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BUSINESS ETIQUETTE AROUND THE WORLD

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Abstract:

Dreaming of a world without COVID, thinking about a world that seems almost like a dream, missing a world in which everything was possible I have decided to look at some of the world's business customs. Most of them are impossible to do today and the business world as we knew it may never be the same but I feel that looking back we can see and understand each other's culture even more. From knowing how to shake a partner's hand – a thing that ZOOM meetings couldn't replace no matter how advanced the technology could get – to knowing how to address them or how to act during a business meeting these are all mandatory to know if you want to close the deal with a foreign partner. If you want to improve your business etiquette and to dream for a second that we could have face-to-face interactions let's dive into the topic.

Keywords: Business, Business Etiquette, Customs

We all know that in order for things to go smoothly we have to follow some rules. Rules are everywhere. Written or just agreed upon, from our homes to our offices, rules have a great role in our day to day activities.

As nations, we all have different traditions, different customs and even in the privacy of our own homes we like things done a certain way. Well, the business world is not a stranger to this matter. Different situations require different approaches. In some countries an action might be seen as appropriate while in others you might offend your host with what you do. Although, in essence, the actions are the same – handing over the business card, the business attire or even a handshake – the way we do those is different around the world.

Let's take it from the beginning. What do we understand through etiquette? The Cambridge Dictionary tells us that etiquette is “the set of rules or customs that control accepted behaviour in particular social groups or social situations”¹. So, if I may go on with this statement we can say that business etiquette, the main theme of this paper, represents the set of rules that control accepted behaviour in business encounters.

Actions that happen no matter what in a business encounter contain introductions, business meetings and business dinners.

Let's take a dive into the wondrous world of business etiquette around the world in terms of introductions.

Shaking hands was a gesture that was part of our day-to-day life before Covid-19 made its entrance on the global scene but, according to Cindy Kinder, the author of “Why is our handshake so important?”, while for some a handshake is nothing but a formality for others “it is a massive indication of a person's depth of character, trustworthiness and strength”². A lot can be said through a handshake and most business people can read something about you through it. So how is the perfect handshake around the world?

In most countries like: Brazil, Canada, USA, Denmark, Germany, Ireland, Russia, Spain, Sweden, Switzerland, UK, Israel, UAE, Australia, New Zealand and Singapore the handshake has to be firm so that you show confidence, power and seriousness. In other countries, like Taiwan, South Korea, Japan, Hong Kong and France the handshake can be lighter. In India, the handshake has to be firm but also has to be accompanied by the greeting “Namaste” which tore down to pieces literally means “bow me you” (nama= bow; as=me; te=you) or “I bow to you”³. This will show that you respect your partner's culture and that you are careful and mindful towards all details.

¹ Information retrieved at <https://dictionary.cambridge.org/dictionary/english/etiquette>

² Information found at <https://www.uidaho.edu/-/media/UIDaho-Responsive/Files/Extension/county/Gooding/4-H-gooding-camas/Leadership-handshaking-importance.pdf?la=en&hash=E70A88D2951E4EB08AB2E486E276C3B030A260AF>

³ Definition found at <https://www.yogajournal.com/practice/the-meaning-of-quot-namaste-quot>

In what concerns the handshake we can see that in Europe, Russia, US and Canada firm handshakes are preferred, while in most countries from Asia and in France firm handshakes are a bit frowned upon and lighter handshakes are favoured.

Usually, the higher ranking person will offer their hand first, but if they don't, you can still offer yours. Make eye contact when you shake their hand and smile. Those who hide their eyes are viewed as lacking confidence and honesty.⁴

Attention, in Russia smiling too much is seen as being insincere. So try to be as serious and as cold as you can. Also, we all know French people are really patriotic and love everything about France. They would expect you to speak French and it would be really appreciated if you did. If you do not, you could try to remember how to excuse yourself for not speaking French. "Je suis désolé je ne parle pas français."

How to address other people? When you meet your partner for the first time make sure you pay attention to their name. If you aren't sure how to pronounce it, be honest and ask. If they have an unusual name they won't mind it and it will actually show that you care about them and about not messing their name up.

Also, you should introduce yourself. You should say both your first and last name, especially if you have a common first name.

As in the case of handshakes, addressing people is different around the world. In Brazil, Denmark, France, Germany, Russia, Spain, Switzerland, UK, Israel, Hong Kong, India, Japan, New Zealand, Taiwan and South Korea you should address the other person with their last name either preceded or succeeded by a form of respect (Mr, Mrs, Monsieur, Madame, Herr, Frau, etc). In countries like Canada, USA, Ireland and Sweden you can and most certainly, should address your partner with their first name. This is also the case in the UAE but there you should add "Sayed / Sayeda" before the name.

Something that is really interesting happens in Singapore. The greetings depend on whomever you are meeting. If the other person is Chinese you should address them by their last name. Also you should say Mr or Mdm before pronouncing their name. If the person comes from Malaysia or from India, you could address them by their first name, after you call them Mr or Ms.

What about business attire? In Brazil, Canada, Denmark, France, Germany, Ireland, Russia, Spain, Switzerland, UK, UAE, Australia, Hong Kong, India, Japan, New Zealand, South Korea and Taiwan you should always be dressed sharp. A suit or something formal is usually accepted.

In Singapore, Israel and Sweden you can be dressed more casual. You don't need to be all dressed up. They don't care as much about your outfit as they care about your ideas.

Every little gesture can be interpreted and even a small one could bring the end to the meeting and to the partnership. Be careful on how you hand over your business card. Although in most countries there is not a ritual in what concerns the business card exchange in some countries like Israel, Hong Kong, India, Japan, Singapore, South Korea and Taiwan you should handle them with respect and with both hands. Make sure when you are in UAE you only hand your card with your right hand only. It is seen as really disrespectful and may even be seen as an insult towards your partner.

Always be on time. Punctuality is key, because as the saying goes in business "time is money". If, by any chance, you are late let your partner know as soon as possible. Ideally you should arrive 5 or 10 minutes earlier than your appointment.

⁴ Information retrieved at <https://toggl.com/track/business-etiquette-rules/>

Everything I said about the introductions part of the business meeting can be found in the following table:

Table 1. Introductions

Country	Handshake	How to address	Dress code	Business Card
Brazil	Firm	Senhor/Senhora Silva	Sharp	No ritual
Canada	Firm	Liam/Olivia	Sharp	No ritual
USA	Firm	Noah/Sophia	Both	No ritual
Denmark	Firm	Herr/Fru Jensen	Sharp	No ritual
France	Light	Monsieur/Madame Martin	Sharp	No ritual
Germany	Firm	Herr/Frau Muller	Sharp	No ritual
Ireland	Firm	Jack/Emily	Sharp	No ritual
Russia	Firm	Gaspadin/Gaspazhah Smirnov	Sharp	No ritual
Spain	Firm	Senor/Senora Garcia	Sharp	No ritual
Sweden	Firm	Lucas/Elsa	Casual	No ritual
Switzerland	Firm	Mr/Mrs Bianchi	Sharp	No ritual
UK	Firm	Mr/Mrs Smith	Sharp	No ritual
Israel	Firm	Mr/Mrs Cohen	Casual	Both hands
UAE	Firm	Sayed Mohammed	Sharp	Right hand
Australia	Firm	Jack/Charlotte	Sharp	No ritual
Hong Kong	Light	Mr/Mrs Wong	Sharp	Both hands
India	Firm	Mr/Mrs Patel	Sharp	Both hands
Japan	Light	Sato san	Sharp	Both hands
New Zealand	Firm	Mr/Mrs Smith	Sharp	No ritual
Singapore	Firm	It depends	Casual	Both hands
South Korea	Light	Mr/Mrs Kim	Sharp	Both hands
Taiwan	Light	Mr/Mrs Tan	Sharp	Both hands

Source: <https://www.businessinsider.com/a-guide-to-business-etiquette-around-the-world-2015-5>

Hopefully you and your partner have gone through the introduction part with a firm or a light handshake, calling each other the right name and each other handed your business card in the right way. Now it is time for your business meeting.

In countries like Brazil, Spain, UAE, Israel, Hong Kong, India, Japan, South Korea and Taiwan pre-business chit-chat is customary. While in the USA, Denmark, Germany, Ireland, Sweden, UK, Australia and New Zealand it is kept to a minimum, in other countries like Canada, France, Russia, Switzerland and Singapore it is really rude and you should get straight to business.

If there is an agenda do the meetings stick to it? Well, if you are in Brazil, Canada, USA, Russia, Spain, Israel, UAE, India, Singapore, South Korea or Taiwan they don't necessary go according to the schedule. Other countries like New Zealand, Japan, Hong Kong, Australia, UK, Switzerland, Sweden, Ireland, Germany, France or Denmark are more serious when it comes to their agenda and do everything by the books.

It is usually very rude to interrupt someone on our day-to-day life but how is it in the business world? Astonishingly, in countries like Brazil, France, Russia, Spain, India and Singapore interruptions are allowed.

Direct communication means that you don't need to read between the lines. Communication is straight forward and you can say what you mean without going around the bushes.

Indirect communication is when you don't want to upset your business partner and instead of saying NO you say POSSIBLY. This kind of communication is also referred to as "saving face" – protecting another's honour and self-esteem.

Which one of these is the right way to communicate in the business universe? It depends on what country you are coming from. If you are from Brazil, USA, Denmark, France, Germany, Ireland, Sweden, Switzerland, UK, Israel, Australia and New Zealand you will more likely say what you have to say directly. If you are from Canada, Russia, Spain, UAE, Hong King, India, Japan, Singapore, South Korea or Taiwan you are more likely to be considerate towards your partner and you might not be as blunt and as direct.

Your business meeting went great, you closed the deal and now it is time for your celebratory dinner but you still wouldn't want to offend your partner with anything. What should you keep in mind when it comes to the dinner etiquette?

If you are in Sweden you should look into the person being toasted and say "skål". This means cheers or good luck.

In Russia it is rude to start drinking until the first toast has been made.

As in the case of handing the business card in UAE and in India only the right hand should be used for eating.

In Switzerland you should cut your potatoes with a fork not with a knife.

If you don't leave some rice in the bowl in Taiwan you will be seen as rude. Not the same thing can be said if you are in Denmark. There it is expected that you finish everything that is on your plate. Make sure you reserve more than two hours for your dinner in Brazil.

Everyone will expect you go to karaoke after your dinner in South Korea. Noraebang is a custom there.

You should remember that in Israel the workweek is from Sunday to Thursday.

In conclusion, there are a lot of things you should take into consideration when you plan a business trip. Not only your pitch and your business strategies are important but your knowledge and your respect for the other person's culture will have a say if you close the deal or not. There is definitely no right or wrong way but there is involvement and ignorance. There are easy things that you can do and trust me, your partner will notice.

Of course these are some rules that applied in our pre-COVID world. As everything these days, the business world is changing and we are trying to adapt to it. But while doing so, we should still care about each other no matter where we are in the world.

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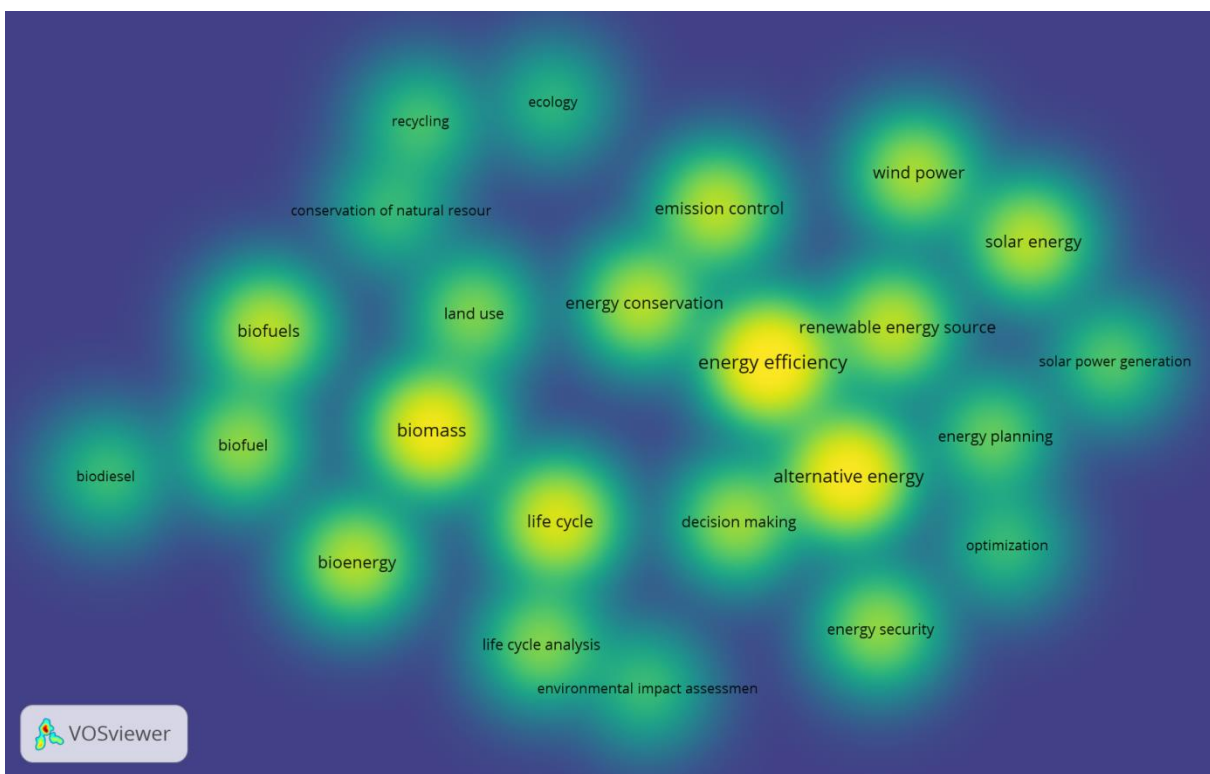
- <https://www.yogajournal.com/practice/the-meaning-of-quot-namaste-quot>
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- <https://dictionary.cambridge.org/dictionary/english/etiquette>
- <https://toggl.com/track/business-etiquette-rules/>

This analyse was realised for 113 countries. As we can observe from the network visualisation above, United States (US) is the country with the highest number of autorship relations. It has 50 links, which means that authors from US collaborated with 50 different authors from other countries to elaborate a total number of 237 documents. After US, the next state with the highest co-autorship relations between countries is United Kingdom (UK) with 50 links and 152 documents. After UK, the next country would be Germany with 45 links and 122 documents. We can also mention Australia with 29 links and 95 documents, Italy with 34 links and 109 documents and Spain 24 links and 76 documents.

This analysis is important because we can see the areas in which authors collaborate the most with other countries in order to elaborate scientific papers. From this point of view, we can say that those who collaborate with others, can make a progress faster than the others and they achieve a more complex result.

Co-occurrence analysis shows the relatedness of items determined based on the number of documents in which they occur together.

Figure 2. Co-occurrence of authors' keywords, analysis realised in VOSviewer, 13.10.2020



As we can observe from the analysis above, the most common words used by authors are: alternative energy, energy efficiency, biomass, biofuels, bioenergy, renewable energy sources, emission control, solar energy, wind power, decision making, conservation of natural resources or ecology. At a closer look, these concepts represent solutions for reducing the impact of climate change and implementing sustainability principles.

Alternative energy or renewable energy sources are the ones that does not affect the environment and they can't run out. Among this, we can include solar energy, wind energy, hydro energy, tidal energy, geothermal energy and biomass energy.

Solar energy is one of the most used green energy sources because it can be accessible almost everywhere if you have the right infrastructure. A very interesting fact is that the amount of solar energy that meets our planet's surface satisfies our necessities for a year. We can use solar energy by installing solar panels.

Wind energy is common too and in order to benefit from it you need to have wind farms with turbines. It is an expensive technology but it helps to protect the environment and reduce the carbon footprint.

Hydro energy is one of the most developed forms of alternative energy nowadays and more accessible when it comes to costs. If one's wants to benefit from hydro energy, it needs a dam in order to create a controlled flow of water that will go straight into a turbine which generates electricity.

Tidal energy is less common but it's still a source of hydro energy . It works by using the currents in the oceans or waters so that it makes the turbines work.

Geothermal energy from below the Earth's surface can be used for heating or for creating electricity. Although is an important source of green energy, geothermal energy is negligible in comparison with other sources of alternative energy.

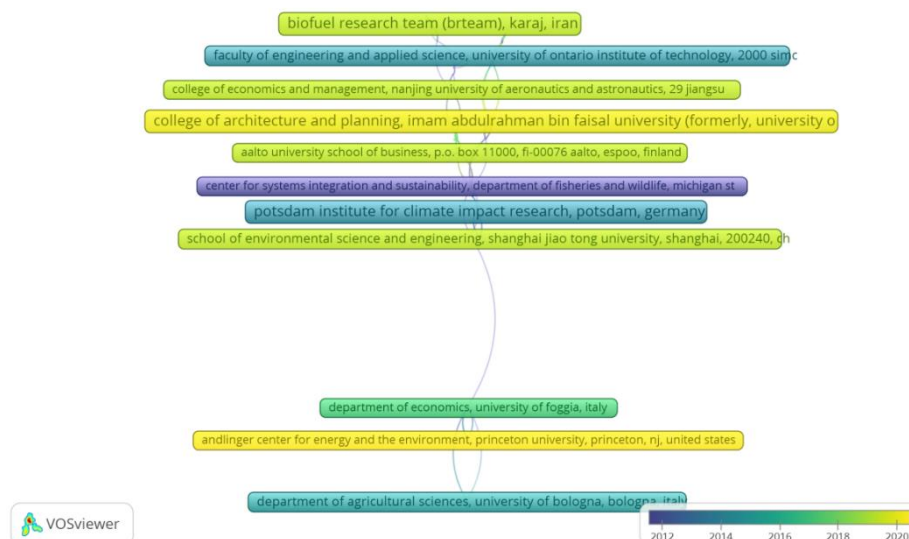
Biomass energy is very accessible because it is made by converting waste from agriculture, industry or even domestic waste into gas, after a fermentation process. There have been invented small scale systems for households which turn the domestic waste into combustible gases formed by carbon monoxide, hydrogen and methane. The gas resulted is conducted directly in the house and can be used for creating energy and other sources of power.

In other words, it is essential for us to be aware of the situation that we are in, at a global scale, regarding damaging the environment and one of the worst effects of it, climate change. It is our duty to be informed about alternative ways of development so that we can satisfy our needs, without causing environmental issues. One of these ways and a very important objective known worldwide is sustainability, which can be obtained by using renewable energy sources. It is true that it might be a little more expensive at the beginning than conventional energy sources, but it is worth to save the Planet. As the technology for the alternative energy sources will continue to develop and have more supporters, it will also be more accessible in regards to the price.

Another important step that we have to take for preventing reaching a high level of emissions, is to have a controlling process, which means that we should analyse more carefully the environmental and quality indicators that show us what we should do next.

As we can observe from the graphic above, the analysis is realised between 2012-2020 and it shows the most cited institutions in the sustainability and environmental protection area.

Figure 3. The most cited organizations, analysis realised in VOSviewer,13.10.2020



The most cited institution in 2020 was Andlinger center for energy and the environment , part of Princeton University. They published one document which had 7 links, which means it has been cited 7 times. Another institution which was cited in 2019, is the Biofuel research team from Iran which published 3 documents and had 14 links. Also in 2019, another important institution which was cited 7 times was School of Environmental Science and Engineering from Shanghai . In 2012, the most cited institution was Center for System Integration and Sustainability, Department of fisheries and wildlife from Michigan, which had only 1 document and it has been cited 2 times. The increasing number of scientific documents and links means that the interest in this domain, of sustainability and green energy has developed.

2. THE QUANTITATIVE ANALYSIS OF THE INFLUENCE OF ROMANIA’S GDP TO THE SHARE OF ELECTRICITY FROM RENEWABLE SOURCES IN THE TOTAL ELECTRIC POWER – SIMPLE REGRESSION REALISED BY USING EXCEL

	GDP(X) (mil. Lei)	Share of electricity from renewable sources in the total electric power(Y) (thousand tons)
2000	80873,1	28,8
2001	117391,4	28,6
2002	152271,5	29,9
2003	191917,6	23,9
2004	244688,3	29,8
2005	286861,9	34,5
2006	342762,6	30,2
2007	425691,1	26,8
2008	539834,6	26,8
2009	530894,4	27,6
2010	528247	34,3
2011	559244,8	27,1
2012	593742,9	26,3
2013	635459,4	35,7
2014	668590,1	42,9
2015	712587,8	40,8
2016	765135,4	43,2

Source: [www. Insse.ro](http://www.Insse.ro), Site accessed at 17.10.2020

In the table above are presented the data used in order to realise the Excel analysis regarding the influence of Romania’s GDP to the share of electricity from renewable sources in the total electric power, during 2000-2016.

SUMMARY OUTPUT	
<i>Regression Statistics</i>	
Multiple R	0,575353659
R Square	0,331031833
Adjusted R Square	0,286433955
Standard Error	5,059739693
Observations	17

Source: analysis realised in Excel, 17.10.2020

Multiple R represents the correlation between the two indicators that we analysed, respectively Romania's GDP and the share of electricity from renewable sources in the total electric power. As we can observe, the correlation is high, approximately 57%, which means that the 2 variables influence each other.

R square is the covariance or the coefficient of determination, which measures the proportion of variability in Y (share of electricity from renewable sources in the total electric power) that is explained by the independent variable X (GDP). As shown in the table, 33,1% of the variability of the share of electricity from renewable sources in the total electric power is explained by the evolution of the GDP in Romania between 2000-2016.

The Adjusted R Square is a more reliable coefficient because it takes into consideration your sample size, which in our case is 17 observations.

The Standard Error measures the variability of actual Y values from the predicted Y values.

ANOVA					
	df	SS	MS	F	Significance F
Regression	1	190,0255135	190,0255135	7,4225916	0,015670905
Residual	15	384,0144865	25,60096576		
Total	16	574,04			

Source: analysis realised in Excel, 17.10.2020

The ANOVA analysis is basically an analysis of variance. The first column represents the degrees of freedom which takes into account our sample size (17 observations) and it adjusts the R square value. It also adjusts normal distribution with lower sample sizes which increases the statistical probability of unlucky events.

The next columns are the Sums of Squares and the Mean Squares used to calculate F test and t-stats. The F value shows if the regression analysis is significant or not. In our case, it is 7,42 which means that there is a link between the two variables that we want to analyse.

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95,0%	Upper 95,0%
Intercept	24,83779764	2,76884583	8,97045165	0,00000020	18,93614246	30,73945282	18,93614246	30,73945282
X Variable 1	0,00001558	0,00000572	2,72444336	0,01567090	0,00000339	0,00002778	0,00000339	0,00002778

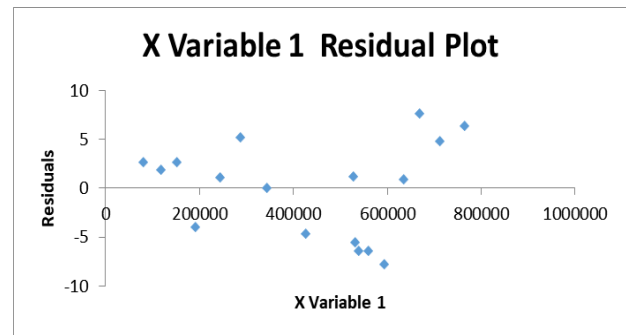
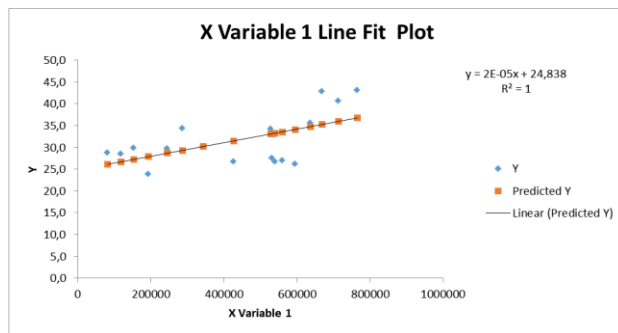
Source: analysis realised in Excel 17.10.2020

The Standard Error was met also in the first table, but now it shows the standard error of the coefficients. The lower confidence limit (LCL) and the upper confidence limit (UCL) show that within the probability level from column P-value, either of the coefficients from the first column are within the levels from LCL and UCL with a probability of 1,56%. The t-stat is used to do a T test which determines the probabilities in the column P-level.

RESIDUAL OUTPUT			
Observation	Predicted Y	Residuals	Standard Residuals
1	26,09819896	2,701801037	0,551492425
2	26,66733399	1,932666014	0,394496357
3	27,21093778	2,689062218	0,548892173
4	27,82881934	-3,928819339	-0,801951763
5	28,65124682	1,148753178	0,234483838
6	29,30851928	5,19148072	1,059686576
7	30,17972758	0,020272416	0,004138012
8	31,47216216	-4,672162165	-0,95368312
9	33,25108023	-6,451080228	-1,316796399
10	33,11174787	-5,511747868	-1,125059601
11	33,07048833	1,229511667	0,250968284
12	33,55358677	-6,453586769	-1,317308035
13	34,09123712	-7,791237124	-1,59034962
14	34,74138571	0,958614288	0,195672631
15	35,25772524	7,642274762	1,559943379
16	35,94342616	4,856573839	0,991325285
17	36,76237665	6,437623353	1,314049578

Source: analysis realised in Excel 17.10.2020

The residuals are the difference between the predicted Y values and the real Y values. The Standard Residuals are the number of Standard Deviation that the actual Y differs from the predicted Y.



Source: analysis realised in Excel 17.10.2020

The first graphic is called Scatter plot and it shows the difference between the real values of Y and the predicted Y values. As we can see, there is a deviation between the two coefficients. The second graphic illustrates the residuals. By analysing the shape of the graphics, we can see that they are rectangular, which confirms the fact that the model is valid.

3. CONCLUSIONS

We should all be aware that climate change is a real problem which can't be limited to only one region. It is a global consequence of our actions as humanity and we must take quick measures in order to attenuate the impact of climate change and to prevent this from happening in the future.

We can hear almost everywhere, at every Tv channel, on different websites that people talk about sustainability, but do they really know what it stands for, or it's just a trendy concept that spreads the world without even being taken into consideration? Being sustainable means to satisfy your own need, our current population needs, without affecting the resources that future generations will use in order to survive and develop as society. In this paper I have chosen to write about renewable energy sources, as the energetic sector is the most pollutant sector in Romania's economy. There are many ways in which we can develop this green energy system. After some research, I found out that our country would be preferable for implementing solar energy, wind energy and even geothermal energy more than it is at this moment.

By realising the bibliometric analysis, I wanted to emphasise the most interested countries in this domain, because that is what the first graphic really shows, the authorship relations between countries and we can see that there is situated the United States and United Kingdom. Moreover, the co-occurrence of authors' keywords stands for the solutions that I propose in order to have a green and sustainable economy. We should use alternative energy sources and we should pay attention to energy efficiency and energetic security. On top of that, biofuels would make a huge difference between the current situation and a possible better situation in the future. We have to conserve our natural resources and before planning an action that could harm our Planet's health, we must do an environmental impact assesment.

By conceiving the simple regression in Excel, I wanted to show the influence of Romania's GDP to the share of electricity from renewable sources in the total electric power. We can conclude that, between 2000-2016, the share of electricity from renewable sources in the total electric power increased by 14,4% at a GDP rising level of 10,56%.

To sum up, the Planet is our home and we must do all that is in our power in order to protect it. We must work together to find solutions to this global problem that can't be solved otherwise. Be kind, be wise and think twice before taking a decision that may affect not only you, but the Earth and also future generations.

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CLOUD TECHNOLOGIES IN FINANCIAL REPORTING

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Abstract:

Enterprises are young and their field of operations is constantly changing, depending on market fluctuations. The companies everyday use accounting information, which is used in the assessment of the financial situation of the enterprise, correct decision taking, review of the financial situation of the enterprise according to the obtained performance, making plans for the future and managing the entire enterprise.

Accounting information systems have an important role to play in supplying the financial information within an entity for decision making. The systems also provide knowledge in development, human resources, accounting, management, marketing, and supply chain logistics for a number of other decision makers.

Unfortunately, often the accounting systems do not properly support companies. The causes may be: systems are typically too large and complex to fully comprehend and traditional information technology is not effective. The new technologies need to be implemented by businesses.

The paper reveals newest developments for companies in accounting information systems. Cloud computing-based technology is one of the newest developments in the information technologies sector. Moving to "cloud" accounting is a new and innovative approach that can help companies cut costs. Companies with the newest technology can get a lot of advantages. Yet it also has its own threats. The report discusses the advantages and risks of the company's newest technology.

Keywords: Cloud, Accounting, Financial Reporting

1. INTRODUCTION

The current business environment at home and around the world is extremely dynamic and competitive. An economic organization's main objective is to generate financial gain for its shareholders (Geambașu, 2012). Thus, elements such as access to information, speed of transmission, speed of decision-making, employee mobility and flexibility in the management of accounting activities are becoming increasingly important for a company that acts and performs in this environment. In recent years, organizations have become more interested in improving their business processes (Geambașu, 2012). It is well known to most financial managers that a strong accounting system is a critical component of the information system which conditions the smooth operation of the business and the financial reporting.

2. TYPES OF ACCOUNTING SOFTWARE

Generally, accounting system gives the business a way to view and analyze financial information and provides main basic functions presented in Table 1 (Bressler, *et al.*, 2006).

Table 1. The main functions of accounting systems

Function	Explanation
Collect and store data	Systems collect and store data about business activities and transactions. The systems capture transaction data on source documents, record transaction data in journals, and post data from journals to ledgers that sort the data by account type.
Provide Information	Systems provide information useful for decision making. This information usually involves reports in the form of financial statements and managerial reports.
Provide Controls	Systems incorporate controls to ensure the accurate recording and processing of data. The system must make certain that the information that comes out of the system is reliable and keep business assets safe.
Forecasts of future	Some accounting systems also produce forecasts of future conditions such as projected financial statements and financial budgets. So firm's financial performance is measured against such forecasts by other analytical accounting reports.

Well-designed systems must meet multiple accounting needs for transaction processing, control specification, and financial statement preparation. The accounting systems are simultaneously providing information for a variety of other decision makers in production, human resources, finance, management, marketing, and supply chain logistics. Parts of the accounting system might include financial reporting, cost accounting, management accounting and enterprise resource planning. This information helps managers to plan and control operations and provides reports to such outside parties as stockholders, creditors and government agencies (Strumickas, et al., 2010; Stabingis, et al., 2010).

Unfortunately, often the traditional accounting systems do not support business properly. The causes may be: they do not always administer records precisely or present detailed information, which corresponds to the requirements of constantly changing laws. There is a need of optimization of business processes for small and medium enterprises (Miseviciene, 2009; Valanciene, et al., 2007).

Traditionally two types of accounting systems are known:

- a) Accounting system locally installed on company's computers;
- b) Web based accounting software installed on a server.

Today web-based accounting systems are closely related with the new cloud computing approach. A term 'cloud computing' is one of the newest trends in the world of information technologies. Cloud computing is a method by which applications and data are hosted and delivered. Instead of dealing with locally stored software and data, the places where they reside are in the cloud. The cloud computing was created to eliminate the need for people to buy and install software on their computer. The service allows people to login and access their information from any computer or site. In this model, the applications are maintained in the service provider's datacenter, and every time users launch their browsers and log on, they get the latest version (Kim, 2009).

Some authors have wrongly assumed that cloud computing refers only to services provided over the Internet which is not hosted by their company. Cloud computing services are generally divided into three separate categories or levels (defined by Sclater, 2010):

Infrastructure as a Service (IaaS) is the lowest level. Here customers can rent basic computing resources such as processors and storage, and use them to run operating systems and applications.

Platform as a service (PaaS) is the next level up. It enables customers to install their own applications using a platform specified by the service provider.

Software as a Service (SaaS) is the highest level of the cloud computing service. It is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet.

So, today the web based accounting software is internet-based technology where the information is stored on the server or in the cloud. The cloud based accounting system is basically a way to run business accounts entirely online and provided as a service (Software as a Service) on-demand to clients (from the "clouds" indeed) It is also known as online accounting, or in some circumstances SaaS (software as a service) accounting software. Its impact will be on both consumers and firms. On one side, consumers will be able to access all of their accounting data from any device like the personal laptop or the mobile phone (Nesbit, 2009; Walsh, 2011). On the other side, firms will be able to rent the software from a service provider and to pay on demand.

As difference to cloud based accounting software the traditional accounting system is locally installed in-house copies of accounting software. The essential difference between the two platforms is that, while traditional platforms are designed to support enterprise-scale applications, cloud platforms can potentially support multiple users at a wider scale, namely at Internet scale (Etro, 2009).

The web-based accounting software can be purchased as traditional software license or bundled with an operating environment and services as the cloud-based solution. Differences of the two possibilities are presented in Table 2 (Acumatica, 2011).

Table 2. Buying a license versus purchasing cloud based solution

	License only	Cloud based solution (Saas)
Accounting software license	Company's own	Company rent it
System location	Where company want it	In the cloud
Hardware	Provided by company	Included
Windows & SQL Server	Provided by company	Included
Maintenance fees	Purchased	Included
IT Resources	Company team or a provider	None required
Support	Purchased from a provider	Purchased from a service provider
Number of users	Limited by license	Unlimited

We have summarized accounting software types and proposed framework in Table 3 and the accounting systems types are explained in Table 4.

Table 3. Accounting software framework

Accounting software	Location	License	SaaS service
Stand alone	Locally on company computer	Purchasing license or open source, cost free	-
Web based	On a company server	Purchasing license/open source cost free	-
	In the cloud	-	Included

Table 4. Explanation of the accounting systems types

Type	Explanation
Standalone	Standalone software is software installed on personal computer, vs. online software which runs via Internet browser accounting software
Web- based	The computing method allows people to login and access their information from any computer of web site.
Free and open-source	The software is liberally licensed to grant the right of users to use, study, change, and improve its design. Free software is generally available without charge.
License	The software is licensed to grant the right of users to use.
SaaS service	Cloud based accounting software is basically a way to run business accounts entirely online and provided as a service (Software as a Service) on-demand to clients from the 'clouds'

3. CLOUD COMPUTING IN BUSINESS

Cloud computing technology has already entered the business environment, where companies are motivated by the benefits in terms of costs and efficiency of the new technology.

A study by Aberdeen Group, a research and market research company (2013), shows that Cloud-type applications implemented in the flow of accounting processes lead to an immediate increase in productivity by 25%, a 50% reduction in processing costs. invoices and a 91% improvement in customer satisfaction (Figure 1).

We believe that the virtualization of the accounting processes, the electronic collection and recording of documents can increase the productivity of the accounting staff by optimizing the time consumed with the data

processing and its allocation for the elaboration of analyzes or decision support services. By default, this can lead to a reduction of invoice processing costs and an improvement of the client-accountant relationship by accessing real-time information of common interest.

For many companies, accounting is a time-consuming and time-consuming process. Collecting and recording data, organizing information, reconciling accounts and generating reports can prove to be time-consuming, costly and error-prone activities.

Most of the time this is due to the use of an outdated accounting system from the point of view of information technology, which causes the information not to be provided in real time, affecting the responsiveness of the organization to the competitive business environment, and determining to keep the business running at an optimal level. Traditional accounting systems are proving to be inefficient compared to the technological alternatives in the market. (Arslana, et al., 2009).

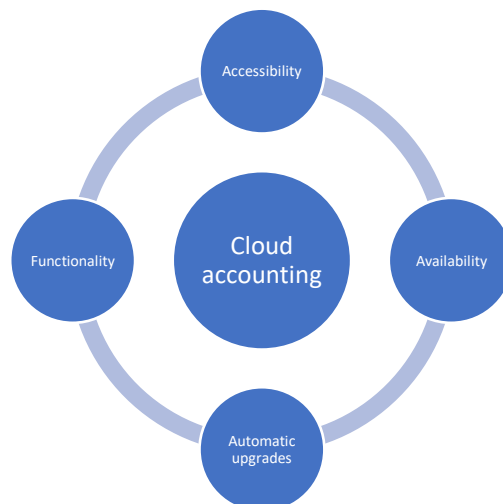
According to a survey conducted by Deloitte Global in the second half of 2012, "CFO Signals", almost half of the interviewed financial directors replied that the IT systems they use do not adapt to changes in the business strategy and only 40% responded positive in terms of their ability to provide information in a way that provides a relevant and accurate picture of the business and facilitates decision making.

Many companies rely only on the use of spreadsheets, text documents, desktop databases (single-post, undistributed) and files, and as the business develops, they are aware of the need for more efficient ways of working informationally.

Managers' solution to this problem is to either buy more expensive accounting software, but that brings more benefits, but in addition to the cost of the product, it is often necessary to have the support of an IT expert to install the application, not to mention the additional costs generated by the constant updating of the system, either to resort to the processes of novelty and innovation in their constant search to have long-term competitive advantages (Popescu, et. al., 2012).

An online accounting software in the Cloud gives managers and employees the ability to access global data, being able to update information whenever they want, regardless of location. Also, the Cloud is defined as a simple method of capturing the content of significant data and managing accounts. The most motivated option in choosing the Cloud implementation is the cost reduction. Expert Group (2012) stated in a European Commission report that Cloud technology promises users easy access to resources through a self-service subscription method, thus reducing the cost of managing the system. Cloud technology requires minimal investment in hardware equipment, and maintenance (installing upgrades, troubleshooting, back-up) is provided by the vendor at no additional cost. As a rule, the costs involved in using Cloud applications are lower than those of locally running applications on their own equipment (Beckham, 2010; White, 2010).

Figure 2. Characteristics of Cloud Accounting



As shown in Figure 2, we believe that the Cloud service has a transversal influence on the business environment, bringing changes and improvements in the performance of financial activities at each organizational level.

With the increasing importance and responsibility of decision making at the company level, Cloud Accounting can make available applications that meet business needs. Thus, at the operational level, Cloud Computing has functions that support accountants for efficient and secure processing and storage of data on accounts receivable, debt, taxes and bank accounts. At the tactical level, as a basis for the reporting process, the accountant has dashboards, journals, cash flow analyzes through the automatic access of financial data. At the strategic, management level, permanent access to data by conducting activities on the other levels of responsibility creates the opportunity for reporting, budget planning and efficient management of a company's internal controls.

On the Romanian market, gradually, Cloud applications are gaining ground over locally-operated applications. The advantages of Cloud technology are numerous and cannot be overlooked, especially by small and medium-sized companies.

A report by Harshman Phillips, which provides accounting services in the US, brings a deeper picture of the benefits brought by Cloud to the operational level of a business, in the financial-accounting activity, as can be seen in Figure 4.

Figure 4. The paradigm shift for accountants

From		To
Client-centric, Premise-based Accounting Systems	➔	Collaborative SaaS Accounting Systems
Paper Financial Statements	➔	Financial Dashboards in the Cloud
Delivering Reports/Tax Returns	➔	Publishing Documents in Online Portals
Travel to Your Clients	➔	Remotely Accessing the Same, Live Data 24/7, from anywhere
Teaching Software Tricks	➔	Designing, Configuring & Automating Web-based data and Workflows
Perfecting your Abilities	➔	Focusing on Ability in Learning & Applying New Technologies & Services

In this way, the financial relationship of the business partners can be greatly improved in the sense that one can give up time-consuming activities and resources, such as the physical exchange of data and information between the client and the accountant. The more efficient alternative allows data access to a common workspace, real-time collaboration, secure and online storage of information and permanent access, regardless of location and from any electronic device with an internet connection.

Cloud Computing is slowly but surely transforming the accounting industry by offering the possibility of streamlining accounting processes, in order to reduce costs and adopt value-added services in a subscription-based system. Such services may include tax planning, profitability tips, cash flow forecasts and the real-time approach to scanned invoices. Through the software-as-a-service (SaaS) platform, accounting professionals will be able to provide services in an innovative way. SaaS is the most widespread form of Cloud, which involves the use of third-party managed applications without the need for additional applications. The cloud is also characterized by other forms such as platform as a service (PaaS), which is the most complex form of Cloud and offers the possibility to develop its own applications, or infrastructure as a service (IaaS), through which resources can be accessed. infrastructure, storage or networking services. The large accounting firms and the accounting profession have responded to the phenomenon of increasing the use of Cloud-based technologies in accounting by providing a guidance guide in adapting Cloud services.

Thus, organizations in the accounting profession such as the American Institute of Certified Public Accountants (AICPA) consider Cloud Computing technology as one of the viable forms of business operation. In an article published in the "Accounting Journal" in 2010, Cloud Computing: what accountants need to know, are indicated a number of forms of use of Cloud-based applications in aspects such as the confirmations required for audit, payment of invoices, customer relationship management (CRM), preparation of financial statements, salaries, sales or taxes. Also in the article it is mentioned that, before being used in the accounting process, it is good to evaluate the applications running in the Cloud and to review the software possibilities, infrastructure, personnel, internal procedures and data of a company.

This change is not considered to be easy, as it will also involve a change of culture / mentality and attitude. Accountants not only adopt Cloud Computing, but must also incorporate a new work approach that will reduce administrative processes that are repetitive and will ultimately free individuals so they can exercise their knowledge and experience and in other areas.

A study published by the Aberdeen Group shows that the implementation of Cloud solutions leads to a reduction in the average time spent solving repetitive tasks from 48 hours / week to 4 hours / month. Transposed in the accounting environment, we consider that the time consumed for processing invoices and other financial documents can be reduced by the possibility of electronic records. Thus, the accounting documents can be uploaded online directly by the client, eliminating the stage of transmission to the accountant and the subsequent upload to the system by the client. The software collects the transaction data from the source documents, records the information in the accounting journals and posts the data in the account files (Wiley, 2010).

4. ADVANTAGES OF CLOUD COMPUTING IN ACCOUNTING

4.1 Automation of the process of data collection and processing

With the development of a business, the volume of information increases. Financial management based on SaaS solutions automates the financial process and reduces the volume of manual documents.

Thus, an important part of Cloud services is the integration of the document scanning process. Invoices can be automatically scanned and posted to the accounting system, after which the accountant can verify and validate the record. By scanning documents, the processing cost is reduced, as invoices can be scanned in a large volume or by each individual client. Through Cloud Accounting, accounting firms can compete with those that provide accounting services at a much lower cost.

By encouraging clients to scan related invoices daily, the accountant can have real-time information that can be used to generate adjacent services to add value. All these aspects define a powerful tool especially for small and medium-sized companies, because it simplifies the financial flow, as we summarized in Figure 5.

Figure 5. Paradigm shift for small businesses

From	To
Paper Documents in File Cabinets	Electronic Document Management System
Electronic Documents	Digital Documents in Web Cloud Storage, Attach to Transactions in the GL
Snail Mail Invoices, Statements & Checks	E-invoicing, E-payments, E-reminders, E-reconciliations
Letters & Brochures in the mail	Email, Tweets, Blogs, Facebook, & E-newsletters
Brick-and-Mortar Storefronts	E-commerce Web Stores
Excel Expense Reports	Online E-Travel & Expense Management/Apps
Learning Software Tricks	Managing automated web-based data flows
Efficient Data Entry	Zero Data Entry

Cloud Computing can provide new classes of applications and provide services that were not possible before. Thus, compared to traditional accounting, the cloud accounting system can move from basic accounting records to developing real-time business analytics, using large amounts of resources to understand customer needs, buyer behavior, supply chains and so on. far away.

Process automation allows the financial department to collaborate with the other internal functions of a company by facilitating the access to data and makes available the business units analysis tools. This improves the decision-making process and allows managers and executives to perform their tasks more efficiently, with real-time information, without compromising data integrity.

4.2 Improving the client-accountant relationship

Clients can access the accounting firm's portal and have access to information for understanding and analyzing the company's financial position at a given time. They can also analyze the impact of currency fluctuations or track the cash flow that is useful in the decision-making process. The accounting profession can offer new services such as business analysis or cash flow forecasts, in the sense of providing a more in-depth financial expertise that small and medium-sized companies will find essential in maintaining or increasing the level of business.

Thus, if in the traditional accounting process the data and information were valid by collecting physical documents, traveling to the client's office, sending and providing feedback through online channels (e-mail), Cloud Accounting transparently simplifies the client-accountant collaboration by that the data is available in real time in a common space. It goes from an expensive, difficult process with security breaches and inefficient to a controlled, secure and transparent collaboration.

4.3 Eliminating duplicate information, preventing errors and increasing data accuracy

Data accuracy is a key feature in financial management. Manual processing is prone to errors, time consuming and unjustifiably expensive. For example, an organization that extracts its data from one system to manually enter it into another system is at risk of mistakenly entering the data.

SaaS-based accounting systems have implemented controls, which automatically identify duplicate records and can thus prevent other errors. For example, the goods and services purchased or rented are automatically assigned to the invoices received or the payments made, and the expenses are correctly recorded during the accounting period to which they correspond (the risk of cut-off is eliminated).

4.4 Secure access, control and authorization

The most common concern among users or potential users of Cloud Computing technology is related to trust, security and confidentiality, issues frequently raised in the context of using internet services and outsourcing. There is a general mistrust of data outsourcing - especially if data processing is outside the control of the organization.

The greatest attention from the point of view of accounting security is given to the management of money and sensitive information, such as bank accounts (Beckham, 2010; White, 2010).

On these considerations, Cloud application providers offer high levels of security. Web-based systems are actually the same or more secure and have internal controls equal to or better than in-house software. Cloud technology includes powerful authorization and authentication mechanisms, and communications between the Cloud Computing provider and the client, as well as those between the data centers, can be encrypted.

Moreover, the logging tools of all actions taken at a given time (log files) can detect possible system attacks or vulnerabilities (Mihai et. All, 2008).

5. CHALLENGES IN THE IMPLEMENTATION OF CLOUD TECHNOLOGY IN ACCOUNTING

Although the benefits of Cloud Accounting technology are recognized at the corporate level, implementation of Cloud applications is rather slow, due to management uncertainty regarding control and ownership of information. According to a KPMG study, data security and confidentiality are among the main concerns of users regarding the use of services based on Cloud Computing. Security concerns are based on the fact that company confidential information is stored on a server that can be accessed through the Internet and not on its own computer. Tom Brennan, VP of Marketing at Financial Force brought to our attention the most common justifications for not deploying Cloud Accounting solutions, as listed in Table 6.

Table 6. Arguments pro and against cloud technologies in financial reporting

Pro	Cons
Improving the financial performance of the client through proactive consulting services	Why change an accounting system that works?
Increasing the percentage by which sales exceed the costs of a company, by offering higher added value services by increasing productivity	A new accounting system would be far too expensive
Saving time and reducing costs	It takes too long for the new system to be installed and functional. Implementation can interrupt the financial flow
It supports collaboration between business partners through real-time access to information	Data is not secure on the Cloud

6. CONCLUSIONS

Business enterprises are constantly changing their sphere of activities depending on influence of the market. The constant change of environment requires adjusting strategy of organization in line with the global changes of science, business and technologies, which can influence the business performance. Digital technologies (remote network systems, Internet and mobile technologies) can be used to facilitate the process of decision-making for business and other institutions.

Based on the analyzes we can conclude that cloud technology is a change for the accounting profession. It will lead to a considerable improvement in the way the financial activities are carried out, the interaction with the clients and the speed and efficiency of responding to their needs. Accounting processes will be highly automated, supporting transparent information, which makes accounting professionals reconsider their position and perceive analysis and consulting as the basis of the role they play. With the new technology, an accountant can provide real-time reports and consulting services regarding business profitability, cost analysis or decision support. Motivated by higher efficiency and customer satisfaction, the decision is no longer a "yes" but a "when" cloud technology will be implemented in financial reporting.

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30 YEARS OF FINANCIAL REPORTING IN ROMANIA

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Abstract:

Our approach aims, during the 3 chapters, to present the evolution of accounting in Romania from 1989 to the present, more precisely when the Romanian accounting system has entered a new phase, both in terms of business management and from the perspective of harmonizing the accounting norms with the 4-th Directive and the 7-th European Directive and IFRS. More, we structured the evolution of accounting after 1989 in four stages, each with its own specificity, as follows:

The period between 1990 and 1993: there was an intermediate period between the practice of a Soviet-type accounting system and the application of an inspired accounting system. During 1990 and 1993: the French accounting system was adopted and accounting was conceived as a control tool, in which the state played a dual role: as a normalizer of the accounting system, on the one hand, and as a privileged user of accounting information, on the other hand, causing an asymmetry in the demand and supply of information, in its favor, in relation to other users;

The period between 1999-2006: certain elements of IFRS have been taken over in the Romanian accounting regulations, and the gradual transition to harmonization of accounting with European Directives and International Standards through OMFP is made (94/2001, 306/2002, 1876/2003, 3055/2009), which creates an Anglo-Saxon-inspired conceptual accounting framework and harmonizes the financial reporting system, in accordance with International Financial Reporting Standards;

Since 2006 - present: characterized by the application of IFRS standards first by credit institutions and later by companies listed on the Bucharest Stock Exchange.

Keywords: Romania, System, Financial, Report

1. INTRODUCTION

Accounting is the unbiased judge of the past, the necessary guide of the present and the indispensable adviser of the future in every enterprise - J.F. SCHÄR

Of the oldest times, accounting has been one of the most important forms of primary economic record (counting), and is found in any of the social groups. In our country, the first accounting work appears at 1837 under the name "commercial property" due to Emanoil Ioan Nechifor, and in 1844 Professor Jarcu publishes another work entitled " Doppia scriptura sau ținerea catastiselor ".⁵

After 1990, the reform process across the economy has also covered the accounting field. In this respect, Romania has faced multiple problems, as well as the choice of accounting model to serve as an inspiration for it. Accounting has been continuously subject to modernization and modeling operations, both at microeconomic and macroeconomic level. This was mainly reflected in the general accounts plans and annual financial statements.

The internationalization of accounting has emerged with Romania's accession to the EU, as it is conditioned by both thorough knowledge and alignment with International accounting standards/International Financial Reporting standards (IAS/IFRS), taking into account the evolution of the market economy in Romania.

The first step in changing Romanian accounting, the transition from a centralized economy to a market economy, asked for a reform of the accounting system in all its sectors: Methods, functions, objectives, organization, characteristics of accounting Regulation, etc. This transition was necessary because the old accounting system had become unsuitable in relation to that time period and a mere improvement was considered insufficient. In the context of a market economy, part of the financial information has become

⁵ Lenghel R.D. (2012). "Repere ale evoluției contabilității", Anuarul Institutului de Istorie, Seria Humanistica

transparent, such as the company's assets, results and financial situation, which in large part concerns the company's relations with third parties. The other category of accounting information relates to the calculation of costs and budgets, to the internal management of the enterprise.

In conclusion, the accounting system adapted to the market economy practices accounting dualism, consisting of information which can be disclosed to third parties, provided by financial accounts (general or external) and confidential information, which is the product of management (managerial or internal) accounting.

Today, we are faced with irreversible processes of great interest in accounting, such as the globalization of economies, the development of transnational companies, the increase in stock market capitalization, the development of capital markets and the continued emergence of new financial products. Looking at it and as a social science, accounting had to be receptive to changes in the political, economic, social and cultural environment, evolving over time and shaping to the demands of the moment.

2. THE ACCOUNTING REFORM

2.1 Romania's accounting system before 1989

Between 1948 and 1989, Romania's economy operated according to criteria specific to a centralized environment. The institutionalization of the planned economy, in close connection with the nationalization action, required reorganizing the accounts in line with its rationalization and normalization. At that time, the accounting culture in our country was under the sign of the ideology of the political system, the main purpose of the standardized accounting being to ensure the documentation of the state plan, both at the drafting stage and at the execution stage. The year 1949 marked the switch to the standardized accounts and the first plan of accounts (Laptes and Possler, 2007). The adaptation of the accounting to the information requirements of the planned economy concerned in particular the Soviet experience. In this respect, in the early 1950 years, accounting works of the Russian authors were translated into books, which were the theoretical basis for the development of a new accounting system. The beginning of 1970 was a moment of change, both in terms of accounting legislation, with the emergence of rules on the organization and management of accounting, and the introduction of a system of accounts based on a general framework.⁶

2.2 The impact of the Revolution (1989) on the accounting system

After 1989, the Romanian accounting system was subject to reconsideration and reconnected to the European accounting reality, more than 4 decades after it was under the rigors imposed by the experience of the former USSR. An attempt to resuscitate the old accounting system took place in the period 1990-1993, adjusted with new economic concepts (e.g.: Share capital, the result of the exercise).

The period 1990-1993 was an intermediate period between the practice of a Soviet accounting system and the application of a French accounting system. The first wave of reform came in the early '90, with the accounting Law, which aimed to introduce a market economy accounting system, a system that allowed effective control of the legality of commercial transactions and tax compliance (Ministry of public Finance, 1991). The company law, also introduced in 1991, required public companies and certain private companies to have an odd number of censor's elected shareholders among them, except for the accounting censor. Accounting Act No 82/1991 and its subsequent amendments and additions specify the scope or application of the accounting. Thus Article 1 of the accounting regulations in accordance with IV'th Directive of the European Economic Communities States that the category of legal persons (known as "entities") required to organize and manage their own accounts includes:

- (a) companies: a partnership, limited partnership, limited partnership, joint stock company, joint stock company and limited liability company;
- b) national companies/companies;
- (c) the autonomous regies;

⁶ Ristea M., Jianu I., Jianu I. (2010) Experiența României în aplicarea Standardelor Internaționale de Raportare Financiară și a Standardelor Internaționale de Contabilitate pentru sectorul public, Revista Transilvană de Științe Administrative 1 (25)/2010, pp. 169-192

- (d) national research and development institutes;
- (e) cooperative societies and other legal persons which, by virtue of their special laws, are governed by the principles of companies;
- (f) non-resident sub-units with a foreign seat which belong to a-e person, with a foreign seat or residence in Romania, and permanent establishments in Romania which belong to legal persons having their registered office or residence abroad.

As stipulated by the accounting law, the organizational structures in the economy are called entities, each having an estate, which represents the accounting object, fully and faithfully observed. Economic units, which use the financial accounting system, are known both in economic theory and in the legislation on organization and operation, and in the law on harmonization and normalization of accounts with the European directives, under the general name of entities. The entity is a complex body with a working gear, which contains the factors of production, work and capital associated with the achievement of an economic purpose. The entity arose because of the need to respond to issues of efficient management of heritage from an information and decision-making point of view.

With the economic changes caused by the fall of the socialist economy and the penetration of a transitional economy, the accounting Regulation decision-holders came up with the following problem: To reform the accounting system or to change it? Until the entry into force of the "new accounting system" (1 January 1994), the academic textbooks presented its functioning (accounting, etc.) according to the legislation in force or the legislation in force, i.e. the adaptation to French accounting experience.

2.3 The transition to the new system

The change in the accounting system and the transition to a market economy have been driven by many factors, of which three of them, considered the most important, can be identified, because they radically change the property structure and management of a company:

- Organization of Romanian enterprises on commercial basis
- The privatization of some companies
- Creation of a financial market (stock market)

Thus, new concepts appear in the property structure, including intangible assets, financial assets (shareholdings, commercial effects payable and received, etc.), investment securities, subscribed share capital (paid or unpaid), share premiums, merger and contribution, etc.

A first distinction from the old system is that accounting systems adapted to a market economy are based on accounting judgments which are formulated according to new principles such as the prudent person principle, the exercise independence principle, the business continuity principle, etc.

The second is the overall structure of the accounting system. The countries that adopted a centralized economy were operating according to the monist accounting system. The monist system is characterized by the fact that there is only one accounting system for both internal and external functions, so there is a lack of transparency, accounting information being completely confidential. However, this system was possible because the external accounting functions were carried out in connection with the centralization of data and their control by the financial administration, the banking system, etc. third parties and trading partners had no access to summary documents, therefore, there is no notion of 'users of accounting information'. Only the company's management had access to accounting information products. With a market economy, we can talk about a two-tier accounting system.⁷ Thus, part of the accounting information, which models the assets, results and financial situation of the company, becomes transparent and is made available to users of accounting information, such as clients, suppliers, investors and employees. Moreover, publication of accounting information in the form of summary documents is subject to control operations necessary to ensure that these users are correctly informed.

⁷ Termenii de "monism" și "dualism" contabil au fost introduși de profesorul francez Jaques Richard

Accounting information relating to the undertaking's internal management, cost calculation, budgetary structure and results, as well as information bases for the construction of forecasts and performance measurement, shall be considered confidential, which shall be in line with each undertaking's strategy and tactics and shall not be subject to publication.

In summary, accounting dualism is generated by the separation of the two categories of accounting information, as follows:

- Information that is disclosed to third parties (but also used by the company's management), which is provided by the financial accounts, also known as general or external
- Confidential information (used only by the management of the company), what is the product of management, or managerial or internal accounting.

1992 was a significant moment in materializing the efforts made to set up accounting organizations: The re-setting up of the Body of authorized accounting experts and accountants in Romania and the setting up of the accounting advisory College. One year later, on 1 January 1993, the reform to be implemented on 1 January 1994 shall be tested: the new accounting system entered the experimental phase of a sample of over 70 companies of different sizes, capital exploitation patterns and different types of activity carried out. This was the basis for a new stage in the Romanian accounting.⁸

The criteria for choosing a new accounting system

The choice of an accounting system adapted to the needs of the market economy has required a thorough study of the various factors, including the socio-political, economic and cultural ones. Romania did not have the resources to devise a system of own accounts, adapted to the requirements of the market economy and which could be harmonized with an international accounting system. This is why the Romanian normalizers, who were supposed to design the future Romanian accounting system, chose rather the idea of adopting a "system of inspiration". This system was not chosen according to the criteria of superiority, but according to its adaptability to Romania's conditions. Later, they asked whether the choice of the French accounting system as an inspiration model would meet all the needs of Romanian enterprises. The issues considered in solving this dilemma were economic, financial and fiscal, social and cultural. The Romanian economy had an agro-industrial character and the small and medium-sized enterprises were predominant, which is why we could talk about a global economic context similar to the French one, adding to the choice of this system. Nor can we ignore the powerful public sector of the Romanian economy, which has a considerable influence on the economic and management structures reflected in the accounts. In this respect, there is another similarity with the French economy, with the fact that France has some experience with privatization. The choice of a continental accounting system (French, German, etc.) solves the problem of the absence of a financial market and an undeveloped banking system.

If in the Romanian economy a financial market was expected to be created, and even in this situation, possible investors would have been only secondary actors, in the Anglo-Saxon accounting systems the investor was the main user of the information provided by the financial accounts. From the point of view of the banking system, it will also have in the economy romanian the most important role in terms of the financing structure of the enterprise (it was known that, although financial markets have grown exponentially in recent years Continental Europe, the whole banking system dominates in terms of financing).

On the fiscal side, account should be taken of the relationship between accounting and taxation, in the countries of continental Europe, taxation was heavily "involved" in the accounting structures (in particular France and Germany).

In Romania, although during the transition to market economy taxation was seen as a drawback, which is a right of a secondary order, it was concluded that its involvement in accounting would bring added rigor and order and would contribute at least partially to the halting the development of the shadow economy. The benefits of using "fiscal levers" were also taken into account. This is why a system has been chosen, too, from

⁸ Calu D. (2005) *Istorie și dezvoltare contabilă în România*, București, Edit. Economică

this point of view french accountant. These would be the most important aspects of the choice of accounting system inspired by french. It has been decided that this system is the only one that can be easily adapted to conditions, the rules and characteristics of romanian accounting. "The new Romanian accounting system is a system inspired by the French experience, aligned the requirements of European and international norms, in which Romanian normalizers have introduced Romanian specificities." ⁹

3. THE NEW FRENCH-INSPIRED ACCOUNTING SYSTEM

3.1 Period 1993 – 1999

This period is characterized by the implementation of the accounting system of French inspiration and implicit harmonization with the European Directives and the initiation in 1997 of the program of development of the accounting system in Romania, aimed at harmonization.

The accounting system in Romania with the European Directives and the International Accounting Standards.

After 1993 until 1999, the accounting system was designed as a control measure, in which the State was represented in two respects: the system of accounting normalization, firstly, and as a privileged user of accounting information, secondly, there is a mismatch between the demand for and supply of information in its favor and the other users.

In the plane of accounting normalization, the accounting Law No. 82/1991 and its implementing rules that won the case of the team that supported it change.

Thus, in Romania, starting with January 1, 1994, a started to be applied french-inspired accounting system, organized in double-circuit. This new accounting system has been applied in Romania, with no significant changes until 2000. The conditions for a change have been outlined since the spring of 1997, when the "Development Program of the Romanian accounting System" was started. It was initiated by the Ministry of Finance together with the Institute of licensed Accountants in Scotland. The role of this program is to harmonize Romanian accounting with the European Directives and International accounting standards.

Historically, more significant problems with this process are generally reported in written, heritage-related countries. Also in Romania's case, at that time there were arguments and counterarguments against the implementation of international accounting rules.

The regulations that were introduced by the accounting Law, actually applying on 1 january 1994, they have influences from the french accounting system, and their purpose was to Build an accounting system compatible with the 4th European Directive and International accounting standards (Ministry of Finance, 1994). Also, 1996 it was a reference point, as the objectives of the program for the development of accounting. The Romanian authorities have complied with the requirements of the international financial institutions. The conditions for The World Bank were to improve the business environment and asked the Romanian government to modify accounting standards and make best use of accounting standards recognized at international level. It has been taken into account that the Government has decided to adhere to the application of IAS/IFRS For financial reasons, at the same time as attempting to harmonize with the European Directives – Part of the political objectives of integration into the European Union.

In 1999, therefore, the Ministry of Finance issued order 403/1999 for the approval of accounting regulations harmonized with the 4th Directive of the European Economic Communities and International accounting standards, hereinafter referred to as the 'harmonization Regulation', Seeking to match the individual financial statements of large companies in Romania with the International accounting standards and the 4th European Directive. It could not be unnoticed that this Regulation has sought to harmonize accounting with the 4th Directive and International accounting standards – at a time when the European Union was It had no IAS/IFRS requirements for Member States In addition, Romania went much further than the European Union strategy at the time, introducing IAS/IFRS for the individual financial statements of large companies, When the EU had

⁹ Feleagă N. , Ionaşcu I. (1993) Contabilitate financiară , Editura Economică, Vol.I

not established its position on the application of the International standards of Accounting in the financial statements of these companies.

The national Regulation also sought to harmonize with the 4th European Directive and with International accounting standards. However, well ahead of the de Regulation Harmonization issued in 1999, Romanian accounting obtained a certain degree of compliance with the 4th Directive, thanks to the accounting Act and other associated regulations inspired by the French accounting system.

In fact, the regulations adopted in 1999 reflected the reorientation of the accounting in Romania to the Anglo-Saxon accounting system, Through the International standards Committee Accounting / International accounting standards Board (IASC/IASB), because the conceptual framework and International accounting standards were included as volume II and volume III respectively in order 403/1999. This unusual inclusion of the conceptual framework in the text of a national law could indicate the willingness of normalizers to help accountants understand and apply the hidden standards in a poorly known accounting philosophy in Romania.

The newly introduced accounting principles, such as the materiality threshold or the substance's prevalence on form, were justified and explained by reference to the conceptual framework. Furthermore, the harmonization Regulations of 1999 and 2001 provided that, in the absence of a relevant international accounting standard, the requirements of the harmonized standards are not to be considered to be applicable to the harmonized standards. The company's managers will develop accounting policies in line with the "general framework for drawing up and presenting financial statements" which will ensure that the financial statements provide information which:

- represent fairly the results and financial position of the undertaking;
- it reflects the economic reality of events and transactions and not only the legal form of them;
- are impartial;
- are cautious;
- presents all the significant aspects.¹⁰

The Ministry of Finance has designed the application of IAS/IFRS as a step-by-step process to enable the growing audit market to keep pace with the demand of companies and enable company accountants are trained to apply the new standards. On 31 December 1999, the harmonization Regulation and the existing Regulation, With French inspiration, they were applied simultaneously to 13 companies, forming a “representative sample of listed companies on the stock Exchange and national interest enterprises”.¹¹

In fact, 12 pilot companies offered themselves voluntarily to keep track of themselves after the new system, but also the one already in place, each being audited by one of the big five companies. Another voluntary undertaking was added later because it had received loans from international financial institutions that requested the auditing of the financial statements under IAS.

LIST OF PILOT ECONOMIC OPERATORS

Nr. Denumirea
crt.

1. COMBINATUL SIDERURGIC SIDEX - S.A. - GALATI
2. S.C. COMPANIA NATIONALA TAROM - S.A.
3. S.C. ARCTIC - S.A. - GAESTI
4. S.C. EXCELENT - S.A. - BUCURESTI

¹⁰ Ordinul 403/1999 pentru aprobarea Reglementărilor contabile armonizate cu Directiva a IV-a a Comunităților Economice Europene și cu Standardele de Contabilitate Internaționale , articolul 3.5

¹¹ Ordinul 403/1999 pentru aprobarea Reglementărilor contabile armonizate cu Directiva a IV-a a Comunităților Economice Europene și cu Standardele de Contabilitate Internaționale, art.2, paragr.1

5. S.C. POLICOLOR - S.A. - BUCURESTI
6. S.C. ALRO - S.A. - SLATINA
7. S.C. TERAPIA - S.A. - CLUJ-NAPOCA
8. S.N.G.N. ROMGAZ - S.A. - MEDIAS
9. S.C. MOBIL ROM S.A. - BUCURESTI
10. S.C. AUTOLIV - S.A. - BRASOV
11. S.C. COMPA - S.A. - SIBIU
12. S.C. AUTOMOBILE DACIA - S.A. - PITESTI
13. ADMINISTRATIA NATIONALA A DRUMURILOR DIN ROMANIA⁹

The rules included in the 1999 harmonization Regulation the possibility to request The application of accounting standards to national inflation. In 1995 and 1996, the Ministry The Finance allowed taxable profits to be calculated on the basis of an adjusted tax balance according to inflation, but the facility was withdrawn in 1997.

About the same period, the Ministry's accountant, advised by British consultants, outlined an accounting standard in line with national inflation, adjusting only the balance sheet.

At the end of 1998, the standard was being tested in practice, but it was neither an independant rule nor included in the professional guides. Some of the 13 companies adjusted their financial statements with inflation on the basis of IAS 29 (Ministry of public Finance, 2001). The 13 companies mentioned above were the only ones applying the harmonization Regulation and although it was not intended to be an experiment, it was considered one.

The issue of order No 772 of 2 June 2000 approving rules on the consolidation of accounts was also an experiment: 5 groups appointed in the respective Ministry order participated in this experimental phase, but we can infer that it was unsuccessful. The Ministry of Finance has not published a report or professional guides on consolidation and other complex standards, such as those on pension and financial instruments accounting; applying these standards (IAS 19, IAS 27, IAS 29, IAS 32 , IAS 39) left optional.

In conclusion, the main steps that we can mention with regard to implementation

French-inspired accounting system (Law 82/1991):

- implicit harmonization in the European accounting Directives;
- initiation in 1997 of the “program for the development of the accounting system” in Romania, whose objective is to harmonize the Romanian accounting by European accounting Directives and international accounting standards.¹²

3.2 Period 1999 - 2006

In our country, the normalizers in the field of accounting act, elaborating, among others, a regulatory package regarding the complete harmonization of the accounting system with the fourth directive of the European Economic Communities and with the International Accounting Standards. This action has been started since 1999, with the publication of the Order of the Ministry of Public Finance no. 403/1999 “Accounting regulations harmonized with the Fourth Directive of the European Economic Communities and with the International Accounting Standards”.

Subsequently, by Order no. 94/2001, a new legislative regulation has appeared that repeals the O.M.F.P. no. 403/1999 and which approves the Accounting Regulations harmonized with the Fourth Directive of the European Economic Communities and with the International Accounting Standards”, which in fact completes and clarifies a part of the issue of Romanian accounting harmonization.

¹² Calu D. (2005) *Istorie și dezvoltare contabilă în România*, București, Edit. Economică

In 2002 through O.M.F.P. no.36, simplified accounting regulations, harmonized with European directives, are approved. At the same time, the Accounting Law no. 61/2001 and 82/1991 was amended and supplemented by Government Ordinance no. 61/2001 and republished, in accordance with the harmonized accounting regulations. Due to art.3 of H.G. no. 208/2005, regarding the organization and functioning of the Ministry of Public Finance and the National Agency for Fiscal Administration and based on the provisions of art. 4 of the Accounting Law no. 82/1991, republished, the Ministry of Public Finance issued the order for the approval of the Accounting Regulations compliant with the fourth and seventh Directives of the European Economic Communities.

These accounting regulations in accordance with the European Directives entered into force on January 1, 2006 and repeal the orders of the Ministry of Public Finance issued previously, respectively: 94/2001, 306/2002, 1827/2003 and the provisions of order no. 1775/2004. International Accounting Standards have, in fact been used to replace financial statements by many companies around the world that will be accepted in the capital markets.

The International Accounting Standards, through these financial statements, ensure the obtaining of quality, transparent and comparable information, which contributes to the decisions on international markets and other areas of use. The program of accounting harmonization has provoked a series of controversies and discussions among the specialists in the financial-accounting field. The period of this accounting harmonization program in Romania includes the years 1999-2005. Thus, in 1999, the accounting harmonization program affects the financial statements for a certain number of companies listed on the Bucharest Stock Exchange, entities of national interest, which have experienced this program. For the year 2000, all listed companies, autonomous utilities, state entities of national interest and entities operating on the capital market were integrated for the experimentation of this program. For the implementation program, it was planned to be carried out in stages, depending on how each legal entity will meet the requirements of at least two, out of a total of three size criteria, established for this purpose by the end of the previous year, respectively: net turnover, total assets and the average number of employees of the previous year. For example, for the end of 2005, the following levels are set:

- Net turnover 7,300,000 euros;
- Total assets 3,650,000 euros;
- Average number of employees 50 during the financial year.

The main novelties brought by the legislative regulations for the harmonization of the Romanian accounting system refer mainly to new concepts and objectives, on the basis of which the information reported through the financial statements is created. Also, a series of news about the way of structuring and presenting the information in the financial statements has appeared. Regarding the Accounting Law no. 82/1991, through which the components of the financial statements, two new documents appear, namely: The statement of changes in equity and the Statement of cash flows.

Also, the annexes to the balance sheet, which were replaced with the Explanatory Notes document, have disappeared. There were not only changes of form, between them there were also changes of substance. The order of the Ministry of Public Finance no. 94/2001, represented an important step in the field and accounting principles. We find the classical principles, which appear both in the IV Directive, except for the principle of non-compensation, as well as in the International Accounting Standards in their case, since there is no principle of balance sheet intangibility. New principles have emerged, some of which are found in European Directives, others in International Accounting Standards. Thus, the principle of economic prevalence over legal (does not appear in the European Directives) which, in our country, in fact, was prepared through a series of regulations on leasing contracts, to accelerate economic reform.

Also, among the new principles stipulated in the Accounting Law, we point out: the principle of separate valuation of assets and liabilities (which does not appear in the general framework of IAS) and the principle of significant importance (does not appear in the European Directives). We signal to this last principle, the importance that the professional reasoning acquires, through which the significance threshold regarding the presentation of the financial statements of the different elements of assets and liabilities will be determined.

Although it was considered an experiment, the sample of 13 companies encountered in the period 1993-99 had significant influences on the accounting. From the beginning, it must be mentioned the fact that, at that time, it was a partial application of IFRS standards. However, the changes brought about by order 403/1999 were major due to the differences between the national system at that time and the IFRS standards:

- lack of fundamental components of the financial statements such as cash flow statement and changes in equity;
- the lack of most annexes to the financial statements required by international standards;
- non-adaptation of the financial statements to the effects of inflation (Romania at that time was in full hyperinflationary process);
- not drawing up consolidated financial statements for companies in a group;
- lack of the concept of deferred taxes; the fact that in the current system the legal prevailed over the economic one and that the financial statements were drawn up primarily for the use of the fiscal bodies.

Following the conclusions drawn from the experimentation action, the accounting regulations were revised and improved, elaborating Order no. 94/2001 for the approval of the accounting regulations harmonized with the Fourth Directive of the European Economic Community and with the International Accounting Standards. Under the provisions of this order, 197 legal entities initially representing companies listed on the Bucharest Stock Exchange, some autonomous utilities, companies, national companies and other entities of national interest initially entered. These regulations also became mandatory for the rest of the large entities, as they met at least two of the size criteria specified for the period 2001-2005.

4. 2006-2013 - INTENSIFYING THE INTERNATIONALIZATION PROCESS

The process of enlargement to the European Union, the globalization of economies, the grouping of companies, the increase of stock market capitalization, the development of financial markets, the emergence of new financial instruments, all these are causes that lead to the need for international accounting harmonization¹³. International accounting harmonization is the process by which national norms or rules, different from one country to another, sometimes divergent, are refined to become compatible. In contrast, accounting standardization requires complete uniformity of rules. Accounting standardization involves at the international level the elaboration of rules or norms applicable, in whole or in part, to a set of countries, to a set of specialists of the accounting profession.

Globally, two sets of standards are currently applied, along with accounting practices specific to each country's economies:

1. International Accounting Standards (IAS) - which apply in continental European countries as well as in countries that at one time they were under the sphere of influence of France. Romania is under the influence of the IAS;
2. General Accepted Accounting Principles (GAAP) - which apply in Anglo-Saxon countries. Examples: Great Britain, United States of America, New Zealand, Australia.

The two sets of standards are regulated by the same international body: the International Accounting Standards Board (IASB).

IFRS requires a new language for professional accountants. The changes made by IFRS are significant. An example of this is the accounting result which has long been considered the main indicator for measuring the financial performance of an economic entity, and which is now, according to IFRS, replaced by another

¹³ Lenghel R.D. (2011) "Armonizare, convergență și conformitate contabilă internațională", Anuarul Institutului de Istorie, Seria Humanistica 10,11 Ristea M., Jianu I., Jianu I. (2010) Experiența României în aplicarea Standardelor Internaționale de Raportare Financiară și a Standardelor Internaționale de Contabilitate pentru sectorul public, Revista Transilvană de Științe Administrative 1 (25)/2010, pp. 169-192

indicator: the overall result¹⁴. In addition, at present, the econometric modeling of the financial industry becomes the working tools of the accounting professionals, considerably transforming their work of reflecting verifiable facts into conventional estimates for the future¹⁵.

The reality is that by 2005 approximately 1,500 entities had prepared financial statements in accordance with IFRS. Studies carried out in 2005 on large companies that had to apply IFRS standards highlighted the following issues¹⁶: these entities did not have the financial resources necessary to implement a reporting system based on IFRS standards; there were difficulties in assimilating IFRS standards among members of the accounting profession, who are accustomed, rather, to make fiscal than economic reasoning; the weak disconnection of the fiscal accounting, because in the absence of some explicit provisions in the accounting norm, the accountants apply the fiscal rule, bypassing the provisions of the IFRS standards; the lack of awareness of the importance of an IFRS reporting system by the management of the entities (the transition to the application of IFRS was seen as a change in the presentation of the financial statements, and not as an implementation of accounting policies in line with economic reality and financial statement of the entities).

Within the accounting reform program in our country, which aims to harmonize with European norms and achieve compatibility with international standards (IASIFRS) were implemented accounting regulations harmonized with the Fourth European Directive and accounting standards, being issued OMFP no. 94/2001 (for large enterprises) and OMFP no. 306/2002 (applicable to small and medium-sized enterprises).

After 2006, the accounting system of the Romanian entities was structured in two parts: firstly, the Regulations harmonized with the European Directives and with the International Accounting Standards had to be applied, and secondly, the companies considered small to apply a simplified version of the Accounting Regulations harmonized only with European Directives. Applying the spirit of international standards in the Romanian accounting environment will face difficulties in certain situations as a result of the felt mix of fiscal law in the field of accounting. We consider that a disconnection of the tax accounting would be necessary. In an optimal system the freedom of professional reasoning cannot coexist with maintaining within the scope of accounting applications of the tax legislation and regulations.

The application of IAS rules by listed companies in Romania is viable due to their financing mode. We can consider that the introduction in the accounting practice in our country of the rules of consolidation of accounts, norms harmonized with the VII Council Directive 83/349 / EEC on consolidated accounts, correlated with the international accounting standards IAS 27 "Investments in Associates" and IAS 31 "Interests in joint ventures" has had the effect of aligning companies with the information requirements for groups of companies recognized in Europe and the world.

In Romania, lately, the share of foreign companies holding significant stakes has increased. New accounting approaches are needed for entities operating under the name established as house groups of companies, because as the day goes by, the internal information needs of third parties grow and diversify, and the data provided by accounting become insufficient.

Starting with the financial year of 2006, only the economic agents from the small and medium category remain outside the present regulations, which will apply the provisions of the Accounting Law no. 82/1991 republished and the Regulation for its application. The general accounting plan adopted in the content of OMFP no. 94/2001 is valid for all economic agents, with the specification that for micro-enterprises only grade I synthetic accounts should be used.

CECCAR issued in 2004 a guide on the understanding and application of each international accounting standard, and since 2005 it has taken over the task of translating IFRS standards every year, and since 2007 IPSAS (International Public Sector Accounting Standards). At the same time, in 2006, the IFRS Committee was created, which brings together the highest competencies in fields in Romania and which has the following

¹⁴ Feleagă, L. și Feleagă, N.(2005) , Reformă după reformă: Contabilitatea din România înfața unei noi provocări, București: Editura Economică

objectives: analysis of the impact of the European Commission's decisions on the evolution of the national accounting system; analysis of national accounting regulations and identification of conflict situations with the provisions of IFRS standards; the formulation of solutions meant to ensure the coherence of the national accounting regulations with the provisions of IFRS and their submission to the standardization body; expanding the professional training program by organizing courses for managers, for specialists in banks, in the field of insurance, in public institutions, etc.; supervising the implementation of IFRS standards in entities, through surveys and studies aimed at highlighting possible sources of difficulties; providing advice to members of the profession in order to solve the difficulties of applying IFRS standards¹⁷.

We consider it necessary to present, briefly, the orders issued by the Ministry of Public Finance that had the greatest influence on the internationalization of accounting. Order of the Ministry of Public Finance no. 907/2005 - Legal entities that apply accounting regulations in accordance with International Financial Reporting Standards, respectively accounting regulations in accordance with European Directives has been issued to divide companies into two groups: those that apply accounting regulations in accordance with European Directives and those that will apply regulations fully compliant with IAS / IFRS.

These were the consequences of the process of preparation for accession to the European Union. All entities will apply regulations compliant with European Directives, and since 2006 credit institutions have been required to prepare IFRS compliant financial statements, while other public interest entities will apply these standards only if they meet the criteria.

Order no. 1752/2005 of November 17, 2005 of the Minister of Public Finance for the approval of the accounting regulations in compliance with the European Directives was issued to adopt the IV and the 7th European Directives, which will be applied by all entities, starting with 1 January 2006. (Except for the entities mentioned above).

Order no. 1121/2006 of July 4, 2006 on the application of International Financial Reporting Standards emerged from the need for groups of companies to prepare financial statements in accordance with IFRS. Therefore, starting with January 1, 2007, credit institutions (in the form of groups of companies, listed or not on the Stock Exchange) and groups of companies will prepare consolidated financial statements in accordance with IFRS.

On October 29, 2009, Order no. 3055 of the Minister of Public Finance for the approval of the Accounting Regulations in compliance with the European Directives which entered into force on January 1, 2010. OMFP 3055/2009 has thus become the basis for the preparation of all the financial statements and documents that determine a good functioning of the fiscal system in the entity.

The regulations provided by the Order include the Accounting Regulations compliant with the Fourth Directive of the European Economic Communities and the accounting regulations compliant with the Seventh Directive of the European Economic Communities¹⁸.

In 2012, the Order of the Ministry of Public Finance no. 1286/2012 for the Approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to companies whose securities are admitted to trading on a regulated market, which specifies that the companies listed on the Bucharest Stock Exchange, will obligatorily prepare financial statements in accordance with IFRS.

The regulations of this order will be applied together with the Accounting Law no. 82/1991, with subsequent amendments and completions, with the International Financial Reporting Standards, as well as with other applicable legal provisions, in order to ensure a high degree of transparency and comparability of the annual financial statements¹⁹, however, the provisions of this order do not apply to credit institutions, non-banking

¹⁷ Bunea, S. (2006) „Analiza impactului procesului de convergență asupra evoluției unor sisteme contabile naționale și învățăminte pentru România”, Congresul al XVI-lea al profesiei contabile din România, București: Editura CECCAR, 2006, pp. 201-216.

¹⁸ ORDIN Nr. 3055 din 29 octombrie 2009 pentru aprobarea Reglementărilor contabile conforme cu directivele europene

¹⁹ Ordinul 1286/2012 pentru aprobarea Reglementărilor contabile conforme cu Standardele Internaționale de raportare financiară, aplicabile societăților comerciale ale căror valori mobiliare sunt admise la tranzacționarea pe o piață reglementată

financial institutions, payment institutions, electronic money institutions, the Deposit Guarantee Fund in the banking system, as well as other predominantly banking institutions.

For the financial year 2012, the companies will prepare individual financial statements according to IFRS, but restating the information from the organized accounting based on the accounting regulations compliant with the Fourth Directive, approved by OMFP 3055/2009, and starting with 2013, the entities will keep the accounting according to the provisions of IFRS.

From 2006 until now, from a fiscal point of view, there have been many changes, affecting the accounting, due to the dependency ratio between the two, but on a regulated market among the most recent and most important is the VAT on collection, applicable from January 1, 2013.

VAT on collection is compulsorily applied by VAT payers who have their registered office in Romania and are registered for VAT purposes and who registered during the previous year a turnover of less than 2,250,000 lei, and among the operations subject to the VAT collection system we can mention the non-taxable operations in Romania, the operations exempt from VAT, the operations subject to special regimes or reverse charge, etc.

The main rule of the VAT collection system, introduced in the Fiscal Code by GO no. 15/2012, is that the eligibility of the tax occurs at the time of collection of the value of deliveries/services made or, in the case of uncollected invoices, on the 90th calendar day from the date of issuance of invoices.

Starting with January 1, 2013, the new VAT payment system must be applied by two categories of taxpayers, namely: Taxable persons registered for VAT purposes, which have their registered office in Romania, whose turnover during October 1, 2011 - September 30, 2012 inclusive does not exceed the ceiling of 2,250,000 lei.

The transition to the International Financial Reporting Standards represents the adoption of a common language by cross-border companies and multinational companies, and this process brings a new perspective on financial reporting, making them more transparent, coherent, comparable and complete, contributing to sound economic decisions and to increase the liquidity of companies that apply IFRS. This process also has a significant impact on financial data and requires the restructuring of internal information systems.

The essential thing is that in our country, accounting has kept pace with the more recent requirements of globalization and globalization of national economies, being today in full process of harmonization and convergence of its accounting system with European and international accounting standards.

5. CONCLUSION

From the analysis of the evolution of accounting in this period, the following conclusions can be drawn:

- Between 1990 and 1993, an intermediate period between the practice of a Soviet-type accounting system and the application of a French-inspired accounting system. The construction of a French-inspired accounting system was chosen, modeled on the needs of the Romanian economy. The Accounting Law no. 82/1991, reference for the accounting system of that period.
- In the period 1994-1999, the French accounting system was implemented and the Accounting Program for the Development of Romanian Accounting was established, which had as objective the harmonization with the International Accounting Standards and with the European Directives.
- After 2000 and until 2006, an attempt was made to divide the accounting into two categories: small and medium enterprises, which will apply already existing accounting regulations, in accordance with the Accounting Law no. 82/1999 and large enterprises, which will gradually apply International Accounting Standards.
- From 2006 until now, there has been an attempt to apply the harmonization of the decisions of the Romanian authorities, but only a few companies have voluntarily prepared the financial statements in accordance with IAS / IFRS from the need to obtain external financing.

- The fact that only a few companies were interested in IAS / IFRS may suggest that the harmonization status has subjected Romanian companies to an unjustified effort. However, according to the Orders of the Ministry of Public Finance no. 881/2012 and no. 1286/2012 all companies whose securities can be traded on a regulated market must prepare the financial statements by virtue of International Financial Reporting Standards.

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AN APPLICATION FOR A BETTER STUDENT LIFE

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Abstract

Sustainability is a word used more and more nowadays. Sustainability means satisfying the needs of the present without causing damages to environment or to the future generations to meet their needs. The concept is composed of three elements: economic, environmental, and social, known as the three P: profits, planet, and people.

But what are we doing in order to be more sustainable or what can we improve in our lives? The aim of this paper is to recommend some activities that can be implemented in Faculty of Economic Sciences and also in the student's daily life. The main problem is the fact that we do not know how to have a responsible consumption behaviour regarding our scarce resources and how to take advantage of the ones we have. Because of this, the following study will describe an application where can be uploaded: news regarding the changes in the faculty, the documents students have to sign and the courses. This is a new concept that contains useful information for students and for professors. The main objectives are the reduction of energy consumption and paper, the reduction of CO2 emissions, the improvements regarding schedule and the saving of time.

The research puts emphasis on the theoretical part by explaining the concept of sustainability, but also on the personal marks such as a questionnaire applied to students from the university and a stakeholder map that shows the persons involved in this project.

Keywords: Application, Faculty, Sustainability, Scarce Resources

Jel classification: Q01, Q55

1. EVOLUTION OF SUSTAINABILITY

“The concept of sustainability is one that has been around for as long as humans have: a concern for the future of our resources. Food and water have to come from somewhere, and even the earliest cultures would have had to be thinking about what to do in the lean times, and what would happen if the animals or plants they depended upon were to disappear. The word itself, however, has more recent origins. Coined in German, the original term was *Nachhaltigkeit*, meaning “sustained yield.” It first appeared in a handbook of forestry published in 1713, and was used to mean never harvesting more than the forest can regenerate. The translated term appeared in English beginning in the mid-19th century.²⁰

Over time, the meaning of words can evolve and change to fit specific needs. Once ecology became a discipline, the concept of sustainability became more inclusive, referring now not just to forests, but to all biological systems. Ecological sustainability, then, is the ability of an ecosystem to maintain its essential functions and to retain biodiversity over time.¹

Yet another shift in definition occurred in the later part of the 20th century. Throughout this century, awareness of our overuse of resources and dependence on fossil fuels had been growing. In the 1980s, the word sustainability began to be used more in terms of the sustainability of how humans live on the planet. Today, the most common definition of sustainability is that of sustainable development, defined by the Brundtland Commission of the United Nations in 1987: “sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”¹

So for something to be sustainable by today's most common definition, it must balance how it meets human needs without degrading the natural environment. Sustainable development has three goals, set forth by the 2005 World Summit on Social Development, and they are: economic development, social development, and environmental protection. Ideally, the first two should be constrained within the third. This would ensure that

²⁰ <https://theworldenergyfoundation.org/a-brief-history-of-sustainability/>

we don't take more than we need, so that something of our resources remains for our descendants. It seems simple on paper, but putting it into practice is a problem we haven't yet managed to solve.”¹

In 2015 the United Nations have established a set of 17 goals designed to have an impact worldwide from the most developed countries to the ones that are still developing. These goals that include the three dimensions are: no poverty, zero hunger, quality education, clean water and sanitation, sustainable cities and communities, responsible consumption and production, etc.

2. ROMANIA AND UNITED NATIONS

Due to the fact that Romania is part of the United Nations, the 17 goals are on the country's agenda. The progress achieved so far is not so significant and most of the sectors need an improvement regarding the sustainable development. The program of the UN is guided by the quote:“ Leave no one behind” so the country has the necessary support for a better evolution.

The most important article, in Romania, regarding environmental protection from the legislation is Law No. 137/1995. It has the following main objectives: the "polluter-pays" principle, establishing international collaboration to ensure the quality of the environment, improvement of environmental quality. Through these objectives, there is also the interest to educate the population to have a more responsible attitude regarding the consumption of the scarce resources, to reduce the CO₂ emissions and deforestation.

“Romania has a geographical location which favors wind, solar and water energy, as well as mineral resources with a significant untapped potential caused by savings of applied sustainable development and circular economy. The energy sector has an essential contribution to Romania's development with strong influence on economic growth, wellbeing and the environment. To meet consumer expectations in the long run, the Romanian energy sector must become cleaner, more economically robust and technologically advanced.”²¹

3. ROMANIA AND TECHNOLOGY, INNOVATIONS AND RESEARCH

Historically, Romania is known for the inventions that helped the world developed. Now it is one of the most important market for IT from Eastern and Central Europe. This dynamic domain has the power to grow very fast and it can be combined with the sustainable development.

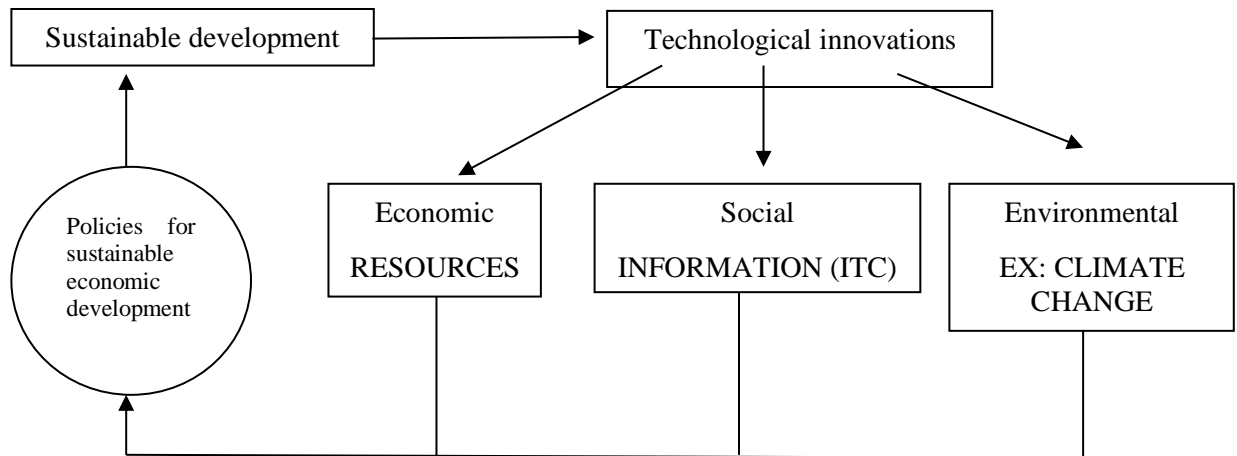
According to Sharon Beder sustainable development relies on technological change to achieve its goals. TIC can create a cleaner air by reducing CO₂ emissions but “technological optimism does not escape the need for fundamental social change and a shift in priorities. That was the mistake many in the Appropriate Technology Movement made. It takes more than the existence of appropriate or clean technologies to ensure their widespread adoption”.²²

Another study conducted by Andreea Constantinescu and Simona Frone from National Institute of Economy, Bucharest shows how technology innovation and sustainable development are correlated. The whole process implies economic, social and environmental requirements. They describe different practices to diminish ecological footprint: Carbon Capture and Storage (CCS) this process consist in capturing CO₂ and deposit it in geological formations or technology of underground injection of CO₂ used in oil and gas sector.

²¹ <https://sustainabledevelopment.un.org/memberstates/romania>

²² <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1049&context=artspapers&sei->

Figure 1. The influence of technological innovation on the pillar of sustainable development



Source: The Role of Technological Innovation on Sustainable Economic Development

The information had such a powerful effect and this can be observed in the following part of the research. The aim is to make a change in the community, at a possible level, to bring a contribution to a better and more sustainable life. Because of this, this research will demonstrate why the implementation of an app is necessary in the faculty. It would make our environment more sustainable by implementing some actions that correspond to the United Nations goals.

4. HOW CAN THIS APP REDUCE THE CONSUMPTION OF ELECTRIC ENERGY?

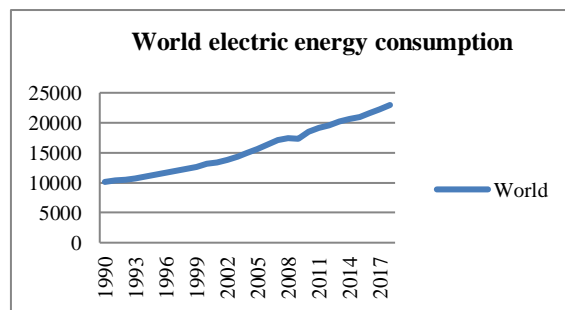
First of all, in the Faculty of Economic Sciences are activities from 8 a.m. to 8 p.m. and maybe even more so electric energy is indispensable for its well-functioning. Reducing energy use saves money, increases the energy security, and reduces the pollution that is emitted from non-renewable sources of energy.

The app is designed to upload the courses online and the students can watch them, basically, from anywhere. It is true that we use electric energy to charge our smartphones or laptops, but I think that we do that anyway.

Currently, our legislation does not allow this and it can not be implemented now, but hopefully in the future it will be possible. Maybe, in the next 15-20 years our system will adapt to the changes and will become more efficient.

Until then, if the app can't be introduced, one alternative for the reduction of electric energy in our faculty could be the acquisition of sensor based lighting. This is more easy to achieve and will decrease the costs very much.

Figure 2. World electric energy consumption



Source: Enerdata

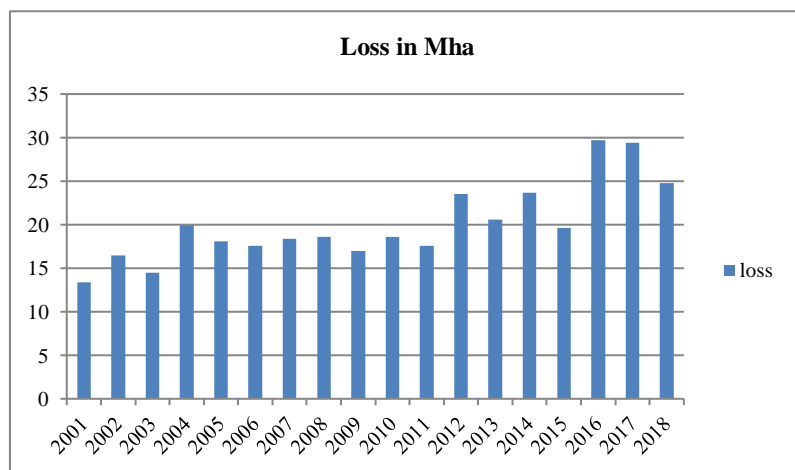
5. HOW CAN AN APP REDUCE THE CONSUMPTION OF PAPER?

“Paper. Even in this digital era, it’s rare that a day goes by without us interacting with a product made from wood pulp. Some of these items are steadily becoming outdated in favour of digitalisation, at least in some parts of the world. As we move into the thick of the 21st century many of us have trained ourselves to stop before printing out emails. But it’s still hard to imagine our lives without certain paper products. And the truth is about 14% of deforestation is done to satisfy our huge appetite for paper goods.”²³

One of the main purposes of this app is to reduce the consumption of paper. There are thousands of students and each of them uses at least one paper a day, to this it can be added the paper that the professors are using, the documents received from the university and there are many other examples. The app is a platform where all of these can be uploaded by an IT engineer. The network must be really practical and this means that every participant has its specific role. Starting from the IT engineer who must create the app, then the university must provide the information, the professors must film themselves and explain the concepts to the students who must watch the videos and check the news.

Other idea is to have all the projects and the exam on digital devices because professors have thousands of papers in their offices and must keep them for 1 year. The app can have a section where students upload our work and another section where professors can give them the midterm exams or the exams. For this to work, when the students have the exam they must stay on this page and not leave it or enter another one (in order not to cheat). Otherwise, the student cannot seat for the exam. This might be seen as an unrealistic option, but in the future I hope that it can be implemented

Figure 3. World deforestation



Source: Global Forest Watch

6. HOW CAN THIS APP REDUCE THE CO2 EMISSIONS?

As this research emphasized before, the app helps us saving trees, trees store carbon dioxide, which is released when cutting them down, burning them or making them into pulp for paper production. And, as you might expect, this contributes to global warming.

“Scientists estimate that 23% of man-made carbon dioxide emissions are as a result of the loss of forests. This is far more than the amount created by all the cars and lorries on roads, estimated at 14% by the World Car-free Network.

²³ <https://paperontherocks.com/2018/11/28/environmental-impact-of-deforestation-paper-production/>

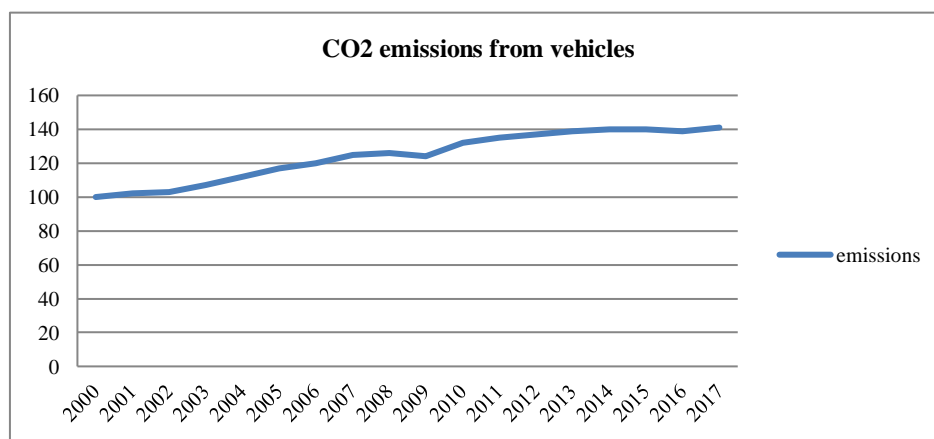
Trees keep us alive. They create the oxygen we breathe and remove and store harmful carbon dioxide, helping to reduce global warming. We are utterly dependable on them. It's as simple as that."²⁴

The app is going to reduce the CO2 emissions not only through protecting the forests, but also by diminishing the emissions produced by cars. Usually, students come with their own car or with the bus, they produce CO2, so unwillingly we encourage the unsustainable way of transportation.

Maybe, this app can have a special section or a forum where students can write the area they live in and if there are more students living there, they can group and come together. It is a way creating a more efficient transportation.

Also, there is an easier practice that the faculty can implement and this is the creation of more spaces where students can let their bikes. In this way they would encourage them to use more sustainable transportation means. They will not produce so many CO2 emissions and they will save a lot of time by avoiding the traffic.

Figure 4. World CO2 emissions from vehicles



Source: IEA

7. HOW CAN THIS APP SAVE TIME?

Time files, time is money, time waits for no one, lost time is never found again... these are few examples of what we know and learned about time. Nowadays people are so busy that they do not have time for anything, but what if an app can help them being more efficient and flexible?

This analysis demonstrates an app can do this: students will not be tied to a fixed program, they can receive the news from anywhere and they can watch the courses where and when they want.

Stakeholder map

A stakeholder map is a process where all the parts implicated in a project appear. This is essential because in this way we can understand better what is the role of each stakeholder, what it involves or what is the outcome of each action.

It offers a larger perspective over the project and helps for future plans.

²⁴ <https://paperontherocks.com/2018/11/28/environmental-impact-of-deforestation-paper-production/>

Stakeholder	Role	Benefits	Implementation	Barriers	Impact
Faculty	To create the app, to give the necessary information, to ensure the well-functioning	To reduce the consumption of electric energy and paper	To establish a program for students	Lack of interest or they might consider the old way of teaching more efficient	Bigger achievements of students → a better ranking of faculty
Students	To use the app	Save time and a flexible program	To install the app, to check the news and watch the courses with attention	Lack of interest or not paying attention	Better understanding and greater achievements
Professors	To create the videos and to upload them	Save time and energy (because they upload the videos only once and the students can watch them many times)	To film themselves	Feel uncomfortable because they have to speak in front of a camera so they do not receive feedback	Interest for their courses, if they explain the concepts well they can help many students
Erasmus students	To use the app	Save time and watch them from anywhere	To install the app and watch the videos	Not understanding the concepts, the news	Better understanding
Supplier (the IT guy)	To create the app, to ensure the functioning	Earns money and recognition	To make an useful and easy app	Might create a weak system	Promoting
Ministry of Education	To allow the using of app	Sustain the development of education	To modify the current legislation	Lack of interest	The modernization of the education system

8. OWN ANALYSIS - A QUESTIONNAIRE SURVEY

“The questionnaire survey is a very well-known and widely-used research technique for quickly and efficiently gathering and analysing data from a population under study. Questionnaire surveys have been used in just about every context imaginable, e.g., health, industrial relations, construction, transport planning, rural development, and many others.”²⁵

In the following part, I will present an analysis made in the faculty. For this, I created a Google form and I asked the students to answer to the following questions:

1. How would you rank the sustainability of our faculty?
2. Do you think that an app with the news and the courses will make it more sustainable?
3. Do you think this app reduce the consumption of energy and paper, CO2 emissions and save time?
4. If this app will be available, will you use it?

In order to answer, I made sure that each student understands the meaning of the questions applied.

²⁵ <https://www.sciencedirect.com/topics/earth-and-planetary-sciences/questionnaire-survey>

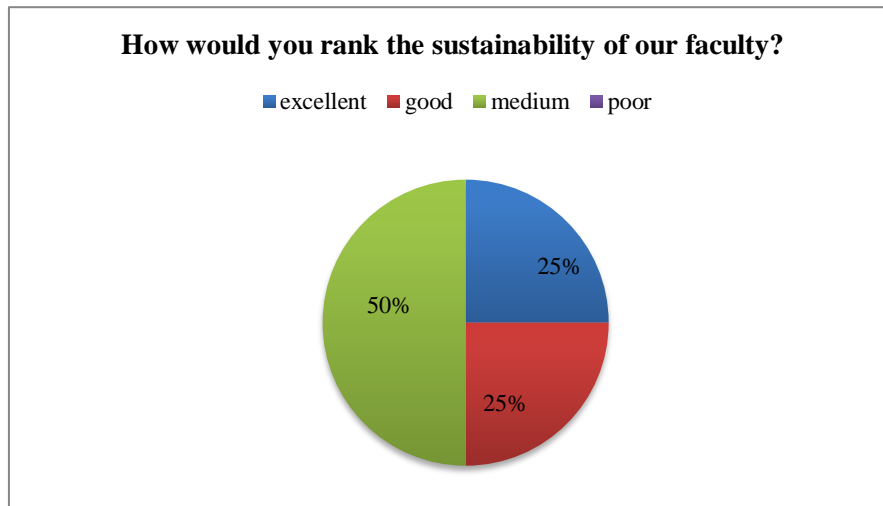


Figure 5
41 students responded to the questionnaire. Based on these, figure 5 demonstrates that half of the students ranked the faculty as medium regarding sustainability, which means that there is still room for improvements. 25% ranked it as excellent and 25% ranked it as good.

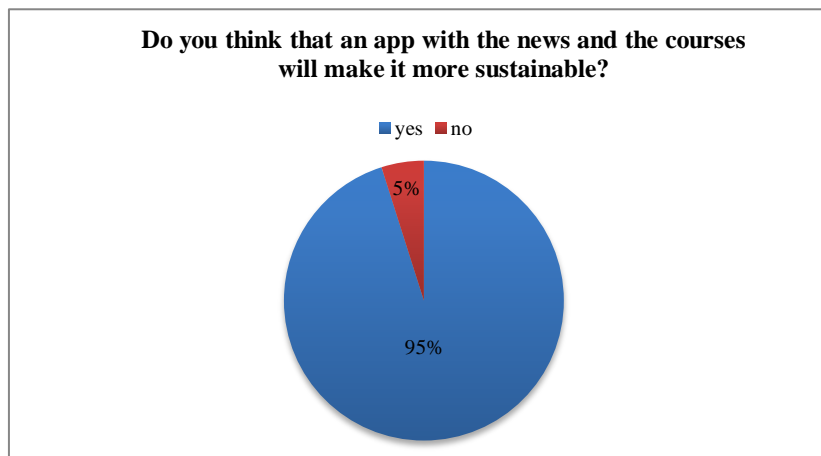


Figure 6
This figure shows that 95% of the students think an app can make our faculty sustainable, this means 39 students out of 41.

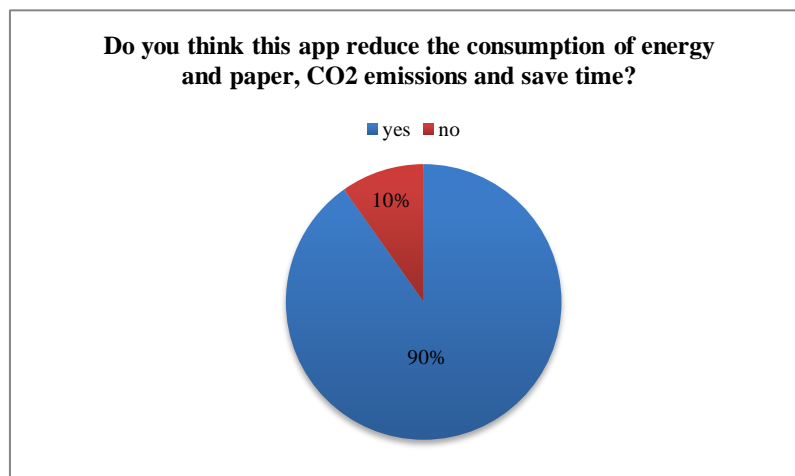


Figure 7

Figure 7 demonstrate that 90% of the students believe an app can reduce the consumption of energy, paper, CO2 emissions and save time. This prove it is an sustainable and economic solution.

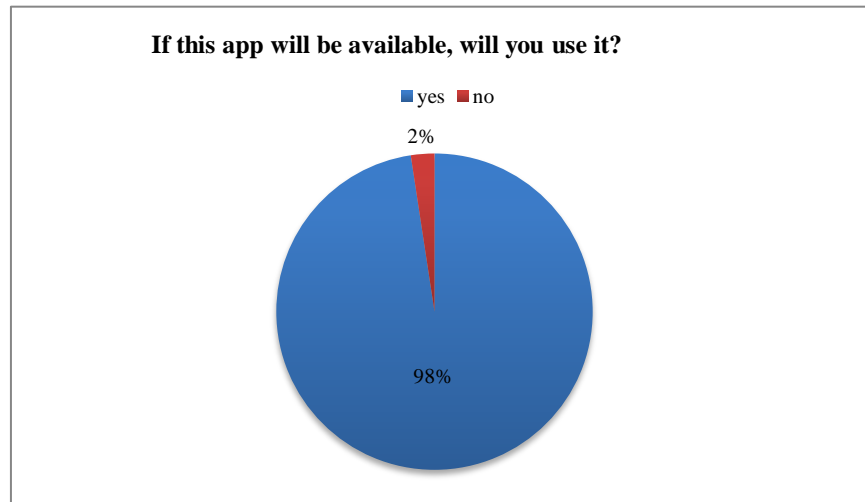


Figure 8

The last figure illustrates that if this will be available, 98% of the students will use it.

9. CONCLUSION

In order to have a more sustainable faculty and environment, in general, all the members of the faculty should work together by taking into consideration those three elements remained in the beginning: people, profit and planet.

Students have various courses and they learn the theoretical part by heart, but they do not know how to put it into practice and how to improve their lifestyle. In other words, they observe that there are issues everywhere around, such as climate change, poverty, the irresponsible consumption of resources, but they do not want to change anything.

On the other hand, the academic personnel had various campaign or projects regarding sustainability, but none of them have a powerful effect on the students. The reached their target, but over time the essence was lost.

But by working hand in hand, there can be achieved positive aspects for the faculty. Because of this, the implementation of an app would solve some serious problems and it would support the development of education in our area. Also, this would reduce the costs and helps in managing time. It is a long process and it involves a lot of implication from both sides, staff and students.

Even though, at the first sight it seems like something professional and for the benefits of the faculty, it is in fact a way of self-discipline. Each student, professor and employee must remember that our resources are scarce and they have to satisfy their needs by using as minimum as possible. This form of self-control involves determination, persistence, tenacity and hard working. After fulfilling these qualities at the personal level, each individual should consider the environment where he lives: first home, working place, faculty, country, and region and after the planet.

“Sustainability is no longer about doing less harm. It’s about doing more good” as Jochen Zeitz said. This phrase highlights that people should concentrate on doing more good for themselves, for the environment, for the future, putting emphasis on the positive aspects. The damage cannot be undone and by having the courage

to change it, we as humans prove we have the willingness to improve the current conditions. Also, it will allow the next generations to attain their necessities without restrictions.

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- IEA
- Global Forest Watch

DANUBE DELTA BIOSPHERE RESERVE – ONE OF THE MOST BEAUTIFUL DELTS IN THE WORLD

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FORMATION AND HISTORY OF THE YOUNG DELTA

Scientists claim that the Danube Delta was formed in a bay since the Upper Pleistocene. The Danube Delta developed in correlation with the 3 arms, St. George being the oldest and Chilia the newest. The main morphohydrographic classes include the marine ridges, having an area of 39,400 ha, the river ridges occupying an area of 50,200 ha, the continental fields with an area of 8,200 ha, the marshy lands occupy a fairly significant area, namely 226,850 ha, the lakes have an area of 31,260 ha, the main arms, ravines and canals occupy 9,959 ha.

THE DANUBE AND HER ARMS

The cell is the youngest, long and branched arm, it is the most vigorous because it carries the largest amount of water. Over time, it has formed several secondary deltas, such as - the first in the Pardina depression, the second delta after Chilia Veche and the third, in progress after Periprava. Sulina arm, according to studies of the European Danube Commission in 1856, was preferred for maritime navigation, although St. George is the oldest arm, with a length of 109 km. The climate is temperate continental with pontic influences. In summer, evaporation is high at the surface of the water, being amplified by strong winds.

TYPES OF ECOSYSTEMS

The Danube Delta supports a wider range of ecosystems than any other region in Europe. The mix of habitats developed in the Danube Delta is the most varied in Romania, with 30 types of ecosystems - 23 natural and 7 anthropogenic.

Given the impact of anthropogenic activities over time against ecosystems, 2 categories of ecosystems have been established: partially man-modified natural ecosystems and anthropogenic ecosystems.

The running water ecosystem includes the arms of the Danube, but also the more important canals.

The stagnant water ecosystem comprises primarily lakes and to a lesser extent stagnant gullies and canals.

The ecosystems of swampy and floodable surfaces are dominated by vegetation consisting mostly of reeds.

The ridge ecosystem is based on river ridges, where all kinds of willows were born and which were cleared.

The Danube Delta Biosphere Reserve is also called the Bird Paradise, a name recognized worldwide.

Recently, research has been conducted that shows that in the Danube Delta there are 331 species of birds, 174

The world population of Goose being hatching.

On the territory of the Danube Delta is found most of the population of Common Pelican and Cretan Pelican, 60% of the population of Little Cormorant and 50% of the red-necked.

SPECIFIC HABITATS

The Danube Delta is a site of Community importance, within the European Natura 2000 network, it hosts 29 habitat types from the steppe ecoregion and 3 habitat types from the Pontic ecoregion.



Source: "DANUBE DELTA BIOSPHERE RESERVE - VISITOR'S GUIDE"

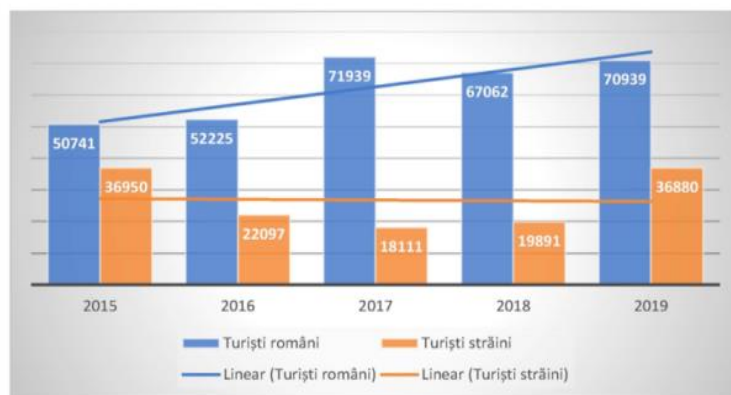
For administrative systems there is stress, due to isolated places. Effective coordination is needed for new investments (example: destination management in the tourism sector). A program must be designed to help build capacity and technical assistance, support functions and have responsibilities for the future.

POPULATION AND SETTLEMENTS

Currently, the Romanian population is the majority, being in proportion of 81%, followed by Lipovan Russians with 7%, Ukrainians with 2% and Turkish-Tatars with 1.7%.

ECONOMIC ACTIVITIES

Fishing has been the main occupation since antiquity, keeping its importance until now in Crișan, Mila 23, Gorgova and Sfântul Gheorghe is the main occupation of the inhabitants. The 2nd important occupation is animal husbandry. Hunting is an activity practiced more by foreigners. of the delta and less of the locals. Navigation, another very important occupation, has been practiced since antiquity. Tourism is a very important branch in Europe and worldwide, but in the Danube Delta it has registered in the last 25-30 years due to lack of promotion and proper infrastructure.



Source: <http://www.ddbra.ro/activitati/turism>

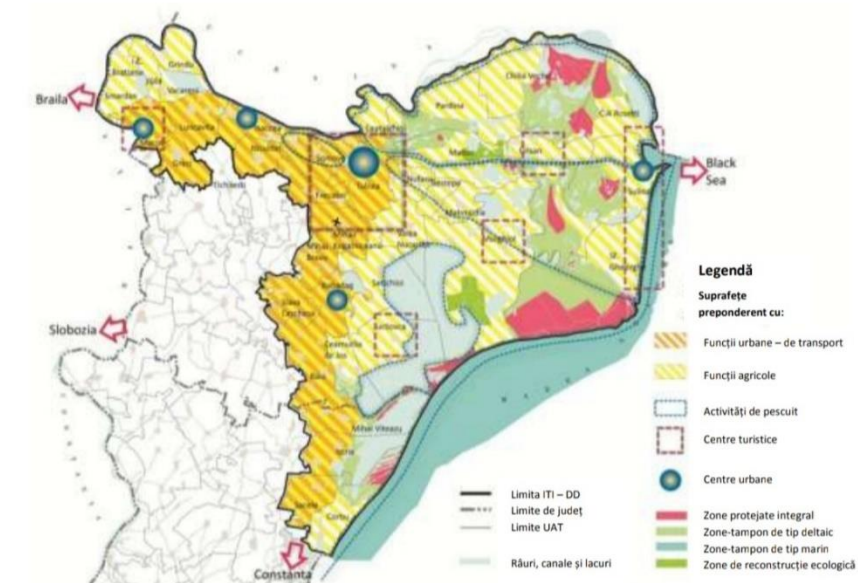
DANUBE DELTA BIOSPHERE RESERVE

By Government Decision no. 983/27 August 1990 (art. 5), the Danube Delta and the Razim-Sinoie lake complex, the Sărături - Murighiol lake, the Isaccea - Tulcea lake complex (undeveloped Danube meadow between Isaccea and Tulcea), the Danube riverbed between Cotul Pisicii and Ceatalul Chilieii, have been declared a biosphere reserve. The international value of the Danube Delta was recognized and included in the global network of biosphere reserves in 1990, under the "Man and Biosphere" (MAB) program launched by UNESCO in 1970. The Danube Delta Biosphere Reserve was recognized as a wetland of Community importance, especially as a habitat for water species, according to the Ramsar Convention. Given the value of the universal heritage of the Danube Delta, it was included in the List of World, Cultural and Natural Heritage in 1990.

RESEARCH STRATEGY, OBJECTIVES AND IMPORTANCE

The proposed strategy provides a balance for the protection of the unique natural heritage and cultural heritage of the Danube Delta Biosphere Reserve, meeting the region's expectations for improving living conditions and identifying better economic opportunities.

The current structure of the Danube Delta region.



Source: RAPORT 2.2, Integrated Strategy for Sustainable Development of the Danube Delta (2030)

The strategy was developed based on a systematic technical analysis. In 2013, the Government of Romania - through the Ministry of Regional Development and Public Administration) - requested the World Bank to provide technical assistance services, for a strategy for the Danube Delta and its surrounding areas, with a horizon of 2030, as well as to identify action plans for the introduction of such a strategy. The development of the strategy began with the Diagnostic Report which included consultations, in view of the current situation, opportunities and constraints. The report revealed the double challenge of protecting the environment and improving the livelihoods in the area.

The strategy is structured on five pillars, which emerged from the objectives. These correspond to the five pillars under which the sectoral observations resulting from previous needs assessments have been grouped. Examples of interventions recommended following the studies are indicated below, within each pillar.

Pillar I: Protection of the environment and natural resources. The main comparative advantage of this region is the richness of the natural environment. Restoring the natural environment and improving the management of environmental assets is an important step. In the long run, sustainability will depend on locals playing an active role as administrators of cultural and environmental assets in the Delta, in partnership with the Danube Delta Biosphere Reserve Administration (DDBRA). Reducing the threat of unjustifiable consumption of resources, including fishing, must be based on solutions that provide incentives for locals to protect local goods. All activities promoted in the Danube Delta must be in harmony with the guidelines to be established in the strategic environmental assessment. Examples of interventions: hydrological modeling; clogging; ecological restoration; dredging; flood protection; signaling; energy efficiency initiatives; monitoring system;

Population (2012 Census)

- Tulcea County 201,500 people
- Study area (Danube Delta) 184,000 people
- Of which in the heart of the Delta: 10,700 people
- Neighboring area: 173,300 people
- In the study area:
 - - Tulcea city - population 73,700 people,
 - 4 cities (Babadag, Isaccea, Măcin and Sulina) with a population between 4,000 - 9,000 people.
 - - Commune in Tulcea County (out of a total of 46) 500 - 5 900 people
 - - Of which in the heart of the delta (7 communes) 500 - 2 100 people
 - - In the surrounding areas 1,100 - 5,900 people

Pillar II: Improving the economy. Wealth and cultural and environmental diversity bring benefits to the tourism economy and profit to local fisheries and aquaculture, agriculture and small craft workshops. Because we have many attractions and different activities in nature, with the increase of tourists, the visiting limit increases, which benefits the income of the population and the growth of movable and immovable property. Traditions, art, gastronomy have other advantages of the region. work, because they are few.

Examples of interventions: infrastructure for visitors; cosmetic effort; tourism training; destination management organization; rural infrastructure; modernization of infrastructure in agriculture; major support for aquaculture, recreational / sport fishing, and fish processing (canning, smoking); supporting business development in non-agricultural fields (eg tourism, handicrafts / products, renewable energies).

Statistical situation from the tourist point of view 2017 - 2019

2019 - Total accommodation units in Tulcea county - 488, with 10,867 authorized accommodation places, of which:

- Danube Delta - 3,498 accommodation places;
- Continental Delta - 6,964 accommodation places;
- North Dobrogea - 405 accommodation places;

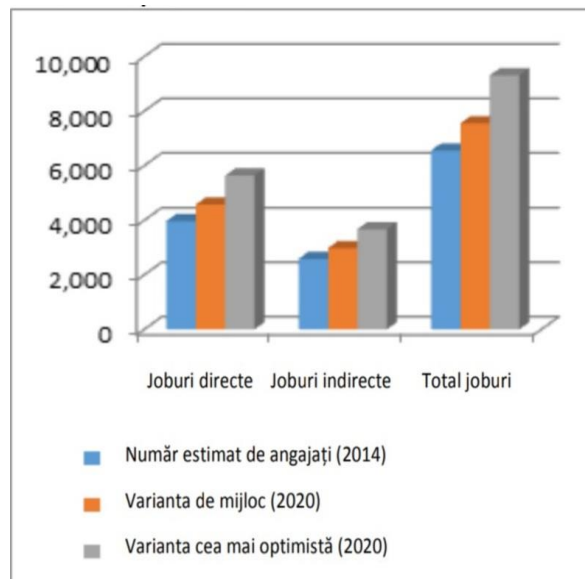
Study made by the Management Association of the Danube Delta tourist destination

2018 - Total accommodation units in Tulcea county - 427, with 9,880 authorized accommodation places, of which:

Danube Delta - 3,022 accommodation places
Continental Delta - 6,491 accommodations
North Dobrogea - 341 accommodation places

Study made by the Management Association of the Danube Delta tourist destination.

2017 - Total accommodation units in Tulcea county - 420, with 9,235 authorized accommodation places.



The estimated increase in the number of jobs in the nature and fishing tourism industries

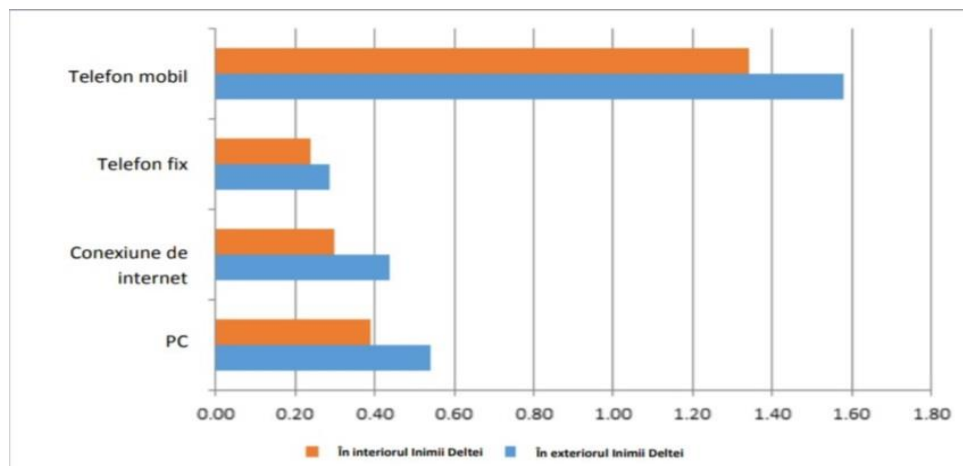
Source: The estimate was formed from field research in the study area, as well as data from the 2011 census, Eurostat and independent studies.

Pillar III: Improving connectivity. A connectivity developed to increase the circulation of people, goods, information will reduce the gap between cities and isolated locations and between poorly developed and developed regions (eg Constanța, one of the growth poles of the country), as well as in the region (e.g. between the heart of the delta and the surrounding areas). An improved ICT infrastructure and fast traffic will support the development of tourism. It will also improve sellers' business opportunities with the markets and create opportunities for services in the health and education sectors.

Examples: road modernization (county, communal);

- modernization of the port and airport in Tulcea;
- improving inland waterway transport;
- increasing broadband internet access;

While the level of mobile phone penetration is quite high, internet access and computer ownership are low.



Source: World Bank, Survey conducted among households in the studio area

Pillar IV: Providing public services. Access to basic services (water, sewerage, waste), medical clinics, education and social services in the region is differentiated, as is the quality of services. Improving these services and bridging their gaps will support the development of tourism, and improving services, partly through the use of ICT, is essential for improving health and social mobility. Basic services must be provided at the lowest cost, which will require innovative approaches.

- In terms of health, these will mean relying on disease prevention through home visits (medical caravan), the provision of medical services and ICT consultations.
- In terms of education, strengthening schools, with transport options and virtual classrooms for remote areas.
- With regard to water and wastewater, they involve affordable, easy-to-maintain and inexpensive technologies, for which there is demand and willingness to pay. As cost-recovery regulations move towards market economy principles.

Examples of action: rehabilitation of water supply systems; wastewater collection and treatment, waste management system, Mobile / landline telephone, Internet connection inside the Delta; improving access to health care; telemedicine; ensuring the access of disadvantaged sections of the population to education, health, housing and employment services; development of social enterprises.

Pillar V: Promoting efficiency, accessibility and sustainability. A key factor that would help the development of the area is the local authorities to develop and supervise the provision of public services. If neither households nor local authorities can support the level of local services in the area, financial aid must be provided through government grants or services will need to be adjusted to an affordable level. Budgetary resources and the challenges of keeping staff in isolated places (health and education sectors) are an additional stress for administrative systems.

The need for effective coordination of interventions will be a proposal for the establishment of new organizations (eg a destination management organization in the tourism sector). A program for capacity building and technical assistance will need to be administered to support future functions, incentives and responsibilities.

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THE DIGITAL TRANSFORMATION IN ACCOUNTING – NEW SOFTWARES CHANGING THE OLD PRACTICE

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Abstract:

The global environment is characterized by automation, through delegating routine and noncreative activities to different machines. Though, the workflow is optimized, efficient and non-redundant. Indubitably, giving up the bureaucracy is already acknowledged in accounting. Thus, this research paper shows the detailed elements of the fundamentals of the digitalization that can be found in accounting. Likewise, it is compulsory to understand the real market and the perspectives of active workers in accounting. Based on this, a market research was conducted, through a complex questionnaire. The findings assert the current situation of accountants and the perspectives for the future, along with the framework of technology.

Keywords: Digitalization, Digital Transformation, Accounting, Audit, Technology

1. INTRODUCTION

The nineteenth century was about industry, the twentieth century was about services, and the twenty-first century is about information, development and digitalization. Science and technology have evolved in an astonishing way over the last five decades, enriching and improving each day. The progress is visible, looking in each field. The online environment has emerged.

Thus, the accounting field is blooming worldwide, although the financial system tries to adapt to the demanding requirements of the users. The accountants face a new challenge: to associate the old habits with the modern opportunities. The new approach of technology has both positive effects and negative ones. However, it makes activities easier and more accessible.

Every organization owns and uses computers. Hence, there is a high investment in technology. The total value of these investments includes the entire package of information technology, administered as a financial portfolio, taking into account both the gains and the risks in choosing an inappropriate alternative. The financial and services sectors are largely dependent on information technology, followed by the production sector. The information system indicates not only the connection between the human factor and the procedures used, but also the targeting of the common objective of the two components.

Therefore, it is impossible for financial audit and accounting to remain detached from the current trend in the usage of cutting-edge technologies. The auditor and the accountant are not only people who have a thorough knowledge of the specific topics, but also people whose current information technologies become familiar in time. The economy will be based on new technologies, and the activity of accountants and auditors will mean acquiring new knowledge and skills to cope with globalization.

Traditional accounting has evolved from the manuscript form to the use of different computer systems. It has gone from hand writing to electronic writing. It should be pointed out the dematerialization of accounting documents, electronic signature, various tele-transmissions and collaborative workspaces. Contemporary, the global background is characterized by digitalization, marked by a fulminant number of technology-based systems that can be integrated into accounting. Therefore, the focus of this research paper is on the emerging interdependence between accounting and the digital transformation.

According to this general information, a research was conducted through the questionnaire method, analyzing the accounting system in Sibiu, Romania. The results indicate a high degree of digitalization, with professionals in this field prepared for a technological future and with the desire to develop their skills.

2. BRIEF PRESENTATION OF THE CONCEPTS

Information technology is one step ahead of regular business activities, having a fundamental role in companies. The speed in which a market is changing, but also globalization are the main two elements that have an impact that cannot be ignored on companies. In this sense, various IT companies have launched software solutions that store, process and transmit relevant accounting data. In terms of business environment, information technology helps managers, accountants and employees from the financial department, by providing support in information processing and decision making. On the other hand, various software systems process the accounting data. In the end, the information is used at different levels of management. Through the new calculation tools, the economic and financial situation of the company can be easily tracked and controlled. The fundamental information required in the decision-making process can be quickly obtained, eliminating unnecessary time consumption and the multitude of non-performing activities.

A significant impact of IT on accounting systems is a better recording and tracking accounting transactions. Thus, accounting softwares have decreased the time in which the financial information is obtained. Particular reports are almost instantaneously generated, helping the managers in the decision making process.²⁶ In fact, accounting information systems, enterprise resource planning (ERP) and extensible business reporting language systems (XBRL) must be learnt and understood in order to be used properly in accounting for various analysis and predictions.

Accounting is seen as an information system through the number of heterogeneous elements and the relations between them. Thus, these elements contribute to the support of the general strategy of the company, in order to achieve the goals. Information technologies allow to identify the main vulnerabilities and risks of the accounting information system that may lead to a malfunction which has an effect on the quality of the accounting information obtained.²⁷ The design of the software depends on the organizational structure of the entity, its size, its way of collecting and reporting financial information, the users of the information provided by the accounting information systems, as well as the types of decisions taken at the management level. The traditional system, in which labor force is used intensively, being based on manual processing of data, is replaced by computerized systems.

3. HOW ACCOUNTING CAN BE INFLUENCED BY TECHNOLOGICAL DEVELOPMENT?

Combining the new technology with traditional activities can revolutionize the way in which an accountant is managing its daily workload. A colossal shake-up is coming to the cliched image of a circumspect and judicious accountant. A significant change is influenced by the new technology and the new regulations. The access to information is facilitated, while the alliance with the new software is appreciated. In fact, more conscious decisions can be taken for the businesses. Likewise, artificial intelligence, big data, machine learning and deep learning are of real help. Based on this, the process of revealing relevant interpretations is simplified.

Altogether, accountants spend less time working on common tasks, focusing on more decisive projects. Smart spendings should be followed in order to have conscious expenses. Also, security is important in this activity, because everything involves digitalization and ease of use.

A good example of an online platform that contributed to the digitalization of the accounting is Stripe. It helps businesses grow at an international level, by optimizing the potential revenue and supporting the experience of the customers, in order to build a stable payment infrastructure.²⁸ Stripe is available in more than 130 countries, offering support for companies to reduce the costs and the cross-border commissions for clients.

On the other hand, information technology allows accounting companies to enter new markets and have a better connection with customers and to increase awareness to the potential customers. Backbone systems contain a

²⁶ Ghasemi, M., Shafeiepour, V., Barvayeh, E., *The Impact of Information Technology on Modern Accounting Systems*, Procedia – Social and Behavioral Sciences, 2011, pp. 112-116

²⁷ Bajan, M., *The Impact of Information Technologies on Accounting*, Contabilitatea și Auditul în Condițiile Globalizării: Realități și Perspective de Dezvoltare, 2018, pp. 242 - 249

²⁸ Stripe, *Payments have evolved. Stripe can help*, <https://stripe.com/enterprise>, accessed on 29th March 2020

basic structure and a final interface, made according to general needs of the customers, while vendor systems are customized, being designed for a specific customer. However, the use of IT can improve significantly the so-called lean accounting process. This concept refers to the process of eliminating all kinds of unnecessary elements from the accounting system, the ones that are time-consuming. In this way, business activity can be better organized, by focusing more on the main goals and the requirements of customers.²⁹

Thus, rapid technological progress brings new challenges to the business environment. It requires frequent updates of software and hardware resources and also acquiring new skills from accounting professionals. They need to understand the impact that new technologies have on their business and to know how to use them in order to make their business more efficient. To be competitive, accounting professionals need to be well prepared for facing the challenges of using information technology.

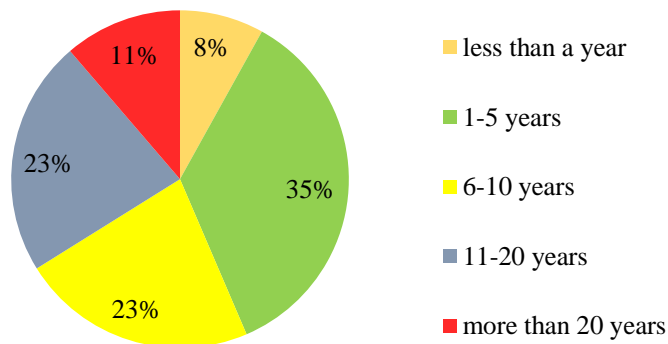
These theoretical aspects are commonly used by the accountants and those individuals who are specialized in the financial field. The impact of the digital transformation can be observed in the following pages, resulted from a questionnaire, interpreted and illustrated visually by graphs.

4. THE IMPACT OF DIGITAL TRANSFORMATION IN THE ACCOUNTING SYSTEM IN SIBIU

The purpose of the questionnaire is to make an analysis of the degree of digitization, in terms of accounting activities. The questions are based on the technological progress and its impact on accounting. A sample of 68 individuals were invited to respond to the questionnaire, but there were taken into account only the responses of 62, due to the fact that the questionnaire was not fully completed by the rest.

The main source of income of the respondents is accounting (82%), while for the others audit (13%) and consulting services (5%). Regarding the number of years of experience, it varies, as it can be seen in the graph below.

Figure 1. Years of experience of respondents



Source: Authors' sketching

It was observed that a great number of respondents are used with digitalization. They either use it in their daily work, or use devices or various software frequently, but not daily. However, 34 respondents out of 62 are aware of technological progress and its impact, while 47 stated that they use technological means on a daily basis. Furthermore, digitization provides better communication between employees, customers and suppliers and helps to adapt the business to current conditions and challenges. Respondents believe that digitization in the accounting sector has a beneficial impact, simplifying their work. Digitization is a necessity, even though the implementation costs are often high.

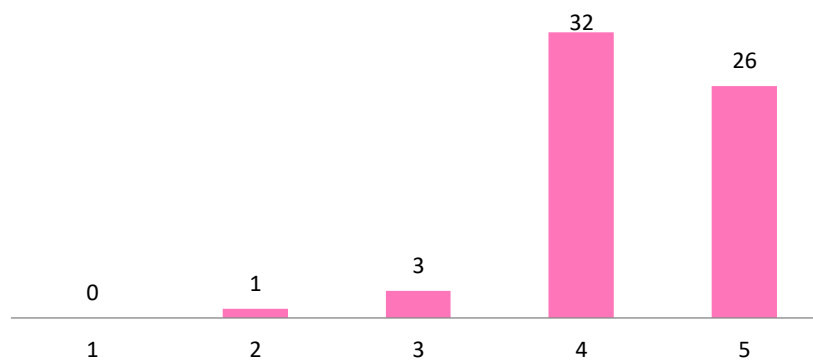
By requesting details regarding the impact of the digital transformation, it could be observed that the main impact of digitalization lies within sending all documents, tax returns in real time and receiving all necessary

²⁹ Maskell, B., Baggaley, B., *Lean Accounting. What's It All About?*, Target Magazine, Association for Manufacturing Excellence, 2006, pp. 35 - 43

approvals and information requested from the authorities in the shortest time without actually going to any public institution. Likewise, the increase of the company's performances, the quickness in processing the documents, the improvement of the process, the increase of the quality and the reduced consumption of the paper are also major benefits of the digitization.

However, respondents admit that the digital accounting updates offers the advantage of saving time in completing different tasks. The update would be beneficial for all economic entities that are otherwise subject to real problems, in the elaboration and effective transmission of the documents necessary for the preparation of financial and fiscal statements. From their point of view, the main competitive advantages that would come from the digital transformation are a better management of documents, increased efficiency and improving quality, processes can be carried out more easily and better communication between customers and employees.

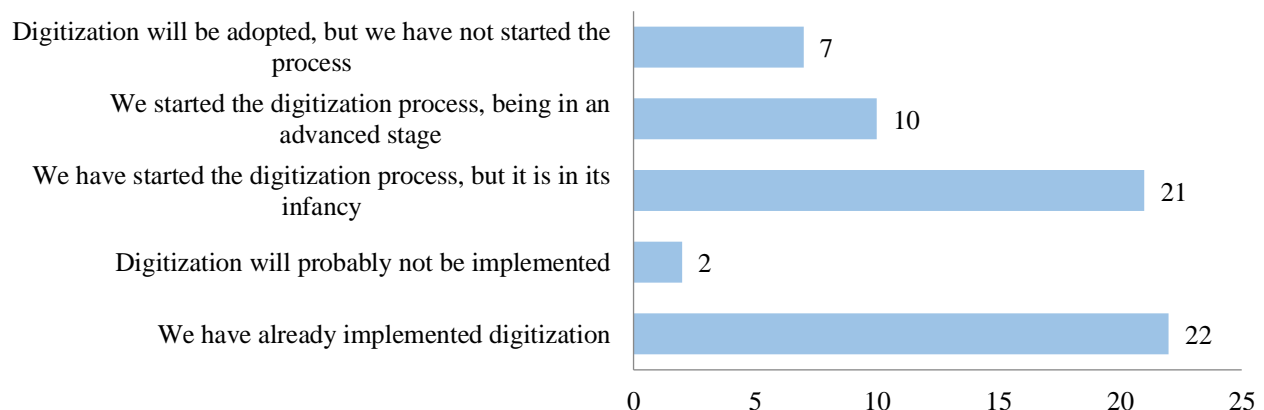
Figure 2. The degree of trust that respondents have for digitalization in relation with their company or with the company they work for



Source: Authors' sketching

Most of the respondents considered that the basic benefits that digitalization can bring are process simplification for accountants, by increasing the productivity, efficiency and the cost reduction. Thus, as it can be observed in the figure above, respondents have trust in the digital transformation that is happening in their company or in the company they work for. There should be noted that five represents the highest level of trust, while one represents the lowest level of trust.

Figure 3. Current situation of the company



Source: Authors' sketching

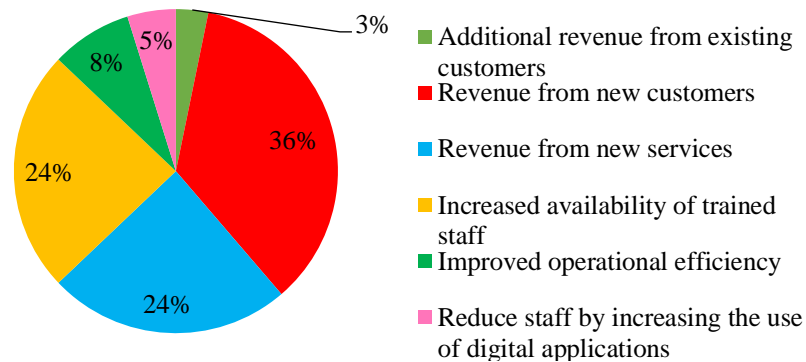
Related to the level of trust of the respondents, there is the current situation of their company or of the company they work for. 22 have already implemented digital elements in their activity, while 21 are at the beginning of the implementation process. This can happen due to an unprepared staff or due to high costs of implementation.

However, numerous respondents face a difficulty in adapting to the changing customer needs because each customer has expectations that do not allow accountants to apply them in any situation and in any field of activity. Compliance with new regulations and standards also encounters problems among the respondents because the law is always changing and the accountant must constantly document and adapt.

Among the problems encountered by the respondents are the usage of digital platforms in their daily activities, attracting and retaining customers, pressure to reduce taxes, attracting and retaining staff, competitiveness and balance between personal life and professional life.

60% of the respondents believe that the best way to increase the revenues is by having new customers. As the chart shows, the other ones are saying that they can increase the activity by training the staff on digitalization or to reduce staff by increasing the use of digital applications. Most of them (71%) considered that there is a procedure for archiving documents regarding the accounting program used.

Figure 4. The way in which the activity of a company can be increased



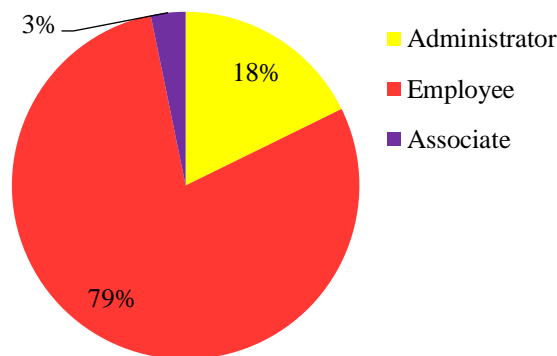
Source: Author's sketching

Even if the current law is changing every day and regulations are updated, a high percentage (92%) mention that the registration software used ensure the obtaining of reporting and record situations according to the existing regulations. This have a great impact especially for those who are not so technologized and are not used with the digital processes.

Related to the fact that the staff is not well trained for the digital work, about 92% said that the accounting staff was trained to use the software, while 8% said the staff have not been trained in terms of accounting software used.

According to the chart above, 49 respondents are working in accounting, while 11 are managing accounting companies and 2 people are associated in various companies.

Figure 5. The position of the respondents in the company.



Source: Author's sketching

The particular characteristics of the respondents are relevant by making a correlation with the answers obtained to the questionnaire. Thus, 84% from the respondents were women and 16% were men. Also, almost 90% come from urban areas while 10% live in rural areas. Among the respondents, 42% were between the ages of 25 and 35, 43% were between 36 and 45, only 3% were between 46 and 55 and 10% over 60 years old. Regarding the level of education, 60% of the respondents have finished the University, 18% have completed the master's degree and 22% have completed different courses such as CECCAR or various courses on the field of accounting.

5. CONCLUSIONS

Digitalization is a phenomenon in an uninterrupted expansion, which becomes an indispensable element of people, but also of companies. Financial institutions are engaged in a renewal process, as a result of digitalization. Nonetheless, particular details of these radical changes should not be overlooked. Digitalization is not simply about introducing technologies. It also involves profound changes in the accounting system, in the financial companies and, more than that, in the organizational culture of any single company.

Employees and employers will be more and more digitalized, they will invest more in software systems. Thus, those who want to work as accountants or in various positions in the field, must be accustomed to technology, following the trend of the moment. Consequently, one valuable recommendation for the future of the accounting system in Romania is to cooperate with different IT companies in order to achieve a competitive place in the international environment. Forthcoming, 5G technology comes as an authentic engine for a fast, secure and sustainable development.

In conclusion, it is of real help to make a more detailed analysis regarding the worldwide background, that one may understand precisely the impact of the digital transformation on the accounting system. Moreover, it is advisable to discuss the issue with professionals in this field in order to have a better understanding. In addition, it is required to follow the latest technological breakthroughs and to understand the mechanisms for a successful implementation in each field.

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THE EVOLUTION OF SERVICES MARKETING

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Coordinating professor: Professor, Ph.D. Iuliana Cetina

Abstract:

Over the last decade, marketing has changed more than in 100 years – launching from the era of TV spots and printed advertisements in the era of websites, online videos, social media and the Google age. Consumers are connected to the web 24/7. Every few years there is a "new" marketing movement, but marketing specialists know it is different this time; not only the rules that have changed, but the clients themselves. Marketing nowadays is based on a real vision of the consumer.

The paper below, shows how the marketing has evolved through the years, especially service marketing and which changes have occurred. It also provides a brief historical overview of services marketing, highlighting the differences. Everything starts with a short presentation of service marketing and how the 4P's became the 7P's.

The digitalization is everywhere, so the main focus is on the marketing digitalization and its permanent upgrading.

As early as 2016, Philip Kotler has been familiarizing marketing with the new trends of marketing 4.0 in his same-name book. Today, customers have less time and attention to dedicate themselves to a particular brand and are surrounded by alternatives at every step. For this reason, every brand must step into the virtual world, looking at the needs of the consumer and sending the message he wants to hear. Digital marketing takes advantage of changing consumer mood to reach more customers and engage them more than ever before.³⁰

According to Dodson I. (The art of digital marketing), digital marketing is the art and science of selling products and/or services via digital channels, such as the Internet and mobile telephone networks. The art of digital marketing means finding an appropriate digital marketing mix of strategies that appeal to the target audience and end up with sales. The science of digital marketing is research and analysis, which relates both to the choice of digital marketing strategies to be used and to the measurement of the success of these strategies.³¹

The reason for choosing this theme is the need for permanent information due to the continued transition of marketing and the focus on the time, as claimed by Chip and Dan Heath in their work entitled "The power of moments", designed to promote the service in the most efficient way and at the same time bring the consumer as close as possible to the positive purchasing decision, but also the need to adapt the business to the technological era.³²

The paper ends by presenting the changes that occurred because of the COVID-19 pandemic and its influence over the consumer behaviour and marketing strategies.

Keywords: Marketing, Services, Digital

1. INTRODUCTION

Services marketing is a particular department of marketing. Services marketing emerged as an isolated field of study within the early 1980s, taking after the acknowledgment that the interesting characteristics of services required diverse procedures compared with the marketing of physical goods. Services marketing ordinarily alludes to both trade to customer (B2C) and business-to-business (B2B) services, and incorporates promoting of administrations such as broadcast communications administrations, budgetary services, all sorts of neighborliness, tourism recreation and excitement administrations, car rental administrations, wellbeing care administrations and proficient administrations and exchange administrations. Benefit marketers frequently utilize an extended showcasing blend which comprises of the seven Ps: item, cost, put, advancement, individuals, physical prove and prepare. A modern approach, known as service-dominant rationale, contends that the division between items and administrations that endured all through the 20th century was manufactured and has clouded that everybody offers benefit. The S-D rationale approach is changing the way that marketers get it value-creation and is changing concepts of the consumer's part in benefit conveyance processes.

³⁰ Kotler, P., Kartajaya, H., Setiawan, I., (2016), Marketing 4.0: Moving from Traditional to Digital, Ed. Wiley;

³¹ Dodson, I. (2016), The art of digital marketing, Ed. Wiley;

³² Heath, C., Heath, D., (2017), The power of moments, Ed. Bantam Press;

2. WHAT IS SERVICE MARKETING?

The American Marketing Association defines services marketing as a hierarchical work and a set of forms for distinguishing or making, communicating, and conveying esteem to clients and for overseeing client relationship in a way that advantage the association and stake-holders. Administrations are (ordinarily) intangible financial exercises advertised by one party to another. Regularly time-based, administrations performed bring approximately craved comes about to beneficiaries, objects, or other resources for which buyers have obligation. In trade for cash, time, and exertion, benefit clients anticipate esteem from get to merchandise, labour, proficient abilities, offices, systems, and frameworks; but they don't ordinarily take possession of any of the physical components included.³³

A few of the foremost imperative highlights of Services are:

- Intangibility : Services can't be touched, seen, tasted or felt
- Inseparability : Services and Individuals can't be isolated may it be the service provider or the client
- Heterogeneity : Two services can't be identical.
- Perishability : Services can't be put away, spared, exchanged or returned.³⁴

3. 4P's VS 7P's

Marketing is a continually evolving discipline and as such can be one that companies find themselves left very much behind the competition if they stand still for too long. One example of this evolution has been the fundamental changes to the basic Marketing mix. Where once there were 4 Ps to explain the mix, nowadays it is more commonly accepted that a more developed 7 Ps adds a much needed additional layer of depth to the Marketing Mix with some theorists going even going further.

Marketing is a permanently upgrading discipline. One example of this evolution has been the elemental changes to the essential Marketing mix or the "4 P's". Where in the end there were only the 4 P's to clarify, these days it is more commonly acknowledged that a more created 7 Ps includes a much required extra layer of profundity to the Marketing Mix.

4. THE MARKETING MIX (THE 4P's)

The Marketing Mix is a tool utilized by businesses and Marketers to assist decide an item or brands advertising. The 4 Ps have been related with the Marketing Mix since their creation by E. Jerome McCarthy in 1960.

Product - The Product ought to fit the errand customers need it for, it ought to work and it ought to be what the customers are anticipating to get.

Place – The item ought to be accessible from where your target customer finds it most straightforward to shop. This may be Tall Road, Mail Arrange or the more current alternative through e-commerce or an internet shop.

Price – The Item ought to continuously be seen as speaking to great esteem for cash. This does not fundamentally cruel it ought to be the cheapest accessible; one of the most fundamentals of the showcasing concept is that clients are as a rule cheerful to pay a small more for something that works truly well for them.

Promotion – Publicizing, PR, Deals Advancement, Individual Offering and, in more later times, Social Media are all key communication instruments for an association. These devices ought to be used to put across the

³³ Christopher Lovelock and Jochen Wirtz (2011), *Services Marketing: People, Technology, Strategy*, 7th ed., Upper Saddle River, New Jersey, Prentice Hall;

³⁴ Anon (2010). 7 P's OF SERVICE MARKETING [online] Available at: <http://www.viralpoongavanam.com/7-ps-of-service-marketing>;

organisation's message to the right gatherings of people within the way they would most like to listen, whether it be enlightening or engaging to their emotions.

In the late 70's it was broadly recognized by Marketers that the Marketing Mix ought to be overhauled. This driven to the creation of the Expanded Marketing Mix in 1981 by Booms & Bitner which included 3 modern components to the 4 Ps Principle. This presently permitted the expanded Marketing Mix to incorporate items that are administrations and not fair physical things.³⁵

5. THE MARKETING MIX (THE 7P's)

People – All companies are dependent on the individuals who run them from front line Deals staff to the Overseeing Chief. Having the correct individuals is fundamental since they are as much a portion of your business offering as the products/services you're advertising.

Processes – The conveyance of your benefit is ordinarily done with the client show so how the benefit is conveyed is once more portion of what the buyer is paying for.

Physical Evidence – Nearly all services incorporate a few physical components indeed in case the bulk of what the shopper is paying for is intangible. For case a hair salon would give their client with a completed haircut and a protections company would allow their clients a few frames of printed fabric. Indeed, in the event that the fabric isn't physically printed (within the case of PDFs) they are still getting a “physical product” by this definition.

In spite of the fact that since the 1980's the 7 Ps are still broadly instructed due to their crucial rationale being sound within the showcasing environment and marketers capacities to adjust the Marketing Mix to incorporate changes in communications such as social media, upgrades within the places which you'll offer a product/service or clients desires in a continually changing commercial environment.³⁶

In a few circles of considering, there are 8 Ps within the Marketing Mix. The ultimate P is Productivity and Quality. This came from the old Services Marketing and is collapsed in to the Expanded Marketing Mix by a few marketers.

Productivity & Quality - This P asks “is what you're advertising your client a great deal?” This can be less approximately you as a trade progressing your claim efficiency for taken a toll administration, and more approximately how your company passes this onto its clients.

Even after more than 30 years (or more than 50 within the case of the initial P's) the Promoting Blend is still exceptionally much appropriate to a marketer's day to day work. A great advertiser will learn to adjust the hypothesis to fit with not as it were advanced times but their personal business model.

6. DIGITAL MARKETING THEN AND NOW

Digital marketing has changed drastically over the final 15 a long time, fundamentally since innovation has detonated amid that same time frame. Think back to 2001. You were not stuck to your smartphone, and you certainly weren't fling observing a few seasons of your favorite appear on Netflix. Fair to put things in setting since a parcel can happen in 15 years—especially within the innovation era—2001 was the year that iTunes and the primary era iPod came out.

Nowadays, social media is ground zero for advanced and inbound showcasing. In 2001, be that as it may, social media was in its earliest stages beginning with social locales such as MySpace and Friendster. Things did not genuinely start to boom until afterward within the aughts with the approach of Facebook and LinkedIn, two of the major players in social media and computerized showcasing. With 1.65 billion month to month dynamic clients (Statista) presently it is nearly unheard of to not have a Facebook page, though in 2001 “the Facebook”

³⁵ Anon, Marketing Theories – The Marketing Mix – From 4 Ps to 7 Ps , Marketing Theories, [online] Available at: <https://www.professionalacademy.com/blogs-and-advice/marketing-theories---the-marketing-mix---from-4-p-s-to-7-p-s;>

³⁶ Anon, Marketing Theories – The Marketing Mix – From 4 Ps to 7 Ps , Marketing Theories [online], Available at: <https://www.professionalacademy.com/blogs-and-advice/marketing-theories---the-marketing-mix---from-4-p-s-to-7-p-s;>

was unheard of. Presently, businesses of all shapes, sizes and businesses utilize these stages and others to draw clients, alluring them with data, items, and administrations. What begun out as a way to put through to companions has gotten to be a social juggernaut overwhelming the computerized promoting landscape.

The victory of social media is to a great extent based on the coming and predominance of portable innovation. More individuals get to social media locales on portable gadgets than on computer screens. “Mobile-based stages too approach social organizing in an completely diverse mold than their Web-based partners. Instead of advertising a comprehensive social organizing experience...they instep specialize in a particular kind of interaction service...People basically utilize the different administrations in conjunction with other stages to construct a comprehensive, advanced identity” (Computerized Patterns). This app-based approach implies that marketers can reach shoppers wherever they are, at whatever point they are online by means of numerous channels. Versatile innovation has totally changed the shopping scene.

Presently marketers think in SEO and click-throughs, but in 2001 look motors were not the powerhouses they are nowadays. At that point, bunch look locales and registries (numerous presently dead) were attempting to organize information and send clients to the correct put. It was a time of buying as much advertisement space as conceivable fair to urge taken note. But the approach of page rankings (much obliged, Google!), look pertinence, and Web ordering changed the landscape. These changes driven to focused on advanced showcasing based on catchphrases and buyer expectation. Think back indeed 10 a long time back. Did you promptly snatch your phone to Google a modern item you listened almost? You might have conducted an internet look and filtered through a bunch of data to discover what you were looking for, but it certainly wasn't fair a press absent like nowadays. Presently you may be associated to a company's site and Twitter page as quick as your WiFi can take you.

As innovation has created so as well have client expectations—now customers request a diverse level of promoting and sustaining some time recently committing. And with so numerous choices at our fingertips, marketers must ceaselessly come up with inventive thoughts to stand out from the masses. “The advanced customer features a broader set of desires and needs, beginning with requiring convenient, personalized buyer encounters that span numerous channels. Nowadays, a customer might visit a store to browse an thing, investigate costs and audits on their iPhone, request input from companions on Facebook, all some time recently acquiring on their tablet” (Target Showcasing Mag). These desires have open the entryway to new challenges and openings for marketers. Embracing change isn't an choice, it may be a necessity.³⁷

Fisk, Brown and Bitner identify 3 different steps in the evolution of services marketing that are shown in the literature:

1. The ‘Crawling Out’ stage before 1980;
2. The ‘Scurrying About’ stage between 1980 and 1986;
3. The ‘Walking Erect’ stage between 1986 and 2000.
4. The ‘Gallopig’ stage from 2000 till date.

In the ‘crawling out’ stage the discussion is centered on the require for a isolated body of writing to bargain with the particular issues of the benefit division. Particular ranges of promoting hypothesis were inspected and found to be inadequately or unseemly when it came to dealing with benefit segment issues and concerns. Donnelly, for illustration, highlighted the contrasts between the promoting ‘channels’ utilized for administrations and those utilized for physical products and suggestions for showcasing strategy. Marketing traditionalists contended that benefit associations did not require a isolated body of hypothesis, which existing promoting hypotheses might, and ought to, be connected to benefit associations. They contended that administrations may not be characterized firmly sufficient to merit extraordinary treatment and, in numerous occasions, were so closely connected to the physical item that they required to be considered as portion of the ‘offer’ when creating promoting technique.

³⁷ Anon. (2017), Digital Marketing Then And Now, [online] Available at: <https://www.responsiveinboundmarketing.com/blog/digital-marketing-then-and-now;>

Marketing traditionalists argued that service organisations did not need a separate body of theory, and that existing marketing theories could, and should, be applied to service organisations. They argued that services could not be defined tightly enough to deserve special treatment and, in many instances, were so closely linked to the physical product that they needed to be considered as part of the 'offer' when developing marketing strategy. For example, the after deals benefit ensure provided with a engine car can be esteemed as profoundly as the insides plan highlights of the car itself.

Service Marketing scholastics and specialists contended that administrations required extraordinary treatment as a result of their unmistakable characteristics; intangibility, inseparability, heterogeneity and perishability. These characteristics were sketched out amid the 'crawling out' stage. Intangibility alludes to the truth that a huge component of numerous benefit offers is insignificant or intangible and cannot be displayed in a concrete way to customers earlier to buy. A client cannot touch an vigorous exercise course, for illustration, earlier to taking portion, and can as it were make a full evaluation of the quality of the benefit advertised after having gone to the class.

Inseparability alludes to the idea that, in numerous benefit operations, generation and utilization cannot be isolated, that's, a benefit is to a awesome degree expended at the same time because it is created. For illustration, in spite of the fact that the beautician may plan in development to carry out the benefit (i.e. assemble the fundamental gear, experience specialized preparing, etc.), most of the hairdressing benefit is created at the same time as the customer devours the benefit (i.e. sits within the chair).

Heterogeneity is closely connected to inseparability because it is exceptionally troublesome to apply quality measures to administrations to guarantee an indistinguishable benefit yield, when so much depends on the participation and interest of person clients. Perishability alludes to the reality that not at all like physical products, administrations cannot be put away. An arrangement with a dental specialist, in differentiate, at a given time on a given day, cannot be put away and advertised once more to customers.

In the 'scurrying about' stage between 1980 and 1985 endeavors were made to classify administrations more clearly and consideration centered intensely on the significant issue of overseeing quality in benefit operations. Zeithaml, Berry and Parasuraman created their spearheading 'gaps model' of benefit quality which highlighted the significance of Endeavors made to evaluate quality in services. Other subjects risen as being especially vital to the administration of benefit associations, counting distant better, an improved understanding of the components of the 'service encounter' (i.e. the interpersonal angles of the benefit), 'relationship marketing' and 'internal marketing'.

Booms and Bitner created their extended 'marketing mix' for administrations which took into consideration the distinctive characteristics of benefit recognized within the 'crawling out' arrange: intangibility, inseparability, heterogeneity and perishability. Booms and Bitner added three more Ps to this unique showcasing blend to create it more suitable to administrations; Individuals, Prepare and Physical prove. For the primary time reading material on Service Marketing started to be created, setting up it more immovably as a authentic field of scholastic study.

Within the 'walking erect' organize since 1986, there has been 'almost no talk of whether administrations are distinctive from products, but or maybe the writing has cantered on particular promoting issues of benefit organisations'. They incorporate thought of Benefit Experiences, Benefit Plan, Seen Benefit Quality and Client Fulfilment, Internal Marketing and Relationship Marketing.

Within the 'Gallop' arrange since 2000, there has been an increment within the growth of the benefit division and services are the most supporters to the GDP of the nation.³⁸

³⁸ Chand Smriti, How Service Marketing Evolved?, [online] Available at: <https://www.yourarticlelibrary.com/services/how-service-marketing-evolved-explain-with-distinctive-characteristics/33981>;

The services industry shapes the spine of the world economy, however promoters and investigators in this field have been restricted to fair some regions. Promoting specialists have been confronting a number of challenges due to the nonattendance of conceptual studies on the evolution of administrations promoting. There's a ought to create a few new ideal models for administrations promoting, as s presently address the legitimacy of the existing four standards of servicesintangibility, heterogeneity, inseparability, and perishability particularly with the propels in innovation.

The services industry had developed within the created world long some time recently its spread into the creating economies. But there have not been much research and thinks about within the administrations zone, particularly in administrations marketing. Services marketing as compared to merchandise marketing may be a moderately young field. Marketing within the late 19th and 20th centuries cantered on offering agrarian merchandise and after that extended to incorporate made products. Services were not seen as items to be promoted as such, but were seen as bolster or help components to advancement and distribution. In pre-1980s, a few inquire about exercises begun centring on the contrasts between merchandise and administrations, characterizing benefit characteristics and benefit forms. Deregulation of administrations within the US boosted the benefit division there and invigorated inquire about intrigued in early 1980s. The American Marketing Affiliation took activities to conduct a arrangement of showcasing conferences related to service marketing. Numerous concepts of administrations promoting like classification of administrations, benefit quality, and benefit mapping took shape amid this period. Within the mid-1980s, a spurt within the development of investigate exercises in administrations was seen due to a expansive number of worldwide conferences and unused scholarly centers of administrations showcasing in different administration establishing. At this point of time, this field got to be more multidisciplinary and cross-functional in nature. (Berry and Parasuraman, 1993)

The late 1980s given a unused heading to administrations inquire about with the advancement of scales to degree benefit quality. The center steadily moved from benefit quality to client fulfillment, benefit recuperation, client relationship administration, and client maintenance, within the 1990s. The advancement of administrations showcasing was classified into three stages by Brown, Fisk and Bitner (2003): "Slithering Out" (pre-1980), "Running Almost" (1980-1985), and "Strolling Tall" (since 1986). The administrations inquire about in 1990s and early 2000s acquired more profundity in numerous zones of administrations³⁹

7. SARS-COV-2 CHANGED CONSUMER BEHAVIOR AND MARKETING STRATEGY

Marketing has seen noteworthy shifts from how SARS-COV-2is changing buyer behaviour, with numerous changes conceivably for all time modifying our industry.

As with any emergency, people tend to move down Maslow's Hierarchy of Needs towards the basics of food, safety and security. Tragically, coronavirus has smothered the higher level require of belongingness. As a result, buyers are looking to innovation to recapture that misplaced sense of community and network. Brands that make or disperse basic items, particularly those relating to wellbeing and security, are in a great position presently and well past the widespread. Extravagance brands and other businesses affected by physical and financial impediments (magnificence, travel and tourism fundamentally) ought to anticipate a long recuperation, tragically. Travel will ended up more experiential, depending on increased and virtual reality, presently and within the future.

The SARS-COV-2pandemic has constrained the world inside. Those living alone are challenged with forlornness whereas bigger families adapt with swarming. Buyers are cooking and eating more at domestic than ever some time recently, which is nice for basic supply and conveyance administrations, but has made long-term on the off chance that not changeless hurt to eateries and bars. Discuss travel has diminished 90%, which has obliterated worldwide tourism, however drivable get-away goals are seeing a bounce back. Customers too are working out more at domestic and doing more DIY domestic advancement ventures. A more curiously,

³⁹ Anand Agrawal and SumEet Singh Arora, (2006), Services Marketing Evolution: Some Concerns, Marketing mastermind magazine,[online] Available at: https://www.iupindia.in/1006/MM_Marketing_Evolution_22.html;

though conceivably brief drift, is “pod” living. Little bunches of family and companions are hanging out together and affecting acquiring behaviour.

With numerous companies permitting in case not empowering farther work-at-home courses of action, representatives and bosses are having to embrace more strong inaccessible work advances and forms. Zoom has been a huge victor within the world of videoconferencing, but other related advances that encourage communications, gatherings and events too are within the shaft position post-pandemic. I believe livestreaming will ended up a modern typical within the occasion world as conferences are constrained to go totally virtual for the close future, however occasions will hold a few sorts of cross breed component as an antibody is dispersed and the world returns to typical. As utilization of video and sound (counting podcasts) increments, explore for a long-term move towards cord-cutting and appropriation of disseminated media channels like YouTube and others.

Numerous businesses, counting a long-time observe and adornments retailer, had to shut forever due to plundering and a common misfortune of foot activity. Had that trade been online with a full item catalogue, or indeed an e-commerce site. Numerous other businesses have been caught off-guard by the widespread and have been constrained to form the advanced movement. In any case sad the cause, the result will advantage these slacking businesses within the long-term.

While much of our movement is computerized, there's still a require for human-powered intelligent in retail, such as the require for moo and no-touch conveyance of benefit. From QR code signage (perfect for menus), content informing, curb side pickup and conveyance, retailers are adjusting benefit to meet the unused measures and desires around understanding customer and representative wellbeing and security. Indeed, with these changes retailers got to proceed to discover imaginative ways to grandstand items and administrations securely, leveraging expanded reality, virtual reality and by means of more strong websites that incorporate requesting and/or e-commerce capabilities.

For marketers this al cruel that promoting dollars are moving absent from open air and print to computerized media, for starters. As it were the most noteworthy activity and most focused on distributions will climate the widespread storm. From a computerized viewpoint, the channels with the most noteworthy increment in utilization incorporate versatile, social media and video, so adjust your media blend suitably. In terms of informing, shoppers are inquiring for brands to centre on esteem, genuineness, social mindfulness. Brands that clearly communicate a sense of reason, tap sentimentality and are proactive approximately social issues will create more noteworthy dependability and minimize the negative affect of the pandemic.

Regardless of the industry or level of computerized savvy, the impacts on buyer behaviour are changing and much of the alter will be lasting. Everyone must guarantee the items, administrations, informing and promoting plans are tuned into those changes and stay energetic moving forward.⁴⁰

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⁴⁰ Kent Lewis (2020), COVID-19 changed consumer behavior and marketing strategy, [online], Available at: <https://www.smartbrief.com/original/2020/08/covid-19-changed-consumer-behavior-and-marketing-strategy>.

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