allows the retailer and the supplier to establish together their strategic categories plans.

ECR Europe gives to the category management a definition containing all three definitions from above:

"A retailer-supplier process of categories administration as business strategic units, producing higher business results by focusing on the delivering value to the consumer".

Category definition *A distinct group of products and services which consumers perceive as being related and/or who are replaceable in satisfying a certain need of the consumer.* **Support components of category management**

The experience proved the fourth essential elements that must be reunited so that category management can prove its efficiency. For the category

management system to function first, the category strategies must be based on a global strategy of the organization for the marketing domain as well.

The last one is the superstructure that puts in motion the tasks and the strategies programs that can be put up for each category. The strategic plans for the categories are the essence of the category management. It's about a process, more formal, that allows to extract, for the establishment of plans, the priority lists for every category, to determine how important the planning activity can be for each category and to establish, at least, an annual plan for these categories.

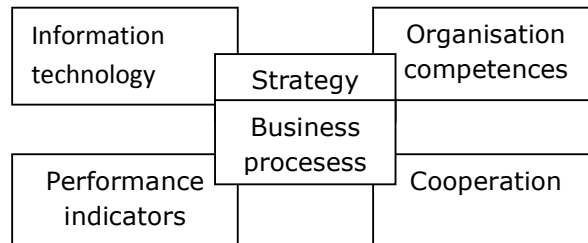
One of the important stage of this process is defining, for each category, what can be called as "strategic role". The categories will have different roles. Some of them can be, for example, flow generators, others, transactions or image generators or even liquidities. The second element necessary in the category management application is enterprise organization. Must be identified the roles and the responsibilities for the category managers, the necessary competences for the established role, the organizational structure of the enterprise where the category management will be applied and how the work will be evaluated. The third element to consider for implementing category management is technological needs and information needs. Category management has needs and is fed by a big area of information. The source of these information, making them available at the wanted time, the form in which they will be communicated and the used

communication medium will have an important contribution at the system success. There is a determined number of information needed: consumption and market trends for every category, sales and profits historian, promotional operations impact, department space productivity, global strategy of the enterprise and categories strategic role.

The fourth element to consider for applying category management, and as it

seems the most difficult to put in a concrete form for some retailers and suppliers, it is the relationship that has to exist between the supplier and the retailer. Their relationship has to be based on mutual advantages. Category strategic process planning objective it is to maximize the success chances.

Figure 2. System diagram of category management



Source: *Category Management Best Practices Report, ECR Europe, The Partnering Group, Roland Berger & Partners, 1997*

The reunion of the fourth mentioned elements (Figure 2) it is determined respecting the success of category management. These elements allow to be determined the necessary effort in the implementation of implicated processes, the necessary work (normally it takes at least three years to apply the category management) and to determine the advantages that can be taken from this profitable process (Popa, 2004)

Category management and the organization strategy

Counting the enterprise strategic objectives for a category administration generates different consequences for the retailer, as well for the supplier.

For the retailer

The strategic framework of category management for a retailer contains:

- The capital, profitableness and the financial situation of the company;
- Financial objectives of the organization;
- Defining the established mission of the organization;
- Past performances and short, medium and long term trends;

- Store composition: the form, the localization, personality and penetration;
- Competitive position;
- Information system;
- Marketing strategy;
- Commercial policy: margin level, price level, promotions;
- Supply strategy;
- Suppliers relationship strategy;
- Human resources strategy.

The building a category business plan must include the above elements. This will allow in the management process of a category to determine which they are, between all the categories, those who will be strategic, who "carry" the firms strategy for the client and there for, will be privileged in the endowment with financial and human resources (Cogitore, 2003).

For the supplier

The strategic framework by which category management will express:

- Capital, profitability and financial situation of the organization;
- Defining the mission established by the organization;
- Past performances and short, medium and long term trends;
- Competitive position;

- Marketing strategy;
- Commercial policy: margin level, price level, promotions;
- Informational and informatics system: quality and operating capacity given by the market, level of information;
- Production strategy;
- Distribution strategy;
- Human resources policy.

This strategic approach is essential for a supplier who wants to implement category management in organizations. They still exist organizations who made effort and investments in a category, but who don't transpose correctly in the

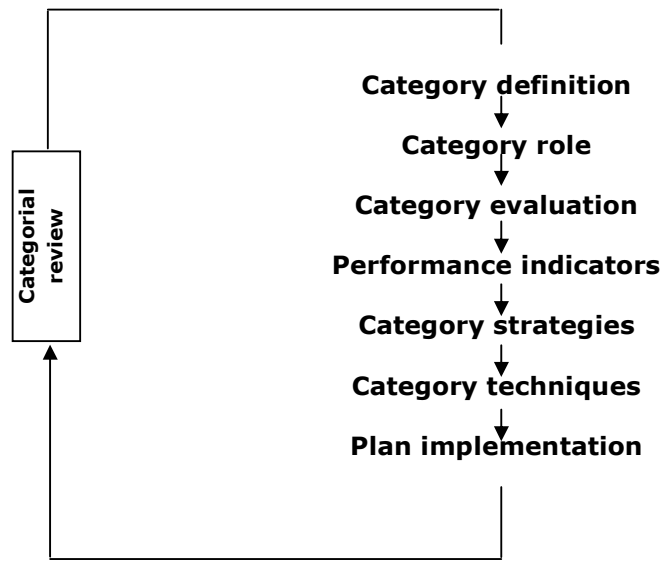
management of their relations with all the organizations.

Category management process

Category management process (Figure 3.) is composed by a series of structured and measurable activities regarding the production of a well defined result for commercial partners and their clients (*ECR Europe, The Partnering Group, Roland Berger & Partners, 1997*).

Category management process defines a specific approach of obligations in time and space and has a beginning, an ending also data and results clearly defined (*Popa, Ionescu, 2004*).

Figure 3. Category management process



Source: *Category Management Best Practices Report, ECR Europe, The Partnering Group, Roland Berger & Partners, 1997*

Category management roles:

There are four roles associated to a category: destination, habit, easiness or seasonality.

A category can change its role, in time, depending on the market evolution, trader strategy change or competitors actions.

1. *Destination. (The number of clients)* – Categories/products are meant to attract and maintain the clients by the best offered value (price, assortment, shelf presence). The principal function of the category is to bring clients into the store.

2. *Proffered (Increased loyalty)* – Categories/products are meant to be bought constantly from the store.

The principal function of the category is to generate volume and profit.

3. *Convenience (Increased profit)* – Categories/products are meant to bring profit to the store, but offering special buying conditions.

The principal function of the category is to generate profit.

4. *Seasonality (Clients and profit)* – Categories/products are meant to exploit the consumers demands during some periods (Christmas, Easter). The principal

function of a category is to benefit from the season opportunities.

The roles and the responsibilities of category management are determined by the commercial partners. With the purpose of clarity and definition, the next distinctions are made in general for the roles of the retailer and his suppliers in the category management:

- The retailer is the "Category manager" as the store is the place where the categories are managed. The retailer place is where all category components get together to make decisions.

- The suppliers are category consultants/partners for the retailer, the ones who provide the products and the experience, but they are not the ones making the final decisions regarding how the specific category will be managed or how it will fit in an extended mix of alternative category strategy.

- The role of a category manager inside a supplier organization includes and turns up the responsibilities of the traditional buyer/seller and the executive role. The key role of the category manager (and of the partners/consultants) is mastering the business process of the category management for the portfolio of the designed categories. This involves not only responsibility for the categories but as well insuring the appropriate connection between the category and the departmental strategies of the company. Involves as well great responsibility for the coordination of business process actions that are conducted in the functional traditional limits within the retailer's and supplier's organizations.

The elements with impact over the category performance

The price

The price is the only marketing mix component that generates incomes, all the other components need expenses. The price is also a very flexible marketing mix component, can be modified very fast, comparing with product characteristics and the distribution activity (Kotler, 1999).

Small prices, regular or promotional have a positive impact on the

category performance. Anyway, price and promotion sensitivity is the best in categories bought more often (Corsten, Gruen, 2002).

Even the price sensitivity it's probably high for goods, the majority of retailers depart from their way to avoid a high price image and that can affect the traffic in the store.

This will affect the goods prices negatively, limiting retailer's ability to generate high results by every day price reduction.

Shelf price reduction, that are communicated only in stores are not influencing the traffic in the store, should be the most efficient from the categories like goods, where is seen by many of the consumers and they make an opportune acquisition. The frequent discount for this categories, can remove the profit rate without receiving a lot for a change.

Promotion

Discounts for trademark and products publicity are the most popular methods used by retailers to influence the buying decision from outside the store. Extension of such an activity in a category is made probably to increase the volume of the category. The effects will be benefic for the goods also through niches extension, because these categories are important for the majority of the consumers and/or are bought by them every week.

The Assortment

The number of brands and SKU (Stock Keeping Unit) number help the retailer from a category to provide the miscellaneous tastes of the consumers. Giving more, the variety should help a retailer to attract more consumers into the store and to convince them to buy more from the store.

The retailers offering a large number of trademarks and assortments in depth, should obtain a better category performance. Even more, if the retailer's selling category is distributed along the trademarks, the effective number of the trademarks that the buyer perceives will be larger, suggesting to the buyers that

the retailer is more efficient in meeting all their needs.

Anyway, in goods categories, the high level of products in the last decades means the number of trademarks but also SKU that reached a level of saturation. The next investments in this area can supply small incomes. If the established brands are not favorites, the decrease of the assortment will not influence the consumer's intention to buy from a store.

Trademark

Finally, an important part of a retailer's assortment is the trademark. Some retailers are having success using the store trademark as a differentiation way. Even more, the store trademark allows the retailer to better understand the conscious needs of the consumer. Therefore is expected for the trademark to have a strong influence in the category performance. This effect is probably stronger in goods categories with a higher buying frequency by the consumers (Corsten, Gruen, 2002).

The Perception Of Retailers And Suppliers

To make the category management work, the commerce partners must engage to collaborate with each other and to share information. In theory everyone agrees with the benefits of category management but in practice exists a misunderstanding regarding the result of collaboration in the category performance.

Category management, a business process generated by ECR in the '90, is practiced in some forms by the big retailers and suppliers of the world. Despite his presence every where there is a disapproval regarding the degree where category management provided significant and measurable measures in category performance for the retailers and their partners: producers, distributors and brokers.

For the producers, the collaboration begins with realizing and proving the not understood category management, seen through the eyes of commerce partners such as retailers and suppliers (*The Partnering Group, 1998*).

Generally, the suppliers are often used as basic external resources to inform

the category management. Often, the suppliers are seen as experts in the trend and buying behavior of the costumers, product prices, self elasticity and planogram.

The producers are as well seen as an important source of information at market level – the captured information not very easy by some suppliers in any market.

The retailers have the benefit of focusing on specific groups of costumers with clear and well defined objectives, reflected in category projects in the higher importance levels for the suppliers, designated by the information groups.

In contrast, the suppliers help the small consumers of different retailers. These retailers operate strategies reflected in different projects of the category. The challenge for the suppliers is to develop a category project to serve the different needs of consumers. This dilemma is reflected in the importance the retailers give to the information groups. The supplier offer less assortments of SKU compared with retailers a only because a supplier has to serve the different demands for different clients of retailers. The optimization of the assortment reduces the poor performance of SKU (Stock Keeping Unit) while the suppliers are responsible for the retailer's needs which represent a big challenge for them. In many cases, the category management is a financial exercise more for the suppliers and not for the retailers.

The Impact Of Category Management

Category management is projected to address the stores needs. Under the influence of category management, the consumers will observe the quality of the assortment, the category value for the money and the easiness to orientate under the influence of traditional consumer. We expect that the correlation between this tactical elements and the store loyalty to be strong in a category management environment.

The category administration should not only optimize the assortment in terms of sale and income. Even though such a strategy can need long terms to reach the purpose, has the tendency to neglect the

store loyalty as a long term objective. Even though category managers must have product steps and a consumer perception before making a decision regarding the products that should be eliminated and the ones who should be added. Otherwise, a product can be eliminated from the assortment because of small amount of sales despite the assortment contribution to the brand image. Eliminating a product can result an image quality decrease for the whole assortment which can lead to sales decrease for the entire category.

Category managers should work hard to facilitate the selling process for the consumers. Category management improves the interaction force between the category value for the money and the store loyalty. To improve the value for the money, the category managers must identify for what superior quality are the consumers ready to pay. This means that they must understand the detailed needs of different consumers. Category management offers some advantages over the traditional marketing but still leaves place for improvement. Category management in overall can win a lot of by incorporating the purpose and the basic consumer perceptions as assortment or the easiness of the orientation.

Case Study Tymbark Maspex

1. Category particularities

Non carbonated drinks represent by far one of the most sophisticated, colored and flavored market in soft drinks category.

According to methodological rules, non carbonated drinks can be divided in 3 big categories: 100% juice, where included juice are with small life (fresh squeezed) and the ambient ones (with a big life time), nectar and still drink.

The differentiation based on juice concentration means that, for 100% juice, there is only squeezed fruits without any addition, for nectar, juice concentration between 25% and 99%, the rest until 100% meaning syrup, and for still drinks juice concentration is 25% the most (in our country the biggest concentration is 12%). This classification, at least between

100% juice and nectar, takes in consideration also the fruits concentration of which are made; usually, for 100% juice are used fruits like citrus, apples, tomatoes, generally the ones that by squeezing don't become very thick. On the contrary, if we talk about nectars, the syrup addition is required by the squeezed fruits which are having the consistency of a puree (for example the peaches witch squeezed form a pasta that can't be consumed as it is or berries that are so scented that can't be consumed as 100% juice).

Technologically speaking (with great impact on the taste and product quality), the categories (regardless the juice concentration) can be differentiated by bottling method:

- Cold Filling;
- Hot Filling;
- Aseptic Filling;

The impact on the taste and product quality is given by the 3 methods characteristics:

- For cold filling is required the use of preservatives to prevent formation of bacteria and to give a long expiration term for the products;
- The second method, hot filling, is not using preservatives, instead we are talking about boiling (or baking) the juice to eliminate the potential bacteria (the filling is made at temperatures between 80°-90° C to sterilize the bottles and the caps);
- The most advanced method is the aseptic filling because is not using preservatives, the juice is cold filled, this way are kept all the characteristics of the fruits – taste, smell, color are kept like the ones fresh squeezed.

2. Projection of non carbonated drinks category at Tymbark Good practices

Category management can be hard to understand, but is essential for the basic success of ECR and the retail.

ECR inspired the partnership supplier- retailer, transformed the relations and the practices in many ways, addressing to improvement processes.

Category management is sometimes defined as retail operations

management at category level, treating each category as a unique center of profit.

The focus of category management on the product represents a first in the change from the orientation to the producer to the one to consumer, up to the selling experience.

So is not surprising that the category management evolved from unique category administration at a combination of multiple categories focused on satisfying the consumer.

Category management projects often lead to sales growth, assortment decrease, the corresponding inventory and the growth of consumer satisfaction.

Technology has always been a key for the category management. Without the speed of information analyze with the store scanner and market level, the original level of the category management would have never been executed.

From the supply chain perspective, systems as EDI are critics for constant communication, the electronic ordered shopping, on demanded inventory and information expediting to retailers and suppliers.

Anyway, the nature of category management requires the administration of categories where suppliers are participating simultaneously.

The term category e-management was intensely discussed at ECR Conference in Glasgow, in 2001, taking many forms depending on the presentation.

At the ERC Europe Conference from Glasgow, a unanimous approval was that ECR became known for the producers and retailers as a program by which they work together.

The evaluative changes in category management give to each part new directions to extract benefits from ECR.

Over time a significant change took place in the interest of producers and retailers consisting in changing the brand performance with the category performance. The researches of specialists give a solid foray to the way best category management practices are different for every tip of category.

As a concept, category management has a central role in

marketing strategies for suppliers and retailers.

The most important part of ECR is category management. Category management is based on the idea of administrating the categories as business strategic units. Category management, defines the categories, gives them a business role, estimates and establishes performance measure. The process also defines the strategies for the achievement of the category performance objectives as well the used the techniques used in strategies.

Recently, the ECR movement extended the view of demand management beyond the central process of the product to include a new element: consumer value.

Consumer value resembles concepts as loyalty management and offering integrated solutions for the consumers. The purpose is to progress from transactions to relations and from products to complete solutions. Anyway, there are only a few practical applications of these ideas.

The ECR movement "worked" hard to create a principle for the product development process. Similar principles could be really helpful in this services area. Anyway, services have significantly challenged the ECR opinions and amendments that the scorecard needs.

Until this moment, ECR was a little or not present in online services development. ECR is basically focusing on products that are making more difficult the identification opportunities.

ECR movement is the way to sustain and coordinate development efforts of demand management. It can supply a platform for the supplier-retailer, as it can supply a channel for knowledge dissemination and concepts improvement. ECR must be flexible enough to incorporate themes as operations or services of the channel.

3. Categorical schedule proposal

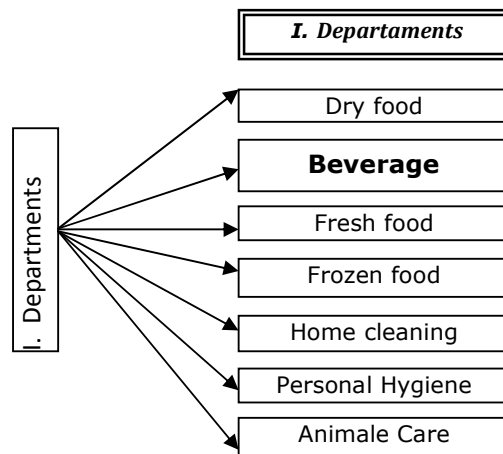
In this subchapter, we propose a categorical schedule, a decision tree, conform with the ECR Europe standards, starting from ECR Italy for the products classification, different from the present

classification in Romania, having as a measuring unit centiliters. ECR Italy/AC Nielsen classification is organized in seven departments. After this classification we did a decision tree with five levels and 2 levels of departments – foods.

- At the first level, departments are identified: dry food followed by beverage,

fresh food, frozen food. At department 5 there are the products for home cleaning, followed by those for personal hygiene, and on the last level there are the animal care products.

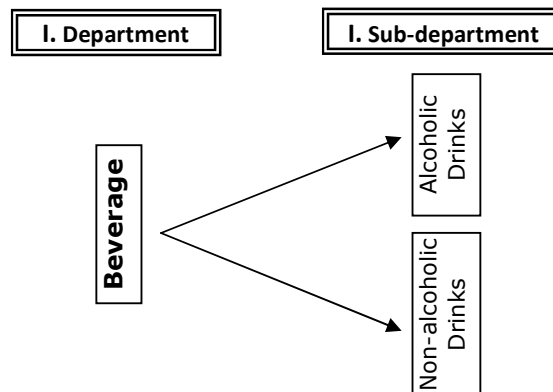
Figure 4. ECR Italy classification in departments



The "Beverage" department divides in two sub-departments: non-alcoholic drinks and alcoholic drinks. Non-alcoholic

drinks are the ones being the subject of our case study (products by Tymbark Maspex S.R.L.)

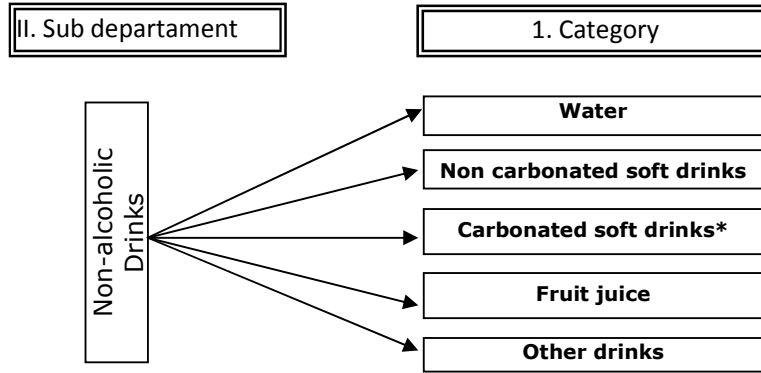
Figure 5. "Beverage" department classification in sub-departments



The sub-department of non-alcoholic drinks has a tree structure with 5 categories: Water, Non Carbonated Soft Drinks, Carbonated soft drinks, Fruit juices, Other drinks. Tymbark activates on

the segment of Non Carbonated Soft Drinks, its portfolio of products having one category (100% natural juices) and two sub-categories that will be detailed next.

Figure 6. "Non-alcoholic drinks" sub-department clasification



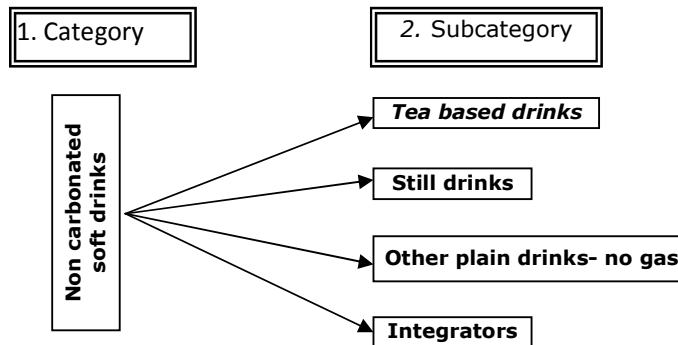
*Date of the study: 1 April. Tymbark Company launched on the market, starting with 15 April the *Carbonated soft drinks* category that we haven't analyzed for the categorial classification.

- Non carbonated soft drinks category is structured in four sub-

categories, two of those can be found in the portfolio of Tymbark products, Tea Based Drinks and Still Drinks.

A sub-category that has evolved dramatically is that of the Ice Tea.

Figure 7. "Non carbonated Drinks" category classification in subcategories A



Tea Based Drinks sub-category it's formed from **3 segments**: (bottle of 30cl, 50cl and 150cl).

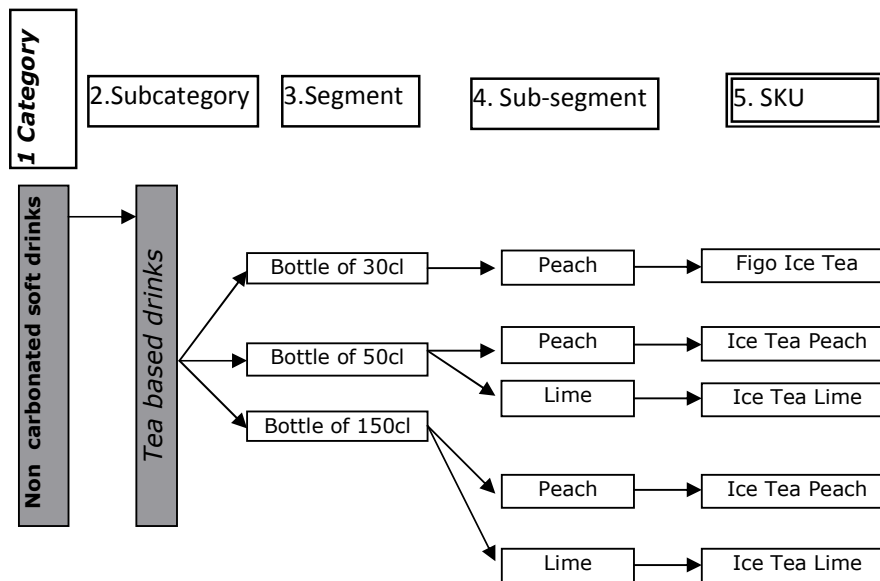
To the first segment (30cl) corresponds the sub-segment "peach", with SKU, **Figio Ice Tea**. The second segment (bottle of 50cl) has as correspondent the sub-segment "peach" (with SKU **Ice Tea Peach**) and the sub-segment "lime", with SKU **Ice Tea Lime**. The third segment (bottle of 50cl) divides in two sub-segments (peach and lime) having a SKU: Ice Tea

Subcategory Tea (Tea based drinks) is formed (Figure) by 3 segments (30cl bottle, 50cl and 150cl). To the first segment (30cl) corresponds the sub-segment "peach", with SKU, Figio Ice Tea. The second segment (50cl bottle) has a corresponding sub-segment "peach" with SKU., Peach Ice Tea) and sub-segment lime, with SKU, Green Lemon Ice Tea. The third segment (bottle of 150cl) is divided into 2 sub-segments (peach and lime) with one SKU: Ice Tea Peach and Ice Tea Lime.

Ice Tea represents about 20% of non-carbonated soft drinks market, and with still drinks is one of the most dynamic subcategory and with the largest share. Ice tea market

will rise in 2008 to around 83 million liters. In Romania, the consumption is 2.5 liters per person per year, compared to 32 liters in Switzerland and 8 in Hungary.

Figure 8. Classification of "Non-carbonated drinks" category in sub-categories B



The sub-category of beverages based on fruit (still drinks from Tymbark product portfolio is divided into 9 segments. First SKU analyzed are **Tymbark Fruits of the World**. Tymbark Maspex launches, for the first in Romania, exotic fruit combinations in the new range Tymbark Fruits of the World. The five assortments available in packs of 100cl are SKU: Tymbark Lemon Fruits of the World, Tymbark Coconut Fruits of the World, Tymbark Banana Fruits of the World, Tymbark Pomegranate Fruits of the World and Tymbark Cactus Fruits of the World

They are intended mainly for cocktails, providing in the same time a pleasant taste of a refreshment drink. Tymbark Fruit World is currently the only line of natural juices for cocktails, present on still drinks market in Romania. So Tymbark World fruit can be consumed as is, individually, not only as ingredients for cocktails.

Tymbark juices, **Fruits of the World** are aseptically packed through the latest technology Tetra Pak, in cardboard boxes tip "prisma". The eight sides of the packaging box Tetra Pak Prisma Aseptic

make the box easy to hold in hand. Studies show that, in terms of consumption of juices and nectars, cardboard packing is preferred by 92% of consumers.

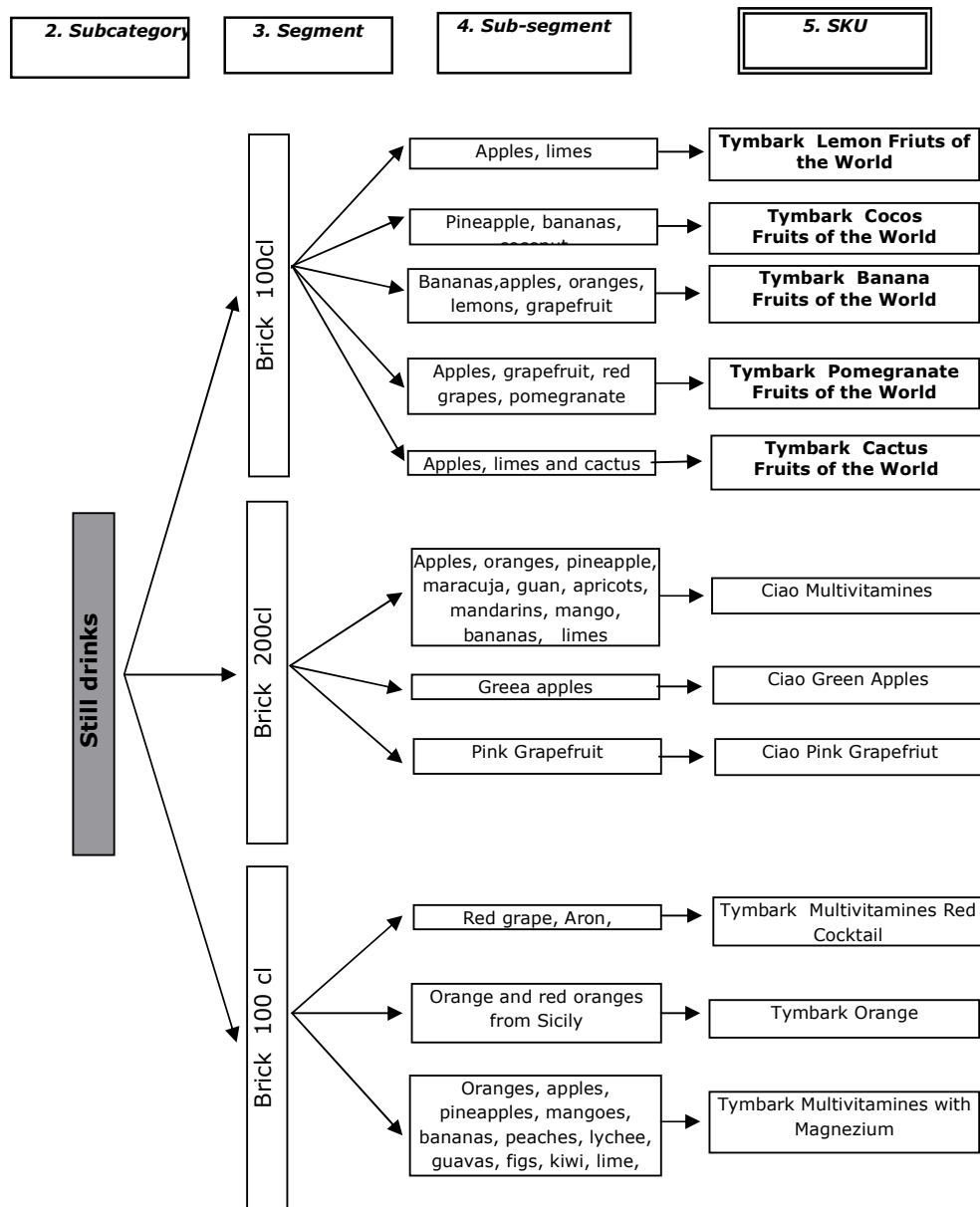
Another segment "brick 200cl" is divided into three sub-segments, with corresponding SKU: Multivitamins Ciao, Ciao Green Apples, Pink Grapefruit Ciao.

In April 2007 they give up the 150cl package to bring to market new pack of 200cl, more practical and economical for consumers who benefit from a free liter of juice.

Also in the still drinks subcategory, falls **The Line Multivitamins Tymbark** in boxes of 100cl, the only range of products like this on the market in Romania and meets the needs of consumers through a complex of functional benefits. **This sub-category has SKU Tymbark Multivitamins Red Cocktail, Orange Tymbark, Tymbark Multivitamins with Magnesium.**

Tymbark Multivitamins with Magnesium and Red Cocktail contains magnesium, which is essential for efficient use of energy by the body.

Figure 9. Classification of subcategory "beverages based on fruit" on segments

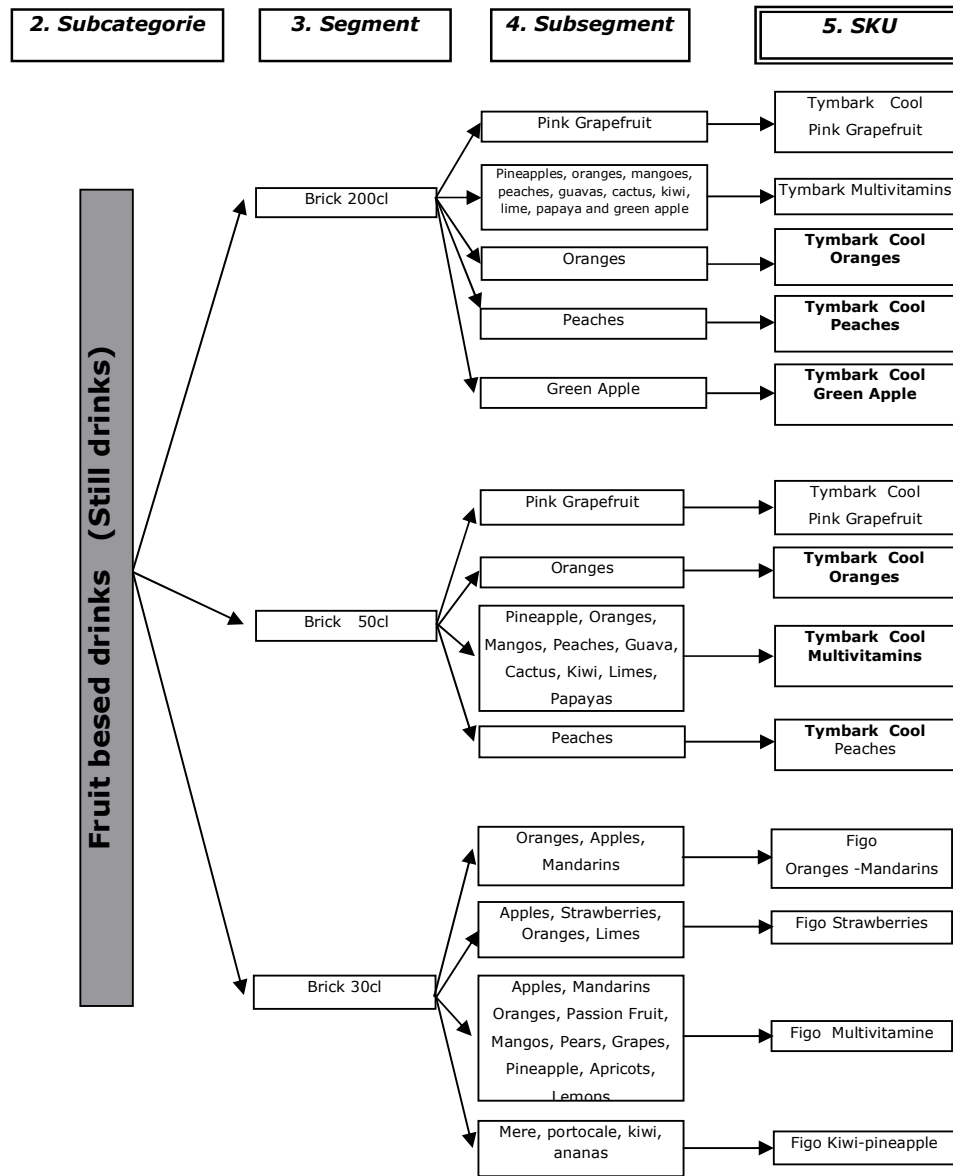


Next we will treat the **still drinks subcategory (fruit-based drinks)**. The segment 100cl "brick" Tymbark Cool is available in five types: peach, green apple, multivitamin, pink grapefruit and oranges. This product is available in two versions: Tymbark Cool 200cl and

Tymbark Cool 50cl and is enriched with vitamins C, B6, B12.

Figo products are available in 4 assortments, with the SKU: Figo Oranges-Mandarins, Figo Strawberries, Figo Kiwi-Pineapple, Figo Multivitamins.

Figure 10. Classification of subcategory "fruit based beverages" on segments



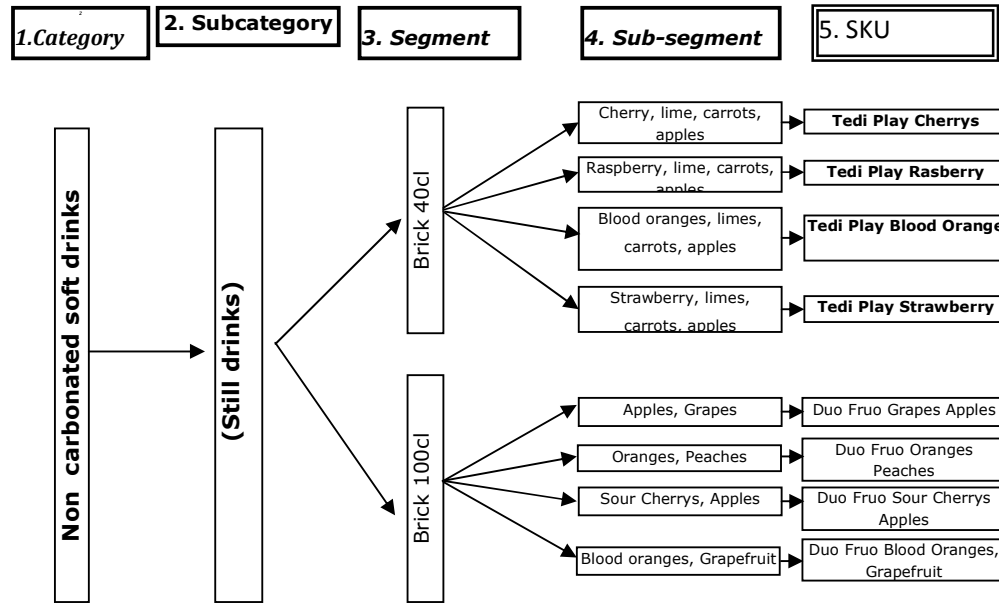
One of the most representative products in the still drinks subcategory (fruit-based drinks) is Tedi Play juices. Tedi Play brand consists of 4 sub-segments (combination of carrots, limes and green apple with raspberry, strawberry, blood orange and cherry), with corresponding SKU. Tedi Play Cherries, Raspberries Tedi Play, Play Tedi Blood Orange, Tedi Play Strawberries.

Tedi Play is packaged in aseptic environment, and the unique packaging

technology "Top aseptically", ensures that it does not contain dyes and preservatives.

Another product from **subcategory Duo Fruo** still drinks is present in four types: grape-apple, orange-peach, sour cherries-apples and blood oranges-red grapefruit Tetra Pak aseptic packaging keeps the product properties for a long time.

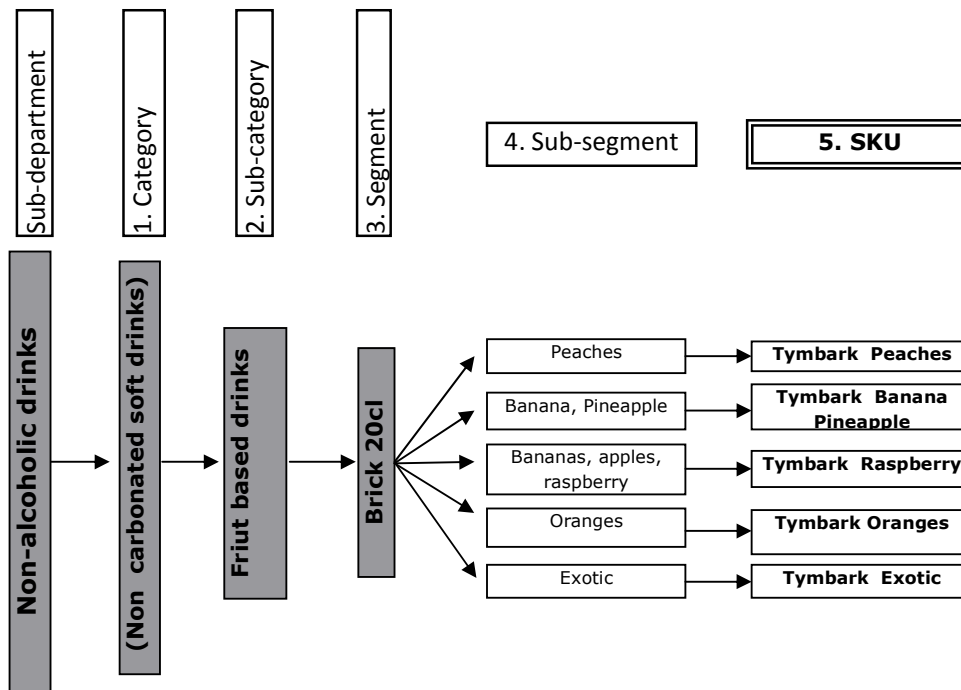
Figure 11. Classification of "Non-carbonated Drinks" category in sub-categories



Last products from **Still Drinks subcategory** (fruit-based drinks) are represented by products from Tymbark 200ml range. Which are divided into five sub-segments: orange, exotic, peach,

banana-pineapple and banana-apple-raspberry with SKU : Tymbark Peaches, Tymbark Banana-Pineapple, Tymbark Raspberries, Oranges Tymbark, Tymbark Exotic.

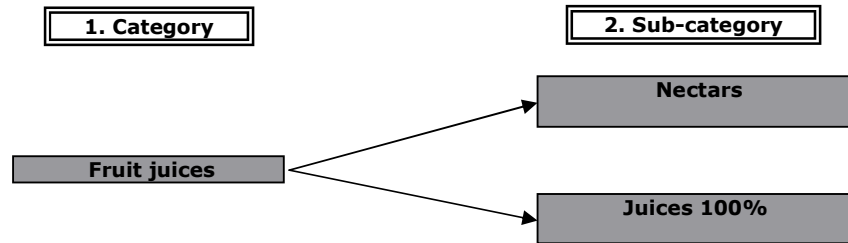
Figure 12. Classification of sub-department "Non-alcoholic drinks" in sub-segments



Another category of Tymbark product portfolio is represented by "fruit juices" and is divided into 2 subcategories in

accordance with standards ECR Europe, namely: Nectar (nectars) and natural juices 100% (100% juices).

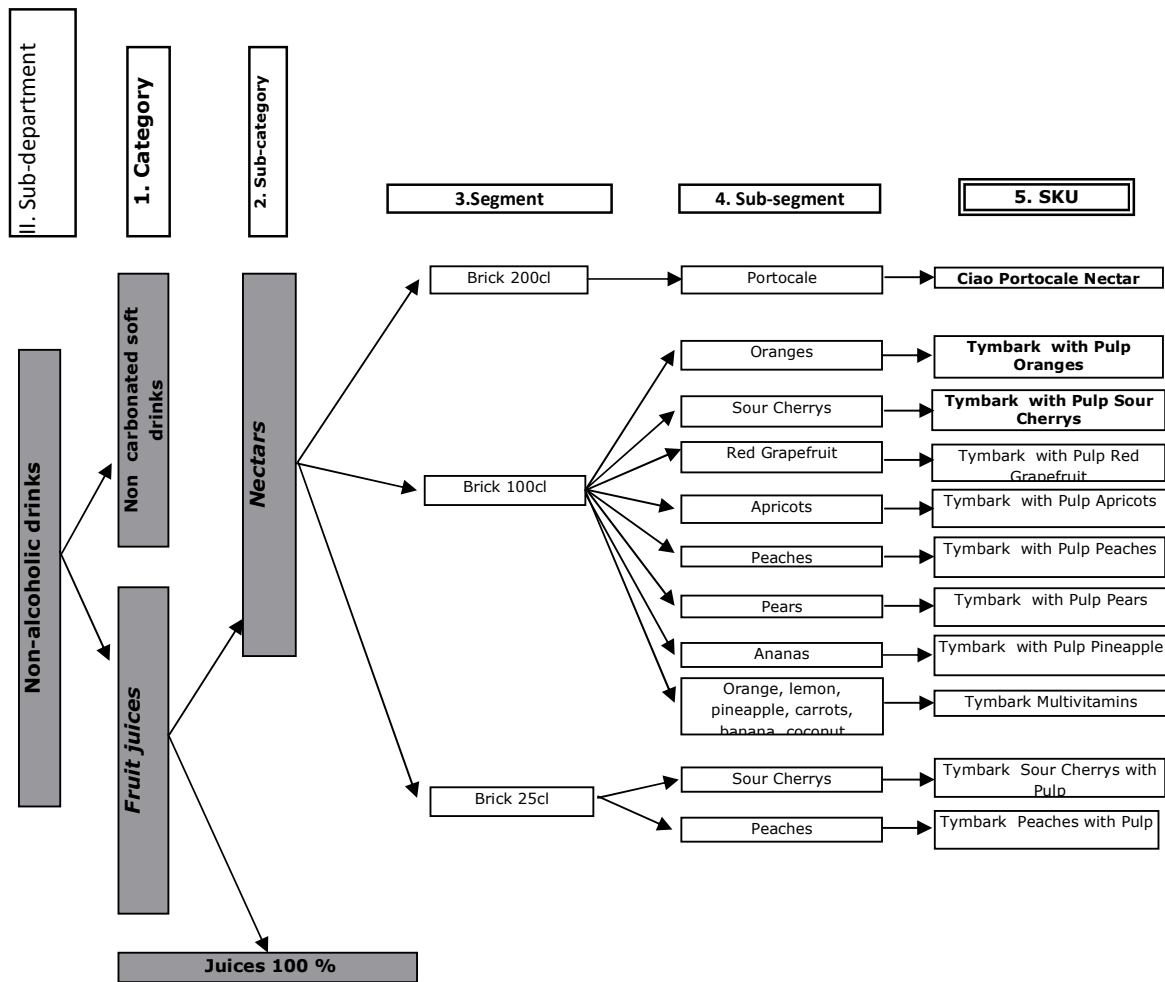
Figure 13. The classification of "Fruit Juices" category on subcategories



The subcategory of Nectars is one of the most important portfolios of Tymbark products. Ciao brand is also presented on this subcategory with nectar Ciao Oranges

in box of 200cl, the consumer benefit is the same as in still drink subcategory, he gets 100cl for free.

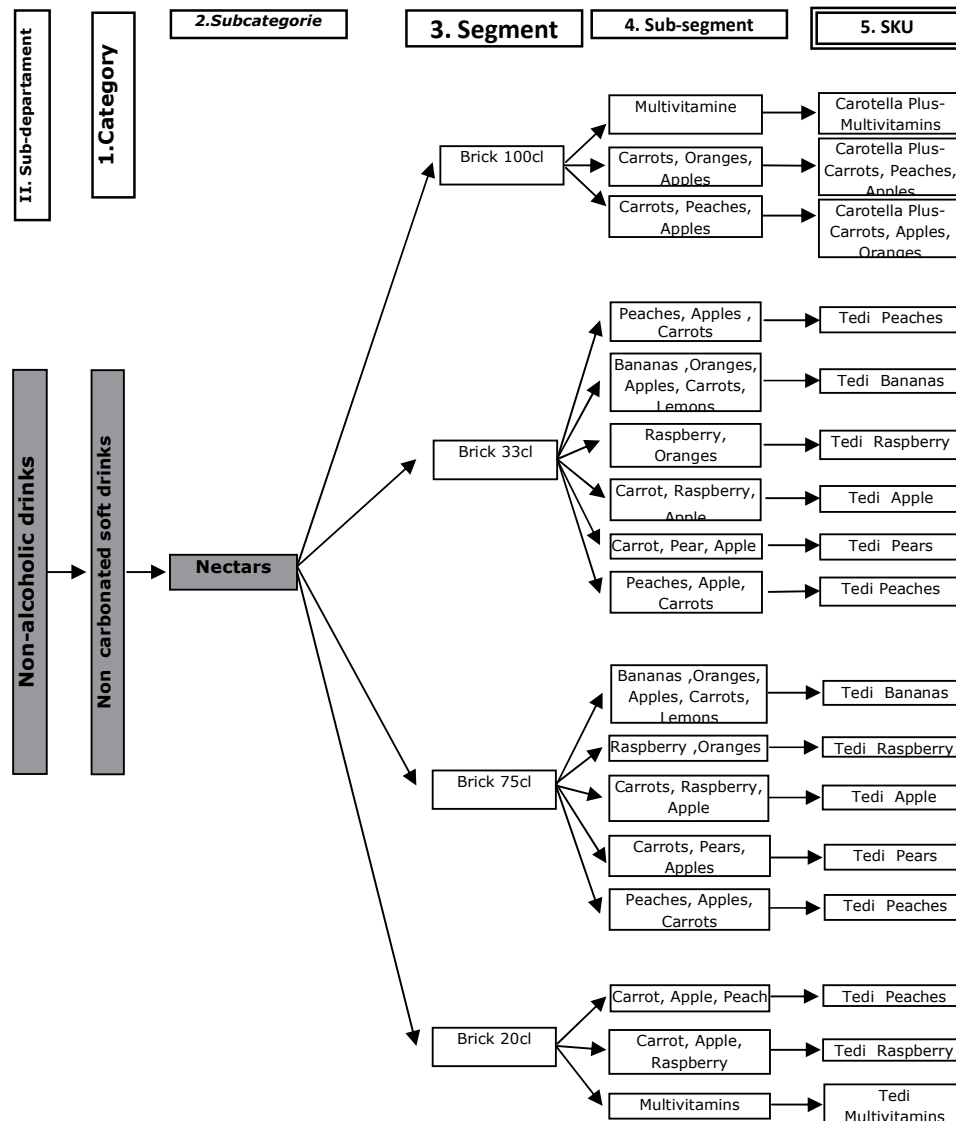
Figure 13. Classification of sub-department "Non-alcoholic drinks" on sub-categories



But one of the most complete subcategory is the nectar, or Tymbark nectar of 100cl aseptically packaged by Tetra Pak latest technology, in cardboard boxes like "light". It is available in eight ranges (SKU): Tymbark Orange, Tymbark Sour Cherries, Tymbark Apricot, Tymbark Grapefruit, Tymbark Peaches, Tymbark Pears, Pineapple Pulp and Tymbark Multivitamins. Tymbark nectar packed in Tetra Pak cartons can then be stored and ambient temperature, without getting altered, and, after refrigeration, it can remain cold for some time.

Further, we analyze the same subcategory - **nectars**. Another manufacturer's brand is Tymbark Carotella, which was launched in April 2003, available in 3 sub-segments: carrot, peach and apple, carrot, orange and multivitamins in Tetra Pak packages, in cardboard boxes like "prism" of 100cl, with corresponding SKU: Carotella Plus multivitamin, Carotella Plus Carrots, peaches, apples, Carotella Plus Carrots, apples, oranges. **Tedi** is the most recognized brand of Tymbark; it appeared on the Romanian market in September 2001.

Figure 14. Classification of sub-department "Non-alcoholic" on categories B

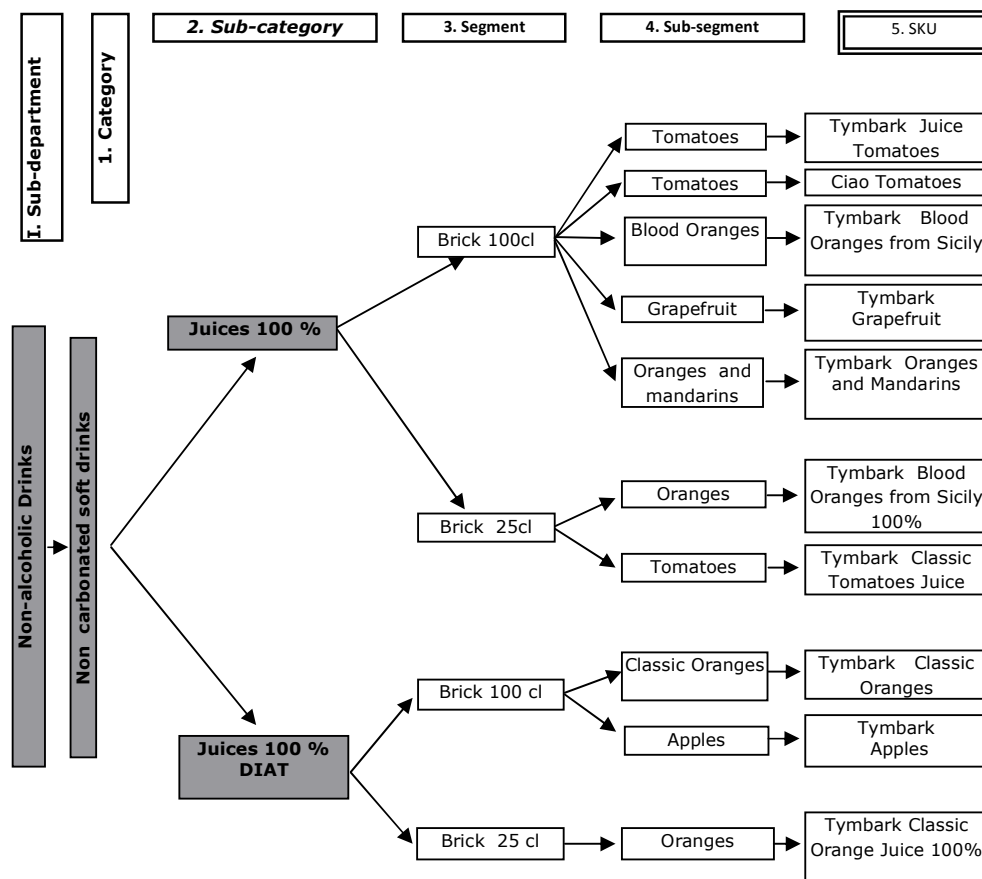


The subcategory of nectars is divided into 3 segments (Brick of 33cl, Brick of 75cl, Brick 20cl). In 2003, Tedi is increasing its portfolio by launching the range of 75cl in 3 types: bananas, peaches and multivitamin range are broadened further with pears and raspberries. In 2005, Tedi launched on the Romanian market the 20cl box in 3 variants: raspberries, multivitamin and peaches.

The second category of Tymbark product portfolio is fruit juices. This

category is divided into 4 segments. The first segment is divided into 5 sub segments, with corresponding SKU: Tymbark Tomato juice, Tymbark Blood Orange of Sicily, Tymbark Grapefruit, Tymbark Oranges and Mandarins, and Ciao Tomatoes. The second segment is divided into 2 sub segments, with corresponding SKU: Tymbark Blood Orange from Sicily, Tymbark Classic Tomato juice.

Figure 15. Classification of sub-department "Non-alcoholic drinks" in categories C



The products belonging to the following segments Classic Oranges, Apples and Oranges with SKU- Classic Tymbark Oranges Tymbark Apples and Classic Oranges juice 100% are produced as Diets-sugar-free. They can be considered as another category in a future classification that has a cross logic

opposed to that categorial scheme, described above.

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