

## KEY ASPECTS AND FEATURES OF IMAGE FORMATION AND PRODUCT PROMOTION OF THE CONFECTIONERY FACTORY «VITBA» ON THE MARKET OF THE RUSSIAN FEDERATION

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The main features of the Russian Federation confectionery market and export trade at this market of products of the confectionery factory «Vitba» (Communal Production Unitary Enterprise «Vitba») are depicted. The challenges and opportunities associated with marketing the products of the confectionery factory «Vitba» on the market of the Russian Federation are described and the possible recommendations for the success in the competition processes are given.

**Keywords:** confectionery market of the Russian Federation; brand; wholesale; retail; trends; standards; «green» consumption; confectionery factory «Vitba».

## ОСОБЕННОСТИ ФОРМИРОВАНИЯ ИМИДЖА И ПРОДВИЖЕНИЯ ПРОДУКЦИИ КПУП «ВИТЬБА» НА РЫНКЕ РОССИЙСКОЙ ФЕДЕРАЦИИ

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Охарактеризованы основные особенности кондитерского рынка Российской Федерации и реализации на этом рынке продукции кондитерской фабрики «Витьба» (КПУП «Витьба»). Описаны проблемы и возможности, связанные с маркетингом продукции кондитерской фабрики «Витьба» на рынке Российской Федерации, и даны возможные рекомендации для достижения успеха в конкурентной борьбе.

**Ключевые слова:** рынок кондитерских изделий Российской Федерации; бренд; опт; розница; потребительские тренды; стандарты; «зеленое» потребление; кондитерская фабрика «Витьба».

Activities on the external markets play a crucial role in the success of companies. This is particularly true for the confectionery factory «Vitba» (Communal Production Unitary Enterprise «Vitba»), which is the leader on the breakfast cereals market and one of the largest producers of flour confectionery products in the Republic of Belarus and is looking to expand its customer base and generate more revenue by activities at the Russian Federation market. To achieve this goal, it is essential to understand the unique characteristics of the Russian market and implement effective strategies for brand building and product promotion.

The Russian market is characterized by a large size, high competition from other manufacturers, and complex logistics due to large distances and transportation infrastructure. Compliance with local standards and requirements is necessary for passing customs procedures and obtaining necessary certificates and permits. Other features of the Russian confectionery market are the presence of strong local producers, steady consumption traditions, and a high level of competition in the low and medium price segments. The confectionery market of the Russian Federation is oversaturated, with its growth rates decreasing, and competition is expected to be intensively – along with the process of market consolidation. The «own trademark» segment is growing.

The Russian market opens several challenges and opportunities for marketing and export sales of the «Vitba» products. The mostly preferable opportunities exist for online sales and the promotion of products of «Vitba» in new niches.

One of the main challenges on the Russian Federation market is the high degree of loyalty of consumers to domestic brands, which requires careful image formation to gain trust and loyalty.

The opportunities of the market, of course, are associated with the positive perception and image of the products of Belarusian producers in the market of the Russian Federation, the products are traditionally associated with high quality and reasonable prices. The use of a country brand can be a component of the competitive strategy of Belarusian manufacturers in the markets of the CIS countries. At the same time, it should be taken into account that the recognition of specific Belarusian companies remains low [1]. In Russia, a stable brand «Belarusian Manufacturer» has already been formed, and it is better known than any specific Belarusian brand [2].

Supply and distribution scheme for confectionery factory «Vitba» in the Russian Federation includes wholesale distribution, retail sales and sales through e-commerce and marketplaces.

Distribution in the Russian Federation is carried out through distributors such as LLC «River», Moscow, LLC «Vladkon» – territorial and regional representatives in 18 regions, 6 Federal Districts of the Russian Federation.

Among the sales channels, the largest share of shipments falls on the «Fix Price», «Komandor» and «Bakhetle» retail chains.

It should be noted that the products of the confectionery factory «Vitba» are sold also through small-scale retail channels. For instance, through collaboration with LLC «Aniri» (Krasnodar, Russia), which supplies goods to retail (in more than 3500 retail objects) and is the largest distributor of bakery and confectionery products in the Southern Federal District.

To distinguish is the growing trend of «hard discounters» (LLC «Svetoфор», LLC «Dobrotsen», etc.) in the territory of the Russian Federation. Federal representatives of the retail market want to place cheaper products in their assortment. As a result, many distributors have focused on cheaper positions or changed sales markets, such as exiting expensive networks, and have also started attracting other suppliers offering products in attractive packaging at a lower price. Market players actively monitor seasonal fluctuations in demand for various confectionery products and dry breakfasts and adjust their assortment accordingly.

Despite the negative impact of the coronavirus pandemic, which caused a reduction in disposable income (about 20–25 %) and the imposition of a prolonged quarantine for the local population, LLC «Torgsnab» (Moscow) has found a possibility to include the products (glazed corn flakes) of the confectionery factory «Vitba» in the assortment of special purpose products (so called «dry ration»). This has had a positive effect on the volumes of exported products to the Russian Federation.

Due to the restrictive measures aimed at preventing the spread of the coronavirus infection, consumers have started to make more online purchases. In 2020, the products of the confectionery factory «Vitba» were successfully placed on e-commerce platforms such as OZON and Wildberries.

In addition to supplying finished products under the «Vitba» brand, the factory produces products for further use as raw materials. For example, bulk flakes of a small fraction are shipped to JSC «Diadar» (Moscow), and the production of bulk flakes, shells, and filled corn pillows is carried out for LLC «EcoGroup Terminal».

Product safety remains a significant factor of the consumer's choice in the Russian Federation market. The quality management system of the confectionery factory «Vitba» is certified according to the international standard STB ISO 9001-2015 in the National System for certification of the Republic of Belarus and DIN EN ISO 9001:2015 in the German system of accreditation. Since 2009 safety management system based on hazards and risks analysis (HACCP system) has been implemented at the factory. The quality control of incoming raw materials and products of all types is provided by the factory's laboratory. In the field of technology, the company's partners are well-

known and trustworthy companies from Italy, Austria, Czech Republic. Further reliance on quality, strengthening the company's image as a manufacturer of quality products (including through participation in tasting competitions (i.e. «Product of the year», «Choice of the year», «Best products of the Republic of Belarus», «Best Belarusian products on the Russian Federation market» and other) and different exhibitions) will allow the confectionery factory «Vitba» to maintain its market position and strengthen it.

Numerous examples of the development of brands from developing countries and their achievement of profitability comparable to the levels of market leaders indicate the prospects for increasing competitiveness through the development of branding, including the creation of brands specifically for the market – in the considered case – the market of the Russian Federation.

Following the «green» agenda, choosing more environmentally friendly products, products with a low carbon footprint and responsible consumption for Russian consumers are still in their infancy. At the same time, the global trend for healthy eating is gradually strengthening in Russia. Understanding the importance of these issues for market success in the future and, accordingly, the opportunities for strengthening competitive advantages by following these trends in production and communication policy can allow the confectionery factory «Vitba» to develop new market niches on the market of the Russian Federation. The use of eco-friendly packaging is also an area of growth. It seems that these aspects could be taken in account in the concept of positioning and image's strengthening of the confectionery factory «Vitba» on the Russian Federation market.

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