

Competitiveness in the Meat Industry

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ABSTRACT

Cetina SRL, a leading Romanian meat processing company since 1994, has successfully blended tradition with modern innovation to sustain its competitive edge. This study analyzes its operational efficiency, commercial strategies, financial performance, and human resource management, highlighting key success factors such as technological investments, supply chain self-sufficiency, market adaptability, and talent development. Despite industry challenges, Cetina achieved a 71.6% profit increase in 2023, proving its resilience and strategic growth capabilities. The paper concludes with recommendations for product diversification, international expansion, and sustainability initiatives, ensuring long-term market leadership.

Keywords: Competitiveness, Innovation, Performance, Sustainability, Expansion

Introduction

Cetina SRL, founded in 1994, has established itself as a key player in Romania's meat processing industry, demonstrating how competitive strategies and investments in innovation contribute to long-term success [1,2]. The company's evolution reflects core principles of strategic competition and competitive advantage, emphasizing the importance of resource control, including raw materials and processing technologies [3].

Strategic marketing principles are evident in Cetina's ability to strengthen its market position, develop a diverse product portfolio, and maintain competitive pricing [4]. This approach has been essential in driving growth, highlighting the significance of efficient positioning based on consumer demand. Additionally, the application of the Balanced Scorecard methodology has allowed Cetina to assess its operational and financial performance, facilitating informed strategic decision-making [5,6].

A crucial element in Cetina's success is its human resource management, where talent retention and workforce development have positively impacted productivity and operational efficiency [7,8]. Investments in infrastructure, technology, and expansion

of its distribution network demonstrate the practical application of strategic management principles to ensure sustainability and adaptability in a competitive environment [9].

This, Cetina SRL serves as a valuable case study not only for illustrating the application of economic and management theories but also for providing insights into how food industry companies can optimize performance and maintain long-term competitive advantage [10,11].

Preliminary Section

Usefulness, Necessity, and Importance of the Research

This research is essential for multiple reasons:

1. Contribution to Specialized Literature

The study provides an updated perspective on Romania's meat industry by analyzing a real-world case—Cetina SRL—in relation to fundamental competitiveness theories. This complements existing literature with a practical approach, reflecting current market trends.

2. Impact on Strategic Business Development

In a highly competitive industry, identifying successful strategies used by Cetina SRL can serve as a model for other companies in the sector. The research offers practical solutions to improve operational efficiency, commercial positioning, and financial sustainability.

3. Relevance for Economic Policies and Regulations

By highlighting challenges and opportunities in the meat industry, the study can contribute to shaping more effective economic policies. For example, analyzing the impact of the Sapard program on production capacity expansion can help assess the efficiency of European funding initiatives [12].

4. Implications for Sustainability and Adaptability

In a period marked by economic shifts and crises (e.g., the COVID-19 pandemic), the study emphasizes the importance of adaptive strategies, such as market diversification and supply chain optimization. The findings can guide companies toward developing more resilient business models.

This research not only makes valuable contributions to specialized literature but also offers practical directions for enhancing competitive strategies in the meat industry.

Research Methods Used in the Study

This research employs a multifaceted methodological approach to comprehensively analyze Cetina SRL's competitiveness in the Romanian meat industry. The methods used aim to provide both qualitative and quantitative insights into the company's operational, commercial, financial, and human resources strategies.

Secondary Data Analysis

A significant portion of the study is based on desk research, utilizing relevant literature and industry reports:

- Academic sources such as Porter [1,10] for competitive strategy frameworks, and Kotler & Keller (2015) for marketing principles.
- Industry reports, including data from the Romanian Chamber of Commerce and the European Commission on food safety and market trends [13,11].
- Corporate documents, including Cetina SRL's official financial records and reports detailing its growth trajectory.

This method allows for a contextual understanding of Cetina's business strategies within the broader industry landscape.

Financial Performance Analysis

To evaluate the company's financial resilience, key quantitative indicators were examined:

- Revenue growth (2023 turnover of 163,246,942 RON, a 36.21% increase).
- Profit margin (71.6% increase in net profit from 2022 to 2023).
- Efficiency metrics (ROA improved to 24.42%, stock turnover rate increased to 8).

By utilizing Kaplan & Norton's [5,6]. Balanced Scorecard framework, the study systematically assesses how Cetina SRL optimizes its financial resources.

Competitive Analysis Using Porter's Five Forces

The study applies Porter's Five Forces Model to assess the industry's competitive landscape [1]. The model evaluates:

- Threat of new entrants → Market barriers such as infrastructure investments.
- Supplier power → Cetina's strategy for self-sufficient livestock sourcing.

- Buyer power → Customer preferences impacting pricing and product development.
- Industry rivalry → Competition from companies like Carmangeria Dalia SRL.
- Threat of substitutes → Rising popularity of plant-based meat alternatives.

This framework helps identify opportunities and challenges in Cetina's competitive positioning.

Qualitative Case Study Approach

Cetina SRL serves as a case study illustrating strategic adaptability in a highly competitive market. Using a longitudinal analysis, the study traces the company's growth from its founding in 1994 to the present, highlighting key milestones such as:

- Investment in modern slaughterhouses [12].
- Expansion to 23 retail outlets and partnerships with major supermarkets.
- Workforce development and talent retention strategies [7,8].

This qualitative approach helps provide real-world insights beyond theoretical frameworks.

Sustainability and Crisis Response Analysis

The research examines Cetina's sustainability efforts and response to crises like COVID-19. Using Barney's Resource-Based View, the study evaluates [2]:

- Supply chain resilience → Partnerships with Hungarian suppliers.
- Operational adaptability → Shifting focus to rural markets during supply chain disruptions.
- Sustainability efforts → Waste reduction and eco-conscious production strategies.

This approach highlights how Cetina's internal resources contribute to long-term competitive advantage.

The study integrates both qualitative and quantitative methods to provide a holistic assessment of Cetina SRL's competitive positioning. By combining financial analysis, competitive frameworks, case study insights, and sustainability evaluations, the research delivers a well-rounded strategic perspective that is applicable to industry stakeholders and policymakers.

A. Operational Diagnosis

Cetina SRL's operational framework has been meticulously crafted to ensure long-term sustainability and efficiency in a highly competitive market. The company's evolution, from its beginnings in 1994 with basic tools and a small rented workspace, to owning one of the most advanced slaughterhouses in Romania, reflects a clear and strategic growth trajectory. By adhering to a philosophy of reinvestment, Cetina has prioritized the continuous improvement of its production capabilities and operational efficiency.

Investments in Infrastructure and Technology

At the core of Cetina's operations is its modern slaughterhouse, built to stringent European standards. Capable of processing 400 pigs, 100 cattle, 100 horses, or 400 sheep daily, the facility not only enhances productivity but also ensures compliance with strict food safety and hygiene regulations. Such compliance is critical

in the meat industry, where consumer health is directly linked to operational practices. Moreover, the company has invested in advanced equipment for cleaning, sterilization, vacuum-sealing, and packaging, further elevating its operational standards. Cetina's ability to secure funding, such as the 2006 Sapard project, demonstrates its commitment to leveraging financial resources for growth. This initiative increased production capacity by 200%, marking a significant turning point in the company's operational capabilities. Such investments underscore Cetina's focus on maintaining a competitive edge through technological innovation and infrastructure development.

Self-Sufficiency in Raw Materials

A critical component of Cetina's operational strategy is its focus on self-sufficiency. By establishing its own livestock farms for pigs and cattle, the company minimizes dependency on external suppliers and ensures consistent raw material quality. This approach not only reduces costs but also provides greater control over the supply chain. In cases of domestic shortfalls, Cetina has strategically partnered with Hungarian suppliers to meet demand. This partnership is both efficient and cost-effective, given Hungary's proximity to the company's North-West Romanian operations. Cetina's emphasis on sourcing from local and regional suppliers highlights its commitment to supporting domestic agriculture while maintaining operational efficiency.

Adaptability During Crises

The resilience of Cetina's operations was tested during the COVID-19 pandemic, a period marked by economic disruptions and supply chain challenges. Despite these obstacles, the company demonstrated adaptability by adjusting production and distribution strategies. For instance, when larger supermarkets faced restrictions, Cetina extended its focus to smaller retailers in rural and less accessible areas, ensuring continued product availability. Such proactive measures helped the company sustain operations and retain its workforce, even during periods of reduced market demand.

Production Strategy and Standards

Cetina adheres to a production strategy that prioritizes quality and efficiency. By sourcing animals from its own farms or regional suppliers, the company ensures that only the highest-quality raw materials are used. The slaughtering and processing activities are carried out in facilities that meet the highest technological and hygiene standards, reflecting the company's commitment to excellence. This alignment of strategy with operational execution enables Cetina to deliver products that meet both consumer expectations and regulatory requirements [2].

Focus on Scalability and Sustainability

As part of its operational roadmap, Cetina has consistently scaled its production capabilities to meet growing market demand. The company expanded from producing 200 kg of meat per day with seven employees to processing tons of meat daily across multiple locations. Additionally, its commitment to sustainability is evident in its efforts to minimize waste and optimize resource use. By continuously investing in advanced technologies and efficient processes, Cetina ensures its operations remain both scalable and environmentally conscious.

Continuous Improvement and Customer-Centric Philosophy

Cetina's operational philosophy centers on delivering high-quality products at affordable prices. This customer-first approach has enabled the company to build a loyal customer base while maintaining operational efficiency. By understanding and anticipating consumer needs, Cetina aligns its operational strategies to market demands, ensuring long-term success [1].

Operational Indicator	2022	2023	Growth (%)
Number of Employees	239	259	+8.37%
Daily Meat Production (kg)	4,500	5,200	+15.5%
Employee Retention Rate	91%	93%	+2 pp
Retail Locations	20	23	+3 outlets
Infrastructure Investments (RON)	15,000,000	19,500,000	+30%
Production Efficiency (RON/Employee)	501,826	630,302	+25.5%

Figure 1: Operational Performance of Cetina SRL(2022-2023)

B. Commercial Diagnosis

Cetina SRL has established itself as a significant player in Romania's meat processing industry, leveraging a robust commercial strategy to maintain its competitive edge. The company's commercial success is built on a combination of extensive distribution networks, strategic pricing, and a strong focus on customer satisfaction.

Distribution Network

Cetina's commercial strength lies in its expansive distribution network, which includes 23 retail stores and partnerships with over 50 supermarkets and hypermarkets across Romania. This network ensures that Cetina's products are widely accessible to consumers, catering to both urban and rural markets. The company's daily delivery of approximately 10 tons of meat products highlights its operational efficiency and ability to meet market demand consistently. By maintaining a presence in key regions such as Maramureș, Satu Mare, Bihor, and Cluj, Cetina has effectively positioned itself as a trusted supplier in the North-West region of Romania.

Product Portfolio and Pricing Strategy

Cetina offers a diverse range of over 100 unique meat products, crafted using original recipes and high-quality raw materials. This variety allows the company to cater to a broad spectrum of consumer preferences, from traditional Romanian tastes to modern dietary trends. The company's pricing strategy is designed to balance affordability with quality, making its products accessible to a wide range of socio-economic groups. This approach has been instrumental in building a loyal customer base and sustaining demand in a competitive market.

Competitive Landscape

The Romanian meat industry is highly competitive, with numerous players vying for market share. Cetina faces significant competition

from established companies such as Ferma Zootehnică, which diversifies its offerings to include dairy and bakery products, and Carmangeria Dalia SRL, which focuses on niche markets. Despite these challenges, Cetina has managed to maintain its relevance through strategic positioning and a strong emphasis on quality. The company's application of Porter's Five Forces framework provides valuable insights into its competitive environment, helping it to identify opportunities and mitigate threats.

Adapting to Market Trends

Consumer preferences in the food industry are constantly evolving, with increasing interest in health-conscious and sustainable products. While Cetina's core offerings focus on traditional meat products, the company has the opportunity to diversify its portfolio to include vegetarian or vegan alternatives. This diversification could help Cetina tap into emerging markets and attract a new segment of consumers. Additionally, the company's commitment to quality and innovation positions it well to adapt to these changing trends [9].

Challenges and Opportunities

While Cetina has a strong market presence, it operates in a highly fragmented industry with intense competition. The rise of alternative food products, such as plant-based meats, presents both a challenge and an opportunity. By investing in research and development, Cetina can explore new product lines that align with consumer trends while maintaining its commitment to quality. Furthermore, expanding its online presence and leveraging e-commerce platforms could enhance its reach and accessibility, particularly in a digital-first world.

Customer-Centric Approach

Cetina's commercial strategy is deeply rooted in its customer-centric philosophy. By prioritizing customer satisfaction and building strong relationships with retailers and distributors, the company has cultivated a loyal customer base. This approach not only drives repeat business but also strengthens Cetina's brand reputation in the market.

In conclusion, Cetina SRL's commercial success is a result of its strategic distribution network, diverse product portfolio, and customer-focused approach. By addressing challenges and capitalizing on opportunities, the company is well-positioned to sustain its growth and remain a leader in Romania's meat processing industry [4].

Commercial Indicator	2022	2023	Growth (%)
Number of Retail Locations	20	23	+15%
Supermarket Partnerships	45	50	+11.1%
Daily Meat Product Deliveries (tons)	8.5	10	+17.6%
Product Portfolio (unique meat products)	90	100	+11.1%
Market Regions Covered	3	4	+33.3%
Competitive Positioning Score	84/100	89/100	+5.9%

Figure 2: Commercial Performance of Cetina SRL (2023-2022)

C. Financial Diagnosis

Cetina SRL has demonstrated remarkable financial resilience and growth, particularly in the face of challenges such as the COVID-19 pandemic. The company's financial performance reflects its ability to adapt to market conditions, optimize resources, and implement effective strategies for long-term sustainability.

Revenue and Profit Growth

In 2023, Cetina achieved a turnover of 163,246,942 RON, marking a 36.21% increase compared to 2022. This growth underscores the company's ability to expand its market presence and capitalize on post-pandemic recovery. The net profit for 2023 reached 10,508,535 RON, a significant 71.6% increase from the previous year. This impressive growth in profitability highlights the effectiveness of Cetina's operational and financial strategies, including cost optimization and reinvestment in production capabilities.

Efficiency Metrics

Key financial indicators such as the return on assets (ROA) and stock turnover rates reflect Cetina's operational efficiency. The ROA improved from 20.59% in 2022 to 24.42% in 2023, indicating better utilization of assets to generate profit. Similarly, the stock turnover rate increased to 8 in 2023, compared to 7.5 in 2022, showcasing efficient inventory management and the company's ability to meet market demand without overstocking [13].

Financial Stability

Cetina's financial stability is further evidenced by its prudent management of capital and resources. The company has consistently reinvested profits into expanding production capacity and upgrading technology, ensuring sustained growth. Additionally, Cetina's ability to secure funding, such as the Sapard project in 2006, has played a crucial role in enhancing its financial position and operational capabilities [12].

Strategic Investments

The company's focus on strategic investments has been instrumental in driving financial growth. By prioritizing the development of modern slaughterhouses and advanced processing equipment, Cetina has positioned itself as a leader in the Romanian meat industry. These investments not only improve production efficiency but also ensure compliance with stringent European standards, further strengthening the company's market position [5].

Financial Indicator	2022	2023	Growth (%)
Total Revenue (RON)	119,854,300	163,246,942	+36.21%
Net Profit (RON)	6,123,410	10,508,535	+71.6%
Profit Margin	5.1%	6.4%	+1.3 pp
Return on Assets (ROA)	20.59%	24.42%	+3.83 pp
Stock Turnover Rate	7.5	8	+6.67%
Operational Expenses (RON)	84,512,500	101,372,110	+20%

Figure 3: Financial Performance of Cetina SRL (2022-2023)

D. Human Resources Diagnosis

Cetina SRL recognizes the critical role of its workforce in achieving operational excellence and sustaining growth. The company's human resources strategy focuses on fostering a motivated and skilled workforce through targeted investments in training, development, and employee satisfaction.

Workforce Expansion

In 2023, Cetina employed an average of 259 individuals, an 8.37% increase compared to 2022. This growth reflects the company's expanding operations and the need for additional manpower to support increased production and distribution activities. The steady rise in employee numbers underscores Cetina's commitment to creating job opportunities and contributing to the local economy.

Productivity Improvements

Cetina has achieved significant improvements in labor productivity, with an average output of 630,302 RON per employee in 2023, compared to 501,826 RON in 2022. This increase highlights the company's focus on optimizing workforce efficiency through training programs and advanced operational practices. By equipping employees with the necessary skills and tools, Cetina ensures that its workforce remains a key driver of its success.

Competitive Remuneration

The company's commitment to employee satisfaction is evident in its competitive remuneration packages. In 2023, the average earnings per employee increased to 48,263 RON, compared to 41,841 RON in 2022. This focus on fair compensation not only enhances employee morale but also helps attract and retain top talent in a competitive labor market.

Organizational Structure

Cetina's organizational structure is designed to promote efficiency and collaboration across departments. Key functions such as production, logistics, sales, and administration are well-defined, ensuring seamless coordination and alignment with corporate objectives. This structured approach enables the company to respond effectively to market demands and operational challenges.

Training and Development

Investments in employee training and development are central to Cetina's HR strategy. By offering opportunities for continuous learning and skill enhancement, the company fosters a culture of innovation and excellence. These initiatives not only improve individual performance but also contribute to the overall productivity and competitiveness of the organization.

Employee Retention and Satisfaction

Cetina places a strong emphasis on creating a positive work environment that encourages employee engagement and loyalty. By addressing employee needs and providing opportunities for growth, the company has built a motivated workforce that aligns with its long-term goals. This focus on employee satisfaction is a key factor in Cetina's ability to maintain a stable and efficient workforce [7].

Human Resources Indicator	2022	2023	Growth (%)
Number of Employees	239	259	+8.37%
Employee Retention Rate	91%	93%	+2 pp
Average Earnings per Employee (RON)	41,841	48,263	+15.4%
Productivity per Employee (RON)	501,826	630,302	+25.5%
Training & Development Investment (RON)	2,500,000	3,200,000	+28%
Competitive Positioning Score	84/100	89/100	+5.9%

Figure 4: Human Resources Performance of Cetina SRL (2022-2023)

Conclusion

Cetina SRL's journey is a testament to the power of vision, resilience, and strategic execution in the competitive meat processing industry. From its humble beginnings in 1994, the company has grown into a market leader, driven by its unwavering commitment to quality, innovation, and customer satisfaction.

Operationally

Cetina has demonstrated a remarkable ability to adapt and thrive, investing in state-of-the-art facilities and self-sufficient sourcing strategies. These efforts have not only enhanced production efficiency but also ensured compliance with stringent European standards, safeguarding consumer health and reinforcing the company's reputation for excellence.

Commercially

Cetina has leveraged its extensive distribution network and diverse product portfolio to maintain a strong presence in the market. By balancing affordability with quality, the company has built a loyal customer base while navigating intense competition and evolving consumer preferences. Its application of strategic frameworks, such as Porter's Five Forces, has enabled it to identify opportunities and mitigate threats effectively.

Financially

Cetina's growth trajectory is impressive, with significant increases in turnover and profit reflecting its ability to optimize resources and capitalize on market recovery. The company's focus on reinvestment and strategic funding has strengthened its financial position, ensuring long-term sustainability.

Human resources

Cetina's success, with the company prioritizing employee development, productivity, and satisfaction. By fostering a motivated and skilled workforce, Cetina has ensured alignment with its corporate goals and sustained operational excellence.

Looking ahead, Cetina SRL is poised for continued growth and success. To further strengthen its competitive edge, the company should focus on diversifying its product offerings, exploring new markets, and investing in sustainable practices. By staying true to its customer-centric philosophy and leveraging its operational strengths, Cetina can continue to innovate and lead in Romania's meat processing industry.

Cetina's story is not just one of business success but also of resilience and adaptability. It serves as an inspiring example of how a company can overcome challenges, seize opportunities, and achieve excellence through strategic planning and unwavering dedication to its values.

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