

THE CORPORATE IMAGE OF WINE PRODUCERS IN BULGARIA AS A COMPETITIVE ADVANTAGE

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Abstract

In the theory, there are different paradigms that determine the nature of the corporate image, as well as the processes of its building, enforcement and management. Corporate image is one of the important factors for improving the competitiveness of enterprises. The structure of the corporate image is generally made up of the internal and the external image of the organization. The aim of the article is to study and analyze the corporate image of Bulgarian wine producers (in the top 20 according to the ranking of DiVino.bg) as a factor in increasing competitiveness.

Keywords: corporate image; competitive advantage; wine producers

JEL Codes: M14, M21, L52

1. Introduction

Corporate image is generally the image created in the public's mind about a particular organization due to its products, management, advertising, public relations, marketing, etc. An image that attracts not only because of the high quality it offers, but also because of the purely emotional attitude of consumers towards it. Seeing the security, prosperity, social commitment and good future represented by the image, consumers approach with trust and faith to all that the company represents and does

Corporate image is one of the important factors for improving the competitiveness of enterprises. In this regard, corporate image should be studied in close relation to competitiveness.

2. Essence and elements of corporate image

Corporate image is an image of a collective entity, therefore its structure, content and management differ from those of a personal image. The presence of internal and external image requires targeted management actions to achieve

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integration, to establish a link between internal corporate culture and external positioning to strengthen the image of the organization.

Corporate image is the picture emerging in the mind of target mass that any given enterprise aims to reach (Bozkurt, 2018, p. 61). A corporate image refers to how a business is perceived. It is a generally accepted image of what a company stands for (Tandoh, 2020, p. 12).

The structure of the corporate image is generally made up of the *internal* (culture of the organization, level of relations in the collective, levels of motivation, image of the manager and image of the staff) and the *external image* of the organization (image of products, image of consumers of goods, social and business image of the organization).

The image of a company is an integrative sum of images: the image of the manager, the staff, the goods and services produced; the image of the consumer; the visual image created by the corporate style and the state of the facilities; the image of the company's business activities and its socially significant initiatives. It also hides past situations - how the person reacted before, what it did, how it behaved towards others (Filipova, 2015, p. 6).

In order to be even more successful and effective, an enterprise must seriously work on building, developing and maintaining a positive corporate image. On the one hand, a good image, the quality of the goods and services offered, customer satisfaction and the trust built up with consumers result in an improvement of competitiveness of enterprises. On the other hand, competitiveness as part of corporate image is an important element for building an unquestionable and trustworthy image.

In order to be recognized in their actions, the companies must present their image in public (Yaneva, & Serafimova, 2020, p. 171). It is essential to keep in mind that the formation of the image is mainly related to the values (Kyurova, 2013, p. 72).

The question most likely to be asked by an external stakeholder is „Who are you?“ and the question most likely to be asked by an internal stakeholder is „Who are we?“ (Davies et al., 2003, p. 161). The first question concerns the external image of the organization. The second concerns the way employees view the organization they work for, its identity. „Consistent perceptions would suggest that image is a universal construct“ (Gatewood et al., 1993, p. 416).

The underlying assumption is that, if the corporate identity is well managed, then the resulting corporate image will accurately reflect the values, beliefs and strategic direction of the company (Stuart, 1999, p. 151). „Over the recent years a trend has been observed towards establishment of modern wine cellars which meet global standards as well as towards production of exclusive wines which compete successfully with proven world brands. In spite of the sector's progress so far, some additional actions and efforts are necessary to increase the competitiveness of this traditional for Bulgaria sector“ (Vasileva et al., 2014, p. 11).

3. Assessment of the corporate image of wine producers in Bulgaria

Some specialized sociological agencies are known to study annually the image and reputation of wine producers in the world. One of them is Latitude 28 ° Global Platinum Mastercard®, which compiles a list of "Top 10 best wineries in the world".

In Bulgaria a similar ranking has been carried out by DiVino.bg, a site for wine, wine culture and journalism, since 2006. This ranking is in several categories: top 10 of the best wines; top 20 and top 50 of wines and winemakers.

The wine market (national and international) is characterized by growing competition (Dimitrova, 2021).

Before analysing the wine producers with the best corporate image in Bulgaria, it is necessary to clarify the criteria for this ranking, namely: quality of the produced wines, leadership in the management; good financial results; care and attitude towards employees; social responsibility and commitment.

3.1. Leading elements of the corporate image of winemakers

The organizational actions and peculiarities underlying such a ranking could be interpreted as leading elements of the corporate image of winemakers. As a result of the analysis of the study, these key elements can be systematized, as follows (Table 1):

Table 1. Leading elements of corporate image of wine producers in Bulgaria

Leading elements of corporate image	Positive	Negative
Quality of the wines produced	✓	✓
Value for money of wines	✓	✓
Data of wine exports	✓	✓
Financial status of wine producers	✓	✓
Care and attitude towards employees	✓	✓
Popularity and reputation of the brand	✓	
Mission, vision and strategy of winemakers	✓	
Leadership in management	✓	
Organizational culture	✓	
Attitude towards environmental protection	✓	✓
Corporate social responsibility	✓	
Work in the gray sector		✓
Artificially created corporate image		✓

Source: author's systematization

The leading elements for building the corporate image of winemakers can generate positive or negative perceptions, evaluations and attitudes.

Conducting a survey of the best wine producers in Bulgaria can be identified through three key elements of the corporate image, which can generate both positive and negative assessments, attitudes and perceptions, namely: the quality of wines produced, the financial status of enterprises and the attitude of management towards employees.

It is possible to create a positive corporate image artificially, but it cannot be maintained for too long and therefore cannot be used as a competitive advantage by winemakers. Conversely, the image formed on the basis of the behavioral culture of the team, based on company policy, culture and internal organizational status, is a prerequisite for a long-term corporate image that can be successfully used as a competitive advantage.

The data from the empirical study was obtained by the method of semi-standardized interview.

The subject field of the research is the corporate image of the wine producers in Bulgaria.

In the last few years wine production in Bulgaria has been developing at an exceptional pace in terms of *quality*, *price* and *marketing*. The main problem, according to experts in the field is the lack of a well-established *corporate image* and highly *organized marketing*. However, a strong point of winemaking is the local, rare, but extremely good varieties of wine, such as Mavrud, Misket, Gamza, Shiroka Melnishka and Rubin, which are particularly attractive and demanded on the market.

A significant part of the sales at international level are from the Cabernet and Merlot varieties. Local varieties distinguish the Bulgarian wine producers by its specific and authentic taste of the wine for the region.

The prospects for the development of Bulgarian wine products are related to: building and maintaining a *good image*, *constant marketing* in order to promote wine globally, as well as the development of *wine tourism*.

3.2. Research questions for corporate image assessment

The research questions formed in the research are:

1. What are *the vision* and *the mission* of the winemakers in Bulgaria and do they have *a strategy* through which to build and maintain their corporate image?
2. Which one according to the winemakers is the key element of the corporate image?
3. Are Bulgarian winemakers interested in publications related to the corporate image and what actions do they take to build and maintain it?
4. How do winemakers assess their competitors and their own competitive advantages?

The questionnaire contains a total of 10 questions. The information is presented through the systematization of the general opinions, according to the tasks, and the research questions are:

- corporate mission and vision;
- the existence of a strategy for building and maintaining a corporate image;
- presence of a marketing department, taking care of the enterprise image;
- interest in presenting at wine forums and festivals;
- key elements of the image that winemakers consider to be the most important;
- evaluation of the competitive advantages of the enterprises.

3.3. Results analysis

The criteria for evaluation of wines and winemakers is based on: good value for money, rating of wine products and the winemaker, measured in points on a 5-point system and evaluation of the purchase.

Winemakers whose wine products are in the top 20 according to the ranking of DiVino.bg were evaluated.

Table 2. Top 20 wines of winemakers from Bulgaria

№	product - wine	winemaker	harvest / year	price	rating *
1	Katarzyna Grand Cru	Katarzyna	2013	228 BGN	4
2	Katarzyna Grand Cru	Katarzyna	2012	190 BGN	4
3	Angel`s Estate Gold Stallion	Angel`s Estate	2012	160 BGN	4
4	Angel`s Estate Gold Stallion	Angel`s Estate	2013	135 BGN	4
5	Santa Sarah Mavrud Privat One	Santa Sarah	2011	120 BGN	4
6	Edoardo Miroglio Brut Rose Grand Reserve Special edition	Edoardo Miroglio	2006	120 BGN	4
7	Katarzyna Reserve	Katarzyna	2012	120 BGN	4
8	Santa Sarah Cabernet Sauvignon Privat	Santa Sarah	2011	120 BGN	4
9	Dragomir Special Selection Merlot & Rubin	Dragomir	2013	120 BGN	4
10	Neragora Pinot Noir Grand Reserve Organic	Neragora	2012	100 BGN	4
11	Bulgarian Treasure Mavrud Reserve	Rumeliya	2011	95 BGN	4
12	Midalidare Rock`n`Rolla Magn	Midalidare	2010	94 BGN	4
13	Borovitza DUX	Borovitza	2007	90 BGN	4
14	Domaine Boyar Solitaire Syrah Hand Crafted	Domaine Boyar	2017	90 BGN	4
15	Korten Single Barrel № 30 Syrah	Korten	2016	85 BGN	4

16	Four Friends Gorno Botevo Single Vineyard Premium	Four Friends	2016	84 BGN	4
17	Zlaten Rozhen Syrah Exclusive	Zlaten Rozhen	2017	83 BGN	4
18	Terra Tangra Single Barrel	Terra Tangra	2007	75 BGN	4
19	Domaine Bessa Valley Syrah	Domaine Bessa	2015	75 BGN	4
20	Bratanov Cabernet Franc Priv.	Bratanov	2013	75 BGN	4

Source: Evaluation and rating of wine producers in Bulgaria, <https://divino.bg/vino/reitingi-i-ocenki>

The table below shows that all ranked wines and their winemakers are rated with a high rating of 4 points (with a maximum of 5 points). The price/quality ratio of the products is also reported as very good. The prices of the wines vary from 228 BGN for the most expensive ranked Bulgarian wine of the winemaker Katarzhyna to 75 BGN for the Bratanovi wine cellar.

The highest rating is for the winemaker Katarzhyna with two high quality wines (vintage 2012 and 2013), followed by Angels Estate, which is ranked for several products. Both companies are located in the Thracian lowland wine-growing region.

Next is the wine product of Santa Sara wine cellar from the Black Sea region.

In connection with the more detailed study of the overall corporate image of the top winemakers in Bulgaria, a semi-standardized interview was conducted, the producers' websites were evaluated, updated information was sought in the media about the presentation of winemakers in front of the community, coverage of awards and prizes, as well as other features related to building and maintaining a positive corporate image in the enterprises.

Table 3 presents the criteria and the respective indicators for evaluation of the elements in order to form the corporate image of the winemakers from the top 20 list of DiVino.bg. Due to the fact that some winemakers are ranked in the top position with more than one product, the number of enterprises has been reduced to 13.

The main criteria for the survey of wineries are: wine quality, leadership in management, good financial stability, care and attitude towards employees and social responsibility and commitment.

Table 3. Criteria for evaluating the elements of the corporate image of the winemakers in the top 20 of the wine products for Bulgaria

winemaker	Quality of wines	Leadership in management	Good financial stability	Care and attitude towards employees	Social responsibility and commitment
Katarzyna	high	HLP (high leadership positions)	HFS (high financial stability)	high level	high
Angel's Estate	high	HLP	MFS (moderate financial stability)	high level	high
Angel's Estate	high	HLP	MFS	high level	high
Edoardo Miroglio	high	HLP	HFS	high level	high
Dragomir	high	MLP (middle leadership positions)	MFS	average	average
Neragora	high	LLP (lack of leadership positions)	LFS (low financial stability)	low level	average
Rumeliya	high	MLP	-	average	average
Midalidare	high	HLP	HFS	high level	high
Borovitza	high	LLP	-	low level	low
Domaine Boyar	high	MLP	MFS	average	average
Korten	high	LLP	LFS	low level	average
Four Friends	high	HLP	HFS	high level	high
Zlaten Rozhen	high	HLP	HFS	high level	high

Source: interpretation according to data from: assessment and rating of wine producers in Bulgaria, <https://divino.bg/vino/reitingi-i-ocenki>, Annual financial statements of the surveyed wine producers and according to data from the interviewees

The measurement of financial stability is based on the data for the own capital and the net profit of companies for 2018 and 2019.

Table 4. Data on the own capital and the net profit of the surveyed winemakers

winemaker	Equity	Net profit for 2019/ in thousand BGN/	Net profit for 2018/ in thousand BGN/
Katarzyna	6 325 000 BGN	327	547
Angel`s Estate	50 000 BGN	119	118
Angel`s Estate	517 801 BGN	270	202
Edoardo Miroglio	64 720 700 BGN	293	258
Dragomir	220 000 BGN	58	165
Neragora	100 BGN	26	104
Rumeliya	5 000 BGN	-	11
Midalidare	5 826 000 BGN	701	546
Borovitza	5 000 BGN	-	-
Domaine Boyar	50 000 BGN	224	109
Korten	5 000 BGN	34	30
Four Friends	4 134 870 BGN	141	185
Zlaten Rozhen	2 571 500 BGN	174	0

Sources: The data is taken from the Annual Financial Statements of the winemakers published in the Commercial Register, <https://portal.registryagency.bg/CR/Reports/ActiveCondition> and the electronic source www.papagal.bg, last posted on 10.09.2021

To determine the level of financial stability of winemakers, evaluation criteria and indicators are set, based on information about the value of the own capital and net profit of companies (see Table 5).

Table 5. Criteria for financial stability of the winemakers

Evaluation	Value of equity	Net profit	Cost-effectiveness ratio of high financial stability Equity = (Net profit) / (Equity)
Cost-effectiveness ratio of high financial stability	over 1 000 000 BGN	over 200 000 BGN	> 0,2
Moderate financial stability	50 000 – 1 000 000 BGN	101 000-200 000 BGN	> 1
Average financial stability	5 000 – 50 000 BGN	51 000-100 000 BGN	> 2
Low financial stability	2 – 5 000 BGN	0-50 000 BGN	> 10

Source: setting values from/to, according to the financial indicators of the winemakers - author's interpretation

According to the indicator "quality of wines" all surveyed winemakers receive a maximum score, as they are in the top 20 of the highest quality wines produced by Bulgarian winemakers and awarded with prizes.

Regarding the criteria "leadership in management", the evaluation is based on the rating of the company, the organizational and management structure, the management style, the prestige and the rating of the wine company in the market. Part of this information is taken from the websites of the surveyed companies and another part is based on the answers of the surveyed people who took part in the interview.

Table 6. Criteria for evaluating „leadership in management“

Level of leadership positions	High Leadership positions	Middle Leadership Positions	Lack of Leadership Positions
Rating	4-5 p.	2-3 p.	0-1 p.
Organization and management style in the company	high evaluation	average grade	low score
Implementation of innovations	Implementation of innovations in terms of technology and management	Implementation of innovations in only one of the departments	Lack of data on innovation activity

Source: author's interpretation according to the answers of the interviewees

In general, *leadership in management* can be assessed by the high leadership positions, taking into consideration the company's rating, the organization and the management style, according to the opinion of respondents, as well as on the basis of implemented innovations in various departments of the company. The average leadership position refers to makers who have a rating of 2 to 3 points in the evaluation by DiVino.bg, innovate only one of the departments of the company and according to the opinion of the interviewees and review of the website, an average rating is set. The lack of leadership positions refers to winmakers with a rating of 0 to 1 point, with a low rating of organization and management style and no data on the implementation of innovations.

A detailed examination of the results of the "Leadership and Management" criteria presented in Table 3, gives a reason to summarize that three of the surveyed makers don't have a leadership position (these are the wine cellars: Neragora, Borovitsa and Korten). Also, three of the wine enterprises - object of analysis that have a middle leadership position (wineries: Dragomir, Domaine Boyar and Rumelia). The other 7 companies (Katarzhyna, Angels Estate, Santa Sara, Edoardo Mirolio, Midalidare, Four Friends and Zlaten Rozhen) have high leadership positions.

The evaluation according to the criteria „Care and attitude towards employees“ is done in regards to the answers of the interviewees regarding: whether the trainings are organized by the company, whether world leaders in wine production are visited,

employees are certified, if team building events are organized and if there is an opportunity for career development.

Table 7. Evaluation indicators according to the criterion „care and attitude towards employees“

Evaluation indicators	High level	Average level	Low level
Organizing trainings	Regular organization of trainings	Trainings are rarely organized	No trainings are organized
Visits of world leaders in wine production	Leaders are visited	Leaders were visited once	Leaders are not visited
Attestation of employees	Regular attestation of employees is performed	Employees are rarely attested	There is no attestation of the employees
Organizing team building	Regular organization of team building events	Team building events are rarely organized	No team building events are organized
Opportunities for career development	Good conditions for career development are created	Career prospects are limited	No career development opportunities have been created

Source: according to the interview

The evaluation according to the criteria „Social responsibility and commitment“ can be based on several main elements: *economic* (creation of good financial stability), *social* (impact of enterprises on society, quality of life, charity events, etc.) and *attitude to the environment* (observance of the ecological balance, etc.). The main indicators for evaluation according to the criteria of social responsibility and commitment are presented in Table 8.

Table 8. Indicators for evaluation according to the criterion „social responsibility and commitment“

Indicators	High level	Average level	Low level
Charity events of winemakers	He regularly participates in charity events	He rarely participates in charity events	He does not participate in charity events
Environmental protection and attitude towards eco-balance	Protects the environment and is environmentally friendly	Protects the environment, but is not environmentally friendly	It is not environmentally friendly and does not protect the environment
Organic production	Yes	Yes	No

Source: based on data from the interview and information from the websites of the surveyed wine producers

Based on the approved evaluation indicators according to the set criteria, enterprises highly valued in terms of their corporate image appeared (this includes winemakers Katarzyna, Edoardo Miroglio, Midalidare, Four Friends and Zlaten Rozhen), enterprises with a moderate assessment of corporate image (Angel's Estate, Santa Sarah and Domaine Boyar) and those with a low evaluation, whose corporate image is not enough built or maintained (Dragomir, Neragora, Rumeliya, Borovitza and Korten).

4. Conclusion

In the theory, there are different paradigms that determine the nature of the corporate image, as well as the processes of its building, enforcement and management. The position of researchers from a marketing point of view and those from an organizational point of view is different.

In regards to the analyzed issues and the results of the survey conducted among Bulgarian winemakers, it was confirmed that the corporate image is one of the main competitive factors. In the process of building their image, winemakers aim to create one that brings competitive advantages and presents the company in the best possible way.

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