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**АНАЛИЗ НА КОНКУРЕНТООПРЕДЕЛЯЩИТЕ ФАКТОРИ
ПРИ ЛОЗАРО-ВИНАРСКИТЕ ПРЕДПРИЯТИЯ
VALUATION OF FACTORS, WHICH ARE DRIVERS
OF COMPETITIVENESS IN WINE INDUSTRY**

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Abstract

Modern business organizations develop their activities in a business environment that is heavily influenced by the major political, social and technological changes that define it as a complex, uncertain, and dynamic. This requires businesses to be sustainable and competitive. The aim of this research is to identify the main factors determining the competitiveness of wine businesses. As major factors which determine the competitive ability of wine producers are the size of enterprises expressed by available assets and equity and implemented marketing activities. Through empirical study shows that the competitiveness of wine producers in the market of wine is determined mainly by investments in innovations, market segmentation, development of specific marketing mix, development of marketing system.

Key words: drivers of competitiveness, market share, equity, marketing activities

INTRODUCTION

Modern business organizations develop their activities in a business environment that is heavily influenced by the serious political, social and technological changes that define it as a complex, vague, uncertain and dynamic. The basic requirement for achieving sustainable wine enterprise is to ensure its ability to adapt to changes in the business environment (Atanasov, Popova, 2010). This requires the use of a new management approach to maintain diversity in the ways of implementation of the business processes of business organizations in their participation in the network of values. Diversity is required and achieved by actually working competition. (Todorova, Bachev, 2008). This requires of wine companies to be competitive if they are resistant to changes in the business environment.

The aim of this study is to identify the main factors determining the competitiveness of wine companies.

MATERIALS AND METHODS

Conceptual thesis, which is checked for accuracy, is that the size of the wine business and strategic marketing activities that it carries out determine the level of competitiveness. With the expansion of the company, the management defines the major departments and identifies the leading unit ensuring the preservation of ability to compete. The strategic division of wine company in competition is the marketing department. (Kirovski, 2011). Analysis of the accuracy of the conceptual thesis is carried out in two successive stages:

First step: assessing the impact of the size of the wine company on its ability to compete. The size of the wine company is characterized by indicator – total assets. The degree of competitiveness is characterized by following indicators: (1) market share, (2) return on assets (3) return on equity, (4) return on investment. We investigate the following correlations between factors:

- Correlation between input indicators - total assets; the amount of equity; the amount of investment and outcome indicator - market share;
- Correlation between input indicators - market share and outcome indicators - return on assets and equity;
- Correlation between input indicators - total assets, equity, market share on outcome indicator - return on investment. We used statistical method called - a simple correlation between the two factors for the establishment of relations between the studied factors.

Second stage: assessing the impact of strategic marketing activities on the competitiveness of the wine company. Any company implements strategic marketing activities in the servicing market. In conducting the analysis, strategic marketing activities are defined as input indicators and achieved a market share, return on assets, return on equity and return on investment are the outcome indicators. The relationships in the statistical group were examined by applying the χ^2 -analysis.

RESULTS AND DISCUSSION

It was found that there is a high degree of correlation between the factors of assets and factors - resulting market share. The correlation coefficient is 0.95. (see table 1). This proves that the amount of assets is the most influential factor that determines the size of the market share of wine companies in the industry. This factor is defined as a barrier to entry in the industry. Desire for greater control over the chain reflects on the greater concentration of capital in these production structures. The aim is to achieve a quality product that can compete in the market. Equity is also a determining factor in the formation of market share. Correlation coefficient indicates greater dependence between the studied factors, the corresponding value is 0.86 (see table 1). Larger share of equity in the capital structure of companies is causing them to be more competitive. Management uses in more equity required for operation of the company because of the tangible inter-company indebtedness in the industry.

Table 1

**Results of statistical verification of hypothesis using correlation
between two factors**

Statistical hypothesis	Cause factor	Factor - result	Type of relevance	Multiple R	Degree of relevance
Relevance between assets and market share	Assets	Market share	positive	0,9524	very strong
Relevance between equity and market share	Equity	Market share	positive	0,8593	strong
Relevance between investments and market share	Investments	Market share	positive	0,7825	strong
Relevance between market share and return of assets	Market share	Return of assets	positive	0,1395	weak
Relevance between market share and return of equity	Market share	Return of equity	positive	0,1061	weak
Relevance between assets and return of investments	Assets	Return of investments	positive	0,2880	weak
Relevance between equity and return of investments	Equity	/ Return of investments	positive	0,3911	moderate
Relevance between market share and return of investments	Market share	Return of investments	positive	0,2988	weak

Generally suppliers and customers are more indebted to the wine companies. Using the equity in the implementation of marketing strategy, allows for greater independence in managing marketing activities of wine producers. Amount of investment is also one of the factors determining largely market share of wine companies. Investing in creating new products and entering new markets, and thus aims to increase the competitiveness of the company. Maintaining a wide variety of product range is one of the conditions guaranteeing the sustainability of the market share. Found to be a tenuous relationship between market share and profitability of assets and equity (see table 1). These results suggest that other factors in the sector are defining the rate of return. In the analysis of the main factors that are

supposed to affect the return on investment in wine companies found that market share and total assets have little impact. The amount of equity moderately affects return on investment (see table. 1). It can be concluded that drivers of competitiveness in the wine sector are amounts of assets (company size), the share of equity in the capital structure and investment to diversify the activities and products. These factors have the most significant impact on the competitiveness of wine companies.

Marketing as a management approach is a set of activities whose implementation leads to improved market position and increase their potential to compete successfully. Also, the availability of market unit in the structure of the wineries was examined as a factor of competitiveness.

Implementation of the marketing approach in the management of wineries is considered prospects for development, which led to the formation of a marketing department over $\frac{3}{4}$ of the surveyed companies. But it must be recognized that it has different characteristics in terms of its size, structure and provision of qualified personnel for large and small wine producers. Large business structures are characterized by a greater number of staff involved in marketing activities, focusing on specialist areas and higher level of security with personnel who have marketing or economic backgrounds. Small wineries use a few marketers who perform various activities and skill level is lower. Although as a whole showed a similar stratification of the surveyed companies were found to operate in the sector and small businesses that they have an adequate staff to carry out a specific set of marketing activities. These economic structures have the following common characteristics - they are very new (not more than 10 years) have a closed cycle of production, use advanced equipment and require high image of their products.

The conducted statistical analysis did not find a correlation between marketing departments and none of the four consequential indicators (table 2). This seemingly puzzling result actually be explained by the fact that any entity (including marketing) is the only prerequisite for the implementation of certain activities, the effectiveness of which determines whether competitiveness will increase. In other words, success is determined by the dynamics rather than static conditions.

The analysis of relationship between marketing activities and outcome indicators reveal those who have a major influence on the competitiveness of the wineries. From 7 of the surveyed marketing activities is found that some of them (clearly defined mission of the organization, there is a marketing strategy and marketing information systems) have an impact on only part of the outcome indicators. Other activities have an impact across the board, but the strength of the relationship is different, which is found in large differences in the ratio of Kramer. Market share is achieved through the development of specific marketing mix according to the needs of the target market, a clear market segmentation, targeted use of promotional costs and functioning of the marketing system that helps make informed and timely marketing decisions. In fact, these four marketing activities are key to the clear positioning of the wineries on the market, which leads to market success. In three consequential indicator reporting cost-effective use corporate resources to establish a connection with a small number of marketing activities, but

also the strength of the links are distinguished by a high degree of variability. Based on the analysis to determine that the two activities (operating system for control and market segmentation) are strongly correlated with indicators of profitability and have a significant impact on them. These results can be explained by the complex nature of the outcome indicators. On their formation influenced by many factors, such as marketing activities contribute to achieving positive financial result. Since the company resources have different useful lives, they invested funds will be refunded to a different time, which requires taking into account the time factor. Investment activity also varies between wine companies, both in timing and in size. Various options for financing the investment intentions have also been used to varying degrees, causing it difficult to establish an unambiguous link between the phenomena studied. Such an analysis covering a longer period of time would minimize these differences, which will allow a clear and accurate account of the role of marketing activities on profitability indicators of wineries.

Table 2

Influence of marketing activities on competitive ability

Marketing activities	Market share	Kramer's coefficient	ROA	Kramer's coefficient	ROE	Kramer's coefficient	ROI	Kramer's coefficient
Marketing information system	there is relevance	0,5465	there is not relevance	–	there is not relevance	–	there is relevance	0,6721
Clearly defined the mission	there is not relevance	–	there is not relevance	–	there is not relevance	–	there is relevance	0,3673
Segmentation of the market	there is relevance	0,7544	there is relevance	0,6883	there is relevance	0,5201	there is relevance	0,4361
Specific marketing mix	there is relevance	0,8645	there is relevance	0,4117	there is relevance	0,4011	there is relevance	0,3216
Defined marketing strategy	there is relevance	0,4315	there is not relevance	–	there is not relevance	–	there is relevance	0,2614
Existence of market department	there is not relevance	–	there is not relevance	–	there is not relevance	–	there is not relevance	–
Expenditures for advertising	there is relevance	0,6233	there is relevance	0,2180	there is relevance	0,2233	there is relevance	0,2836
Monitoring system on marketing strategy	there is relevance	0,3724	there is relevance	0,7725	there is relevance	0,8731	there is relevance	0,8855

CONCLUSIONS

Based on the analysis to establish a statistical correlation between the number of factors that have a positive impact on the competitiveness of wine companies. Such as basic set:

- The size of the company, expressed by total assets;
- Maintaining a larger share of equity in the capital structure of companies;
- Investments in new products and entering new markets;
- The implementation of market segmentation, which is a prerequisite for the strategic orientation of the business;
- The development of specific marketing mix, enabling the efficient use of company resources;
- Maintaining a marketing information system for business with timely and relevant information to make informed management decisions.

Through empirical research we proves that the size of the company and implemented its major marketing activities, determine its ability to compete.

Finally, it should be noted that the wine enterprises have the potential to compete successfully through targeted investment in advanced equipment and technology, creating its own vineyards and applying marketing techniques tailored to the specific characteristics of the target market.

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