Abstract: The Greek industry of dairy products is characterized from a high degree diversification from all the companies because the cost of production and operating hasn’t very big differences between in companies. But the intensity of competition between in companies is increased from the big width of products as a result the differentiation between of companies. Consequently, is more easily perceptible the fact that the modern era is characterized from the rapid and continuous research new innovations, the survival and progress of dairy industries depends on how competitive and how competitive can happen. This means that a non – competitive dairy industry will have a difficult place and future in economic and social environment.

Key words: competitive, competitiveness, competitive advantage, dairy products, business productivity

INTRODUCTION

Related with the theory of competitive there are different views and explanations. In today’s critical and difficult economic situation that prevails, the administrations of dairy industries continually strive to approach the critical factors of success for the aid of competitiveness. Consequently, the aim is better understanding of operation business and the implementation of effective factors strategic importance for the aid of competitiveness such as: The ability of production products high quality, the competitive cost, the suitable innovations, the business agility and other. It means that the implementation of rule for the increasing of competitiveness is that the businesses should active accordance with the law of competitive and not with all forms structure of market like: monopoly, oligopoly, cartel. Therefore, the interventions of authorities for the aid of competitiveness should approach the alternative starting such as: people – centered

approach, organizational approach and technological approach.\textsuperscript{2} It is understood that the administrations of dairy industries have realized that in most major fiscal crisis will emerge successful only the industries that is well – structured and strong competitiveness.

COMPETITIVENESS OF THE DAIRY ENTERPRISES

The dairy products’ business in Greece operate under new dynamically changing market conditions. As a result from this and from the ongoing competitiveness of companies bringing to intensification and complication of competition between the dairy industries enterprises at a national and international level, the competitive environment has underwent intensive changes. Obviously under the prevailing conditions competitiveness is one of the most important factors for the achievement of an economic success. Therefore it is necessary to study important issues of dairy products’ business competitiveness – its essence, influential factors and measures.

It is necessary to clarify these issues due to the fact that the research literature does not provide a sufficient explanation of the phenomenon of competitiveness of dairy products’ business.

The development of competitiveness theory is accompanied with the development of various views, which in our opinion are of significance for the definition of its essence and its particular manifestation in the field of dairy products’ business.

Competitiveness is defined as a continuous sustainable growth of productivity bringing to income increase and life standard improvement.\textsuperscript{3} It is formed based on the production of a higher value through enhancement of productivity, quality and innovations.\textsuperscript{4}

Research literature provides a clarification of competitiveness based on the levels of national economy at which it is manifested. Within this sense competitiveness is studied at a national (macro) level, as well as at a micro level related to the enterprise, product and competitive advantages.

The European model of studies of competitiveness is of interest; it puts the emphasis on the relationship between competitiveness, wealth-producing process and life standard of a nation. In this model the national

\textsuperscript{2} Δερβισιώτης, Κ. (2007). Ανταγωνιστικότητα των επιχειρήσεων. Έκδοση Νομική βιβλιοθήκη Α.Ε.
\textsuperscript{3} Kyurova, V. 2011. Seasonality and competitiveness in the hotel business, dissertation, Blagoevgrad, p. 51
\textsuperscript{4} Kyurova, V. 2011, Ibidem, p. 51
competitiveness is defined as a “level at which a country can produce goods and services under free and fair market conditions, the goods and services of which meet the international market requirements and at the same time maintain and increase the actual income of people on long-term basis”\textsuperscript{5}.

In other reports the national competitiveness is related mainly to the establishment of competitive advantages of countries and enhancement of national productivity, as well as to the improvement of life standard. Its characteristic features are revealed mainly in the works of the prominent economist M. Porter\textsuperscript{6}. According to him the theory still lacks a generally accepted definition of national competitiveness. The author gives his contribution by substantiating the need for a new theory based on the nations’ competitive advantages, i.e. to go beyond the limits of comparative advantages. He draws the conclusion that “the only sensible explanation of competitiveness at a national level is the national productivity”\textsuperscript{7}. He reviews competitiveness also as a capability of continuous sustainable growth of productivity bringing to enhancement of the life standard\textsuperscript{8}. M. Porter deems that the competitiveness of a particular country depends on its industry potential of innovations and technological development.

According to Mpouranta in conditions market that the statute of business dominates and that the competitive means that two or more businesses – groups – persons are claimed the same result then as competitiveness is defined the relevant ability of everyone to acquire it that claims. \textsuperscript{9}

A similar point of view is defended by some Bulgarian authors like Iv. Angelov, A. Damyanova and St. Marinov. For example, according to Iv. Angelov „competitiveness shows the economy capability to improve the national productivity, quality and to compete with other economies on the regional and global markets” \textsuperscript{10}. A. Damyanova reveals that the steady macroeconomic environment creates a potential for the achievement of competitiveness. It should be taken into account that the national productivity depends directly on the productivity of the enterprises in the country. This means that the enterprises’ competitiveness underlies the

\textsuperscript{5} OECD. (1985). Report of the President’s Commission on Industrial Competitiveness


\textsuperscript{9} Μπουραντάς, Δ. (2001). Μάνατζμεντ, Εκδόσεις Αθήνα Γ.Μπένου.

\textsuperscript{10} Angelov, Iv. (2005). Competitiveness – the Greatest Challenge for Bulgaria in the EU, National Conference, BAS, IE
competitiveness of national economy\textsuperscript{11}. St. Marinov\textsuperscript{12} draws the important conclusion that the major issue at a macro level concerns the nation's ability to create a favourable environment establishing competitive advantages of individual branches of economy.

Iv. Angelov and K. Kunev add to the concept of competitiveness by reviewing it as an indicator of development of the national economy\textsuperscript{13}. Competitiveness is related to the increase of the share of export and its sustainability on the foreign markets.

Competitiveness of dairy products’ business can be studied at a company level, at a regional level in the light of the specific industry, and at a national level in connection with the product and the created competitive advantages.

With regard to studying the competitiveness at a company level certain differences are encountered. For example, in the opinion of Hr. Hadzhinikolov the competitiveness of a company is their ability of production quality product to attract and provide attendance for a greater number of customers as compared to their competitors and in a result to realize larger turnover from sales of dairy products and a bigger profit\textsuperscript{14}. The position of M. Ribov is that the competitiveness of a company is expressed by its ability to adapt related to the adequacy of its response to impacts of environment and the consistency of changes in it with the dynamics of this environment\textsuperscript{15}. Hence, the ability of dairy products’ enterprises to take the most favourable market position possible in the entire time changing environment is an expression of competitiveness.

\textsuperscript{11} Damyanova, A. (2002). Corporate Strategies and Competitiveness, NC „International Management Standards – Basis for Accelerated Growth, Competitiveness and Investments”, S.
\textsuperscript{12} Marinov, St. (2006). Marketing Research on Competitiveness of a Travel Destination, Publ. „Slavena”, Varna, p. 41
\textsuperscript{13} Iv. Angelov elaborates the thesis that the competitiveness is a fundamental indicator, a concentrated manifestation of economic health of every country that summarizes the efficiency of functioning of its economic, social, financial, institutional and other sub-systems (Angelov, Iv. (2005). Competitiveness – the Greatest Challenge for Bulgaria in the EU, National Conference, BAS, IE); K. Kunev defines the competitiveness as „the most representative synthetic indicator of efficient development of national economy reflecting the progress in science, engineering, technologies and organization of production”. (Kunev, K. (2001). Competitiveness: Theoretical Aspects and Corporate Behaviour, Acad. Publ. “Tsenov”, Svishtov, p. 72)
At the same time St. Marinov comes to the important conclusion that competitiveness is a corporate phenomenon resulting from specific company behaviour\(^{16}\). In the author’s opinion on long-term basis and in the conditions of a free market economy the competitiveness finds expression in the enterprise’s ability to remain in business, to protect its investments and to have return on them. On a larger scale the competitiveness at a macroeconomic level is achieved where the good strategy and high operating productivity meet\(^{17}\). Here two major points are to be noted. First, the operating productivity requires making use of the capacity of all the production resources of a company in the best way possible. Second, the adaptability of the company is an expression of its competitiveness, and the corporate strategy is recognized as a point of support of its competitiveness\(^{18}\).

The activity of dairy industries is monitored and for illegal methods of creation competitive environment such as the mergers and exporters. The mergers are controlled from the law competitive as a result a conformation of market to prevent and the acquisition a dominant position which will originate from the unfair competitive.\(^{19}\)

A more complete and accurate concept of competitiveness of the company is provided by N. Moiseeva by defining it as the “invested capital ability to bring profit in a short-term period that is higher as compared to the average profitability of the respective business field”\(^{20}\). Another concept of competitiveness of the enterprise defines it as the ability of the enterprise through a constant innovation and improvement to create and to sustainably maintain competitive advantages bringing to higher economic results on long-term basis. This way the major characteristics of competitiveness of the enterprise can be reduced to, as follows:

- Constitutes a company-internal ability;
- Is related to the development and maintenance of competitive advantages;
- Is a relative value;

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\(^{16}\) Marinov, St. (2006). Marketing Management of Competitiveness of a Travel Destination, Publ. „Slavena”, Varna, p. 41

\(^{17}\) Fairbanks, M., St. Lindsay. (2001). Plowing the Sea: Nurturing the Hidden Sources of Growth in the Developing World, chapter 8, NC „Bulgarian Tourism Forum”, S.

\(^{18}\) Ganev, G. (2002). Competitive Advantages before the Bulgarian Companies in the Conditions of Globalization, Liberal Strategies Centre, S.


Includes adaptability to changing conditions of environment and market;
Includes its ability of continuous learning, renewal and improvement;
Includes durability, i.e. sustainability of results;
Is a dynamic value;
Includes high economic results and economic efficiency.

An essential issue that is directly related to the enterprise competitiveness is the one of the nature and contents of competitiveness of its dairy products. Some authors emphasize that in order to contribute to the enterprise’s competitiveness the products should be complex, highly specialized export products adding unique value for the pretentious consumers. As far as it concerns the dairy products, it should have consumer value meeting the highest requirements not only of Greek but also of international customer, its general attractiveness together with the completeness of experience with regard to the consumers should be equal to or exceeding those of significant variety.

An important prerequisite for the achievement of this is to develop multi-component products with an added unique value. In confirmation of that L. Dwyer and Chulwon Kim specify that the competitiveness of the companies is related to their ability to provide products with a better performance as compared to the products of other enterprises in the aspects of experience considered sufficiently important for the consumers. In this regards is our position stating that the competitiveness of a particular dairy products enterprise finds its expression in the ability to excel its competitors and at the same time is a reflection of the attractiveness of the package of preferences it offers in consumers, i.e. that is what makes the customer prefer the particular product to the great number of alternatives offered.

It should be noted that competitiveness is a relative position for the strength of a dairy products’ enterprise or product at a particular moment of time. It can be a reflection of various factors and in most of the

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cases is a reflection “of the attractiveness of the product it offers, of that what makes the consumer prefer it to the many alternatives offered”25.

In sector of dairy industries predominates the perfect competitive. In this form of competitive should apply the following conditions:
- The actions every business haven’t an important implication in price.
- The businesses produce a homogeneous product.
- There is a perfectly information, participantly all the industries and the consumers know the prices all other industries.
- All the industries have access to the same conditions.
- There is a free entrance new businesses in market. 26

The competitiveness of the dairy products in our opinion can be studied as a manifestation of the positive relationship between the product characteristics and the consumer’s preferences, i.e. his/her satisfaction with these characteristics. Within this sense the competitive advantage of the dairy products, it is to be sought namely in its characteristics and properties that make it the preferred one and give it some advantage as compared to the products offered by the competitive enterprises in the dairy sector. However, these characteristics and properties concern not only the product, but also the dairy products enterprise supplying it.

Competition is studied in terms of sustainability by St. Marinov, too. Summarizing the attempts of competitiveness defining, measuring and evaluating he draws the important conclusion that the competitiveness in dairy sector is based on the sustainable development of such sector, i.e. in a long term it corresponds to the dairy products’ business profitability accordingly to the “receiving” capacity of dairy resources, to the social acceptability of dairy business by the local population and to the sparing nature of dairy business27.

In general, based on the sources reviewed a conclusion can be drawn that the competitiveness of the dairy sector is based on the market share, supply of products maintaining the market positions, the establishment of conditions for the growth of wealth of the local population and provision of a long-term economic prosperity.

26 Βέττας Ν. – Κατσουλάκος Γ. 2000. Πολιτική ονταγωνισμού & Ρυθμιστική πολιτική. Εκδόσεις Τυποθύτω. Σελ. 42
COMPETITIVE ADVANTAGES OF THE DAIRY ENTERPRISES

The competitiveness finds expression in competitive advantages. It is believed that the relationship between these categories is a causal one and that competitiveness finds an expression in the manifestation of competitive advantage. This imposes the study of the essence of the competitive advantage. In literature competitive advantage, is defined as a positive quality distinguishing the particular subject from its competitors. According to D. Stoyanov „a competitive advantage comprises the characteristics or properties possessed by the product or the make that attach certain superiority to them as compared to their immediate, closest competitors“. These characteristics or properties concern not only the product but also the company that supplies it.

For the dairy products’ enterprise a competitive advantage can consist of the specific characteristics possessed by the dairy product that add consumer value and bring higher usefulness as compared to the competitors’ products. Within this sense according to P. Kotler the competitive advantage is „an advantage to the competitors earned based on offering a higher value or lower prices or through greater number of benefits justifying the higher prices“. In terms of market it finds its expression in the position taken by the dairy products’ enterprise on the market. At the same time the ability of businesses to effectively manage the marketing process is perceived as an extremely competitive advantage.

Some authors define the competitive advantages as economic – related to costs and axiological – based on the value of the product. Other authors differentiate marketing (external) advantage and advantage by costs.
Analysis of literature on that issue shows that the economic advantages and the advantages by costs are synonymous, just like the axiological and marketing ones.

The position of M. Ribov is that the economic competitive advantage is a superiority of the company over its competitors with regard to the level of production and sale costs. It is achieved through optimization of the volume and structure of attendance, improvement of the in-company organization, elaboration of planning, accounting, financial and moral stimulation. The achievement of such a type of advantage according to D. Stoyanov requires a strategy providing cost superiority whereby the emphasis is put on the organisational and technical capacities of the company.

In our opinion, the axiological advantage can be studied in two aspects. On the one hand as ability of the product to meet particular needs, and on the other – based on its distinguishing qualities. Typical for the first case is the emphasis on the customers’ needs and desires. With regard to that some authors consider that the competitive advantage characterizes the product fitness to satisfy particular needs, interests, aspirations and desires of the customer. In a narrower point of view M. Karailieva reckons that the competitiveness of the package of products is determined by the unconditional satisfaction of customers and by the efficiency of the processes that create and maintain it.

D. Stoyanov studies the competitive advantage in terms of product distinguishing qualities that constitute value for the buyer. In that sense according to him it is a competitive marketing advantage. The said author believes that it is based on the strategy of differentiation. According to him advantage in question, is achieved by developing unique products and services that meet the consumers’ needs better than the dairy products of competitors. Differentiation can be achieved not only with regard to the

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37 Filipova, M. (2004). Increase the competitiveness of the breweries companies,, Publ. „Korect“, S., p. 87
product, but also with regard to the price. In our opinion such an advantage can be achieved by the dairy products’ enterprises by diversifying the range of the products produced, better positioning, higher quality and acceleration of attendance and appropriate advertising.

Based on the studies of the two types of competitive advantage a conclusion can be drawn that the dairy products’ enterprises need to combine their abilities to achieve lower cost with those to supply a satisfying product with superior consumer qualities. The application of such an approach can bring to the development of a broader range of competitive advantages and respectively to the enhancement of competitiveness.

Today, in dairy products of Greece due to economic difficulty of consumers is presented the phenomenon, the consumers to suggest brands with the more sale factor that forced the dairy industries to try to create a competitive advantage with the isolation procedure of stable and unique opportunities that there are and finding new with purpose the minimising of cost.

According to M. Karailieva important criteria of a competitive advantage are the quality, price and corporate image. According to the said author the achievement of a competitive advantage based on the improvement of the dairy products’ quality is of a decisive significance for the satisfaction of the customers’ needs and improvement of efficiency and competitiveness on the dairy market. In the said author’s opinion the achievement of a competitive advantage with regard to quality is based mainly on the distinctive peculiarities of the dairy products from the competitors’ products.

The competitive advantage with regard of the price is related by M. Karailieva to the policy of price competition and frequent changes of prices taking into account their psychological influence on the customers and consumer demand. In the formation of a competitive advantage with regard to the price the major purpose of the dairy products’ business in our opinion should be to attract a greater number of customers by decreasing the price of the product produced and based on this to increase the market

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share to achieve better all-year. This can be achieved through discounts from the price of the product offered.

With regard to the achievement of a competitive advantage through the corporate image M. Karailieva emphasizes that the reason for the customers to prefer the product of a particular dairy product is the fact that it offers something better in terms of taste, colour, thickness and price as compared to some others and this on its part proves to be a powerful stimulus for the most of the dairy products’ industry enterprises to offer products that are highly appreciated by the customers.\textsuperscript{47}

A very important condition for establishing the dairy products’ competitive advantage is its category, the supply of high-quality product, the quality of attendance, the differentiation of prices, as well as the variety, differentiation and uniqueness of the products.

These qualities contribute to the improvement of competitiveness in dairy products’ business. Therefore dairy products’-keepers should exert care in using and combining the resources to produce products featuring competitive advantages.

The establishment of the basic determinants forming the competitiveness of the national economy is of significant importance for the achievement of competitive advantages at all levels; they are defined by M. Porter – the so-called diamond of competitive advantage. These determinants cover:

\begin{itemize}
\item Factor conditions – human, physical, capital resources and infrastructure (factors of industry);
\item Demand conditions – the nature of internal demand for the product or service of the respective industry;
\item Related and supporting industries – presence or absence in the country of industries – suppliers and related industries – that are competitive at an international scale;
\item Firm strategy, structure and rivalry – the conditions in the country that predetermine the manner in which the companies are established, organized and managed and the nature of internal rivalry.\textsuperscript{48}
\end{itemize}

The determinants listed can be presented by the following diagram:

\textsuperscript{47} Karailieva, M. (2004). Ibidem, p. 49
Figures. 1.2. National advantage determinants


The model of Porter is suitable for every business, regardless of the size and the branch active mainly is suitable for the implementation from the branch of dairy industries. The above forces determine the volume and the nature of competitiveness under the strand and the strategic that must follow the dairy industries. With the analysis of five forces of Porter, the business has the possibility to gather data for the design its strategy. Recently is said that the competitive environment a business is estimated by a sixth power the supplementary products according to them two or more products considered supplementary when to operate the one requires another.  

M. Porter’s diamond model is used by some authors with regard to the evaluation of the dairy products’ industry competitiveness. For example, M. Go, R. Pine and R.Yu state the position that the industry corresponds to the model of M. Porter and is determined by factor conditions like efficiently trained staff and infrastructure; demand conditions like purchasing

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power of milk customers; supporting industries like transport, as well as firm strategy, structure and rivalry like registration method, price strategy, etc.

With regard to M. Porter’s diamond model as related to dairy business it should be noted that:

First, in order to achieve a competitive advantage it is not enough to meet the requirements of one determinant only, as the determinants are interrelated and depending on one another.

Second, with regard to the separate determinants it is necessary to take the following into account:

➢ Optimum combination and efficient use of factors of industry in consistency with the goals set in order to satisfy the all the time changing needs of dairy products’ consumers, the use of the dairy resources available in the respective region to create a complex and more attractive dairy products;

➢ Studying, analyzing, and complying with the demand conditions based on its characteristics – structure (nature of customers’ needs); size and model of growth; mechanisms through which the internal preferences are transferred to the international markets. All these are of an important significance not only for the attraction of more consumers and for the segmentation of market, but also for the establishment of an attractive milk product;

➢ Dairy products’ enterprise binding with related and supporting enterprises of the same or other branches can be achieved through integration with suppliers of products connected with the creation of better conditions for dairy products.

➢ The achievement of an elevated competitive advantage requires an appropriate firm strategy and structure and compliance with the existing competition, and on that basis demonstration of a strive for implementation of novelties with regard to the products, to the production methods, organization, raw materials and materials through which the enhancement of competitive advantages shall be achieved.51

It should also be noted that a competitive advantage based on the factors depends on the efficiency and effectiveness of their use, on the manner of use and on the specific application.

CONCLUSION

The survival of dairy industries depends strongly from the competitiveness which located rooted in fundamental microeconomic principles of the nation. The political stability and the correct macroeconomic policies regarded as the cornerstones of survival businesses through a healthy competitive and the creativity a strong competitive advantage. We conclude that the competitive policy of dairy industries based on the spirit and the letter of financial research and development of business which finally decide for the activity that desire to create with focus the bigger economic benefit. The general conclusion is that despite the difficult period that the country travels due to economic crisis the businesses of dairy products are found constantly in search an optimal competitive advantage that will enshrine their thesis in market and will ensure a future development and evolution through the ages.

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