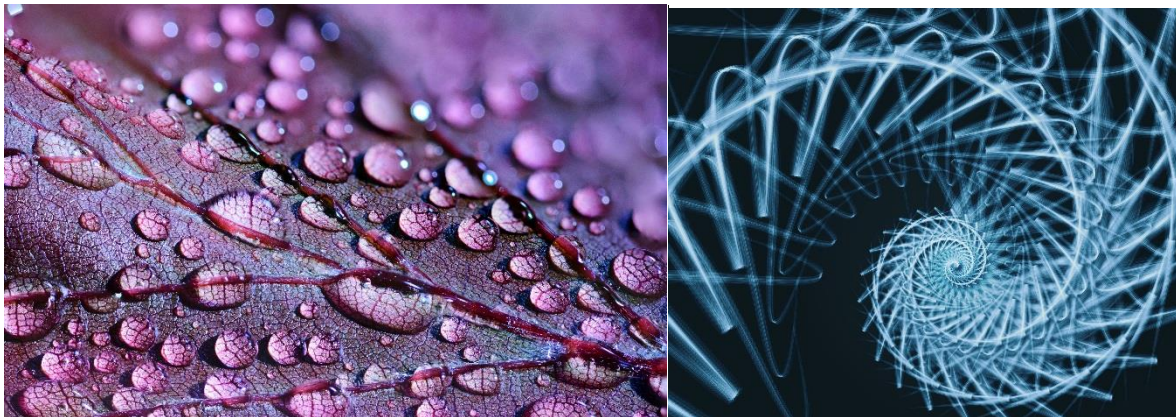


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FORMATION OF PUBLIC GOODS BY AGRICULTURE IN SMOLYAN DISTRICT, BULGARIA

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Abstract

The production of goods for the market may include aspects of public goods, for example when the production of certain agricultural products or landscapes created by farms are part of a local identity. A kind of public good is the local culture that is often associated with farming.

The aim of the study is to assess the provision of agriculture to the formation of public goods and the factors to optimize this process.

The finding of the research is that the agricultural sector in Smolyan region is actively involved in the provision of public goods, which are highly appreciated by the local farmers. An important part of the process of provisioning public goods is their proper combination with market goods, which will contribute to gain a competitive advantage of the region. Farmers expect support from public institutions to explore these competitive advantages. In this way, supporting the development of business that has the character of private interest will also maintain the public goods in the region.

Key words: public goods, water quality, food security, scenery

Zusammenfassung

Die Produktion von Gütern für den Markt kann Aspekte öffentlicher Güter umfassen, beispielsweise wenn die Produktion bestimmter landwirtschaftlicher Produkte oder von landwirtschaftlichen Betrieben geschaffene Landschaften Teil einer lokalen Identität sind. Eine Art öffentliches Gut ist die lokale Kultur, die oft mit der Landwirtschaft in Verbindung gebracht wird.

Ziel der Studie ist es, die Bereitstellung der Landwirtschaft für die Bildung öffentlicher Güter und die Faktoren zur Optimierung dieses Prozesses zu bewerten.

Das Ergebnis der Untersuchung ist, dass der Agrarsektor in der Region Smoljan aktiv an der Bereitstellung öffentlicher Güter beteiligt ist, die von den lokalen Bauern sehr geschätzt werden. Ein wichtiger Teil des Prozesses der Bereitstellung öffentlicher Güter ist ihre richtige Kombination mit Marktgütern, die dazu beitragen wird, einen Wettbewerbsvorteil der Region zu erlangen. Die Landwirte erwarten von öffentlichen Institutionen Unterstützung bei der Erforschung dieser Wettbewerbsvorteile. Auf diese Weise wird die Unterstützung der Entwicklung von Unternehmen, die den Charakter eines privaten Interesses haben, auch die öffentlichen Güter in der Region erhalten.

Schlüsselwörter: öffentliche Güter, Wasserqualität, Ernährungssicherheit, Landschaft

Résumé

La production de biens destinés au marché peut inclure des aspects de biens publics, par exemple lorsque la production de certains produits agricoles ou de paysages créés par des exploitations agricoles

fait partie d'une identité locale. Une sorte de bien public est la culture locale qui est souvent associée à l'agriculture.

L'objectif de l'étude est d'évaluer l'apport de l'agriculture à la formation de biens publics et les facteurs permettant d'optimiser ce processus.

Les résultats de l'étude montrent que le secteur agricole de la région de Smolyan est activement impliqué dans la fourniture de biens publics, qui sont très appréciés par les agriculteurs locaux. Une partie importante du processus de fourniture des biens publics est leur combinaison adéquate avec les biens du marché, ce qui contribuera à obtenir un avantage compétitif de la région. Les agriculteurs attendent des institutions publiques qu'elles les aident à explorer ces avantages compétitifs. De cette façon, le soutien au développement d'entreprises ayant un caractère d'intérêt privé permettra également de maintenir les biens publics dans la région.

Mots clés: biens publics, qualité de l'eau, sécurité alimentaire, paysage

Introduction

The term "public good" in the context of farming systems is often associated with the concept of multifunctionality, which recognizes "the simultaneous consideration of the various positive and negative effects of agriculture and their joint production externality aspects of public good" (OECD, 2001). Some types of public goods are produced in systems designed specifically for their provision (eg health and social infrastructure), others may be regarded as byproducts of systems whose main purpose is the production of private goods. Such is the case of public goods from agriculture and forestry. In this regard, certain goods can be classified as public goods because of their economic nature (eg attractive landscape) and others such

Production of goods for the market could include aspects of public goods such as production of certain agricultural products or created farm landscapes are part of the local identity (Marinov, P., 2017). A kind of public good is itself a local culture that is most often associated with agricultural activities. Therefore agriculture is often viewed as a repository of typical local cultures (Stoeva and Valcheva, 2016). They occur in food, agricultural practices, language, music, etc. In this context, the EU pays special attention to the importance of diverse European rural culture to support rural development and contribute to agro-biological diversity. Definitely is to establish the link between market goods and public goods resulting from agricultural activity. For example, local foods with added value and cultural landscape represent markets and society benefit from this local culture. Thus, although it is difficult to measure, the agricultural sector has an impact on the formation of public goods which can be used to improve market status of farmers (Zahoaliaj and Kolaj, 2017).

The aim of the study is to assess the provision of agriculture to the formation of public goods and the factors to optimize this process.

To study the provision of public goods by agriculture sector, were interviewed 30 farmers from Smolyan District, Bulgaria. Their production activity is focused on the cultivation of beans, potatoes and sheep-breeding that are typical for the region, and produces agricultural products, formed almost exclusively agricultural incomes and have built an image of the region. Appropriate conditions for production and traditions in these proceedings are popular among the local community, while consumers

evaluate products manufactured here as quality and natural. These industries also have a strong influence on the formation of rural landscapes and the provision of public goods for local people and visitors to the region.

Results

Respondents farmers according to gender affiliation is allocated at a ratio of 2:1 in favor of males (see Fig. 1). The larger relative of men gender is explained by the fact that the region's business including and agriculture are managed by men and thus the sample faithfully represents the economic reality. Also agriculture in the region is mountainous and production activities are carried out manually and often require physical strength that is inherent in the male sex.

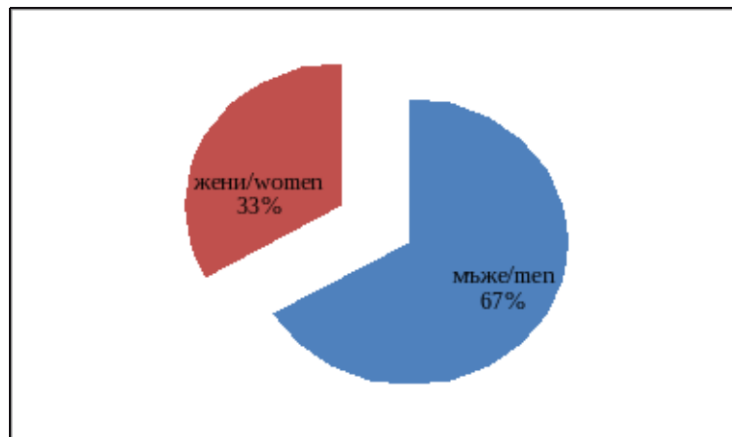


Figure 1. Gender of farmers. Source: Own survey, 2018

Interest is the distribution of respondents according to their age. It had sought an even distribution, but farming is dealing mainly older people, which is why the sample largest share have persons over 55 years, their number exceeds almost 3 times that of persons under 34 years (Fig. 2). However, we believe that the results of the polls will have its weight in terms that examine farmers who richer life experience and possess a strong sense of belonging to the region and its typical characteristics.

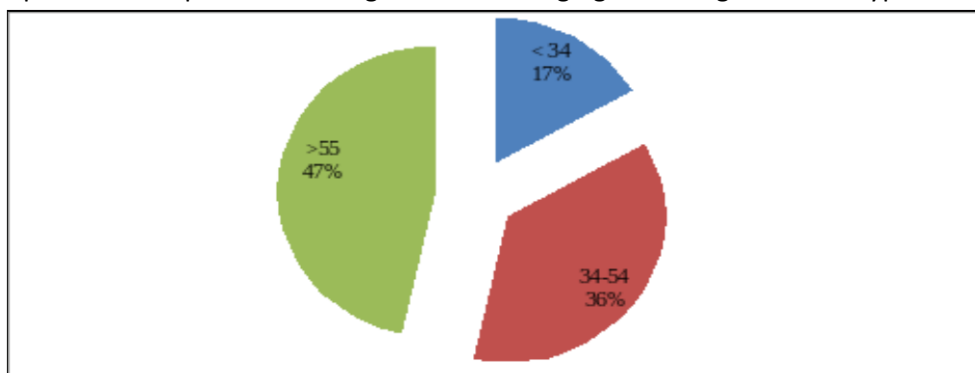


Figure 2. Age of farmers. Source: Own survey, 2018

Another important feature of the respondents is the time from when dealing with agriculture. This indicator distribution in three groups - new agricultural holdings (created at many years ago) holdings aged between 1 and 5 years, farms operating for more than five years. The largest share of respondents have farms of over five years - more than half are members of this group. The remaining two groups are represented approximately equally, with a slightly larger proportion have holdings aged between 1 and 5 years. This sample provides an opportunity to explore the farms with different experiences.

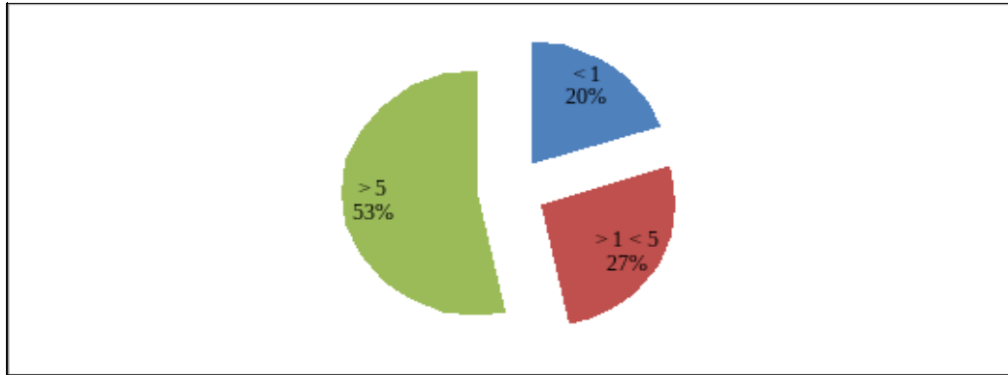


Figure 3. Age of business. Source: Own survey, 2018

Respondents indicate that advisory services for nearly half of them resort to consultation at least once a month (Fig. 4). The majority of farmers used less frequently consultations, which practically means that seeking advice once, at most twice during a single production cycle. This is explained by the fact that manufacturers are mostly small in size and production can not allocate financial resources to attract consultants to advise them in every stage of production. Therefore, seek informal contacts for consultation and seeking solutions to deal with problems.

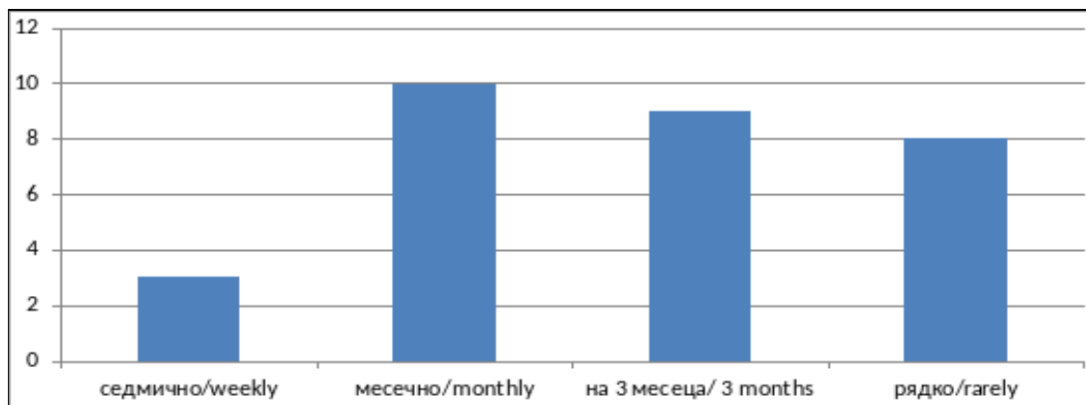


Figure 4. Use frequency of consultancy services. Source: Own survey, 2018

An important characteristic of the research population is the realization of other economic activities of farmers. More than half said that developing and other business activities difrent from agriculture (Fig. 5). These individuals indicated that agriculture is actually not the main source of income

for them, and there are more in the nature of an additional source. This is due to the fact that the share of income from agricultural activities formed to 1/3 of their total annual income.

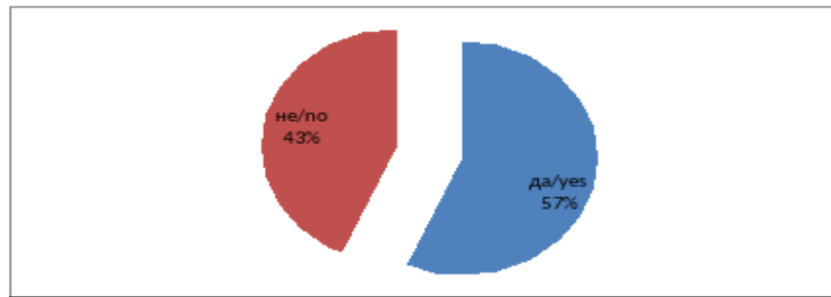


Figure 5. Non-agricultural activities. Source: Own survey, 2018

The educational level of the respondents is extremely high, nearly 90% of them have higher education (Fig. 6). This is an indicator giving reason to expect that farmers have a complex overview of the dimensions of their business and can determine its impact on the local economy and society as a whole.

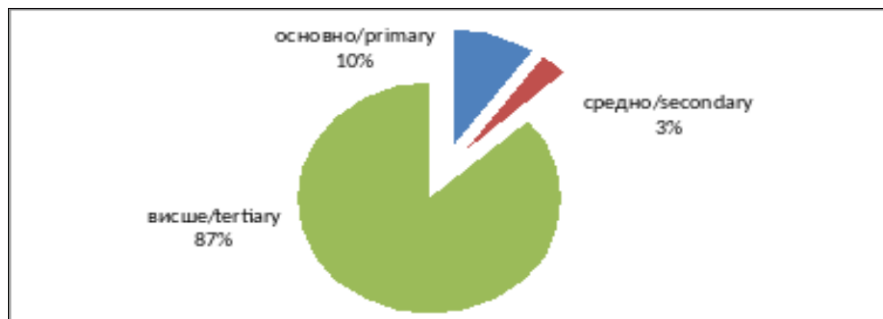


Figure 6. Education of farmers. Source: Own survey, 2018

Ineteres represents the presence of heir to continue the farm. Nearly half of respondents stated that they expect to be inherited (Fig. 7). The share of those who firmly stated that no one can possess them is small, which means that the prospects industry to preserve good. However large percentage answered evasively "do not know" means that the leading factor for storage of agricultural production will be more current environment and opportunities for development of such business than traditional or other emotional response patterns.

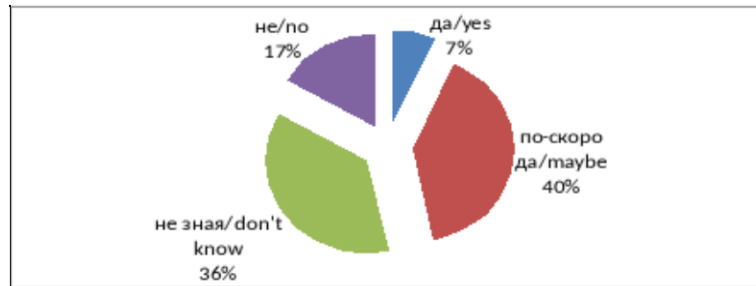


Figure 7. Successor of agricultural business. Source: Own survey, 2018

All respondents said they did not participate in agri-environment payments and produce products with clear identification of origin. Therefore, do not form income and expenses related to the implementation of commitments in these areas.

Farmers were asked to evaluate the contribution of agriculture to provide three public goods - quality and availability of water; food security; scenery and recreation. The results show that farmers determine that agriculture plays an important role in shaping food security and create attractive landscapes and opportunities for recreation (figure 8). This is because the region is famous for its agricultural products (lima beans, potatoes Momchilovtsi, sheep milk and lamb), which can be described as iconic and have a positive impact on the overall image of the region. It is noteworthy that does not establish a similar opinion about the impact of agriculture on the quality and quantity of water. This explains that farmers do not develop irrigated agriculture and use of fertilizers limited. Also, the amount of production plots is small, suggesting an inability to concentrate compounds that can significantly impact the water sources.

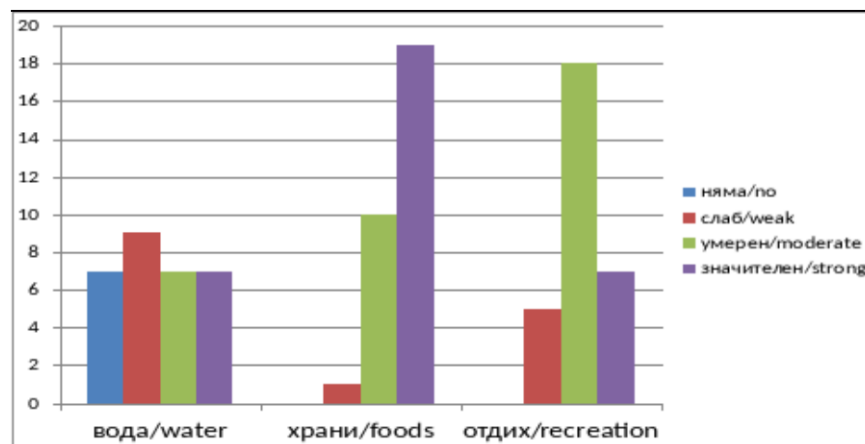


Figure 8. Support of agriculture to creation of public goods - water, food, recreation. Source: Own survey, 2018

Already it mentioned that the region has suitable conditions for development of agricultural production set - beans, potatoes and sheep. However, nearly one third of respondents define the image of these products as a weak or absent (Fig. 9), which is surprising against the background of the positive user review. Yet no small part by the farmers appreciate the image of local products as high, which enables to produce products with clear identification of origin.

Respondents rated and opportunities to produce products without or with clear identification of origin. Both alternatives have been considered as a basis for obtaining benefits in four key areas - benefits; opportunities; expenses; risk. Benefits are looking for in terms of higher profits for farmers proizvoditeli, providing more secure guarantees to consumers about food safety, preservation of natural resources and maintaining an attractive environment.

Opportunities are identified by facilitating access to markets through participation in clusters, storage of local communities and traditions, improve the landscape. The costs relate to those associated with the realization of the products on the market, training costs of manufacturers to comply with standards, introduction of environmental standards.

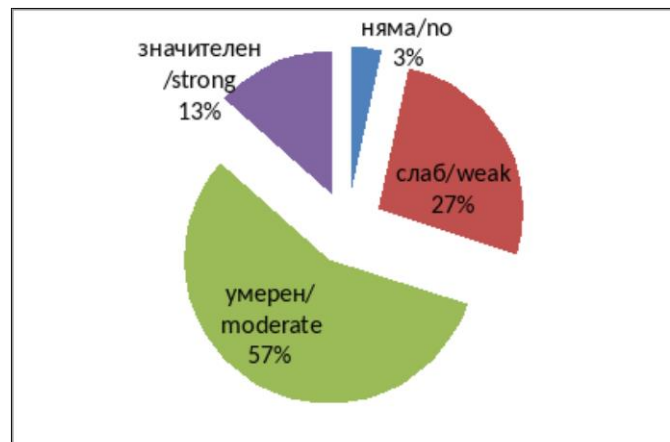


Figure 9. Market image of local products. Source: Own survey, 2018

The risks stem from the fact that introducing new products and the market needs time to accept it (economic risk), agriculture is a traditional sector and the products must not be contrary to established traditions (social risk), water protection as important representative of public goods also depends on the chosen technology of production (environmental risk). The assessment was again done in 4 point scale, with a higher score indicating a strong contribution of the alternative to achieve the advantages described above. The sum of the scores of all respondents determines the overall score for each direction, the maximum value is 810 points. The alternative to produce products with clear identification of origin is assessed as an opportunity to realize the benefits described in all directions. This alternative (al 2) receives estimates exceeding more than 2 times the evaluations of the other alternative, which is evidence for its recognition by farmers as a good opportunity to promote and improve local production and the natural environment (Fig. 10). While respondents are aware that the implementation of this alternative requires additional effort and expenditure by farmers, which ultimately increases the risk associated with its successful implementation.

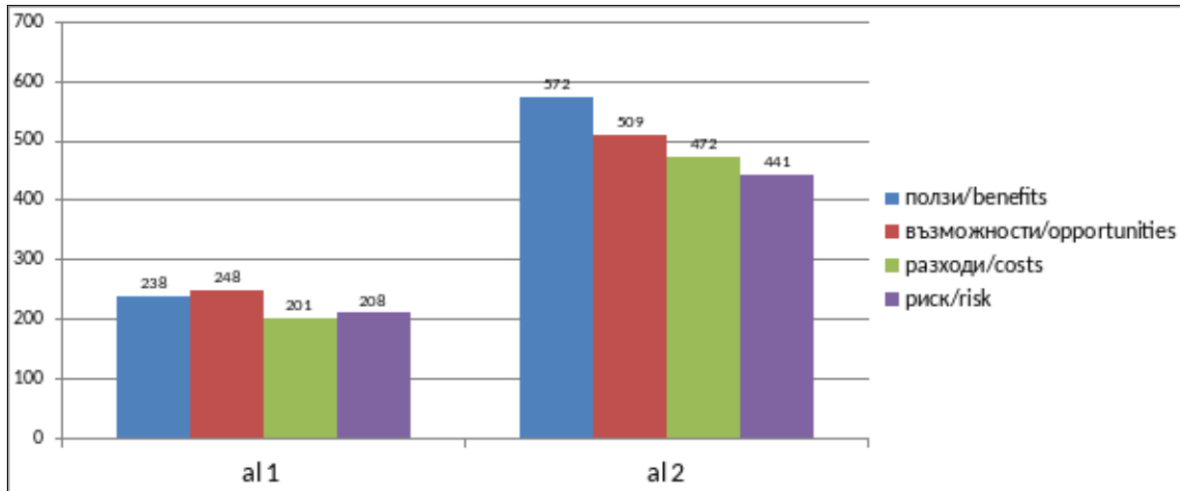


Figure 10. Evaluation of two alternatives to gain benefits (max. Score 810). Source: Own survey, 2018
 al 1 - without identification of origin; al 2 - with identification of origin

Interviewees identified and which public goods should be financed as a priority through the mechanisms of the CAP. I evaluated 10 public goods (Fig. 11). As the most important the following are five - to improve the durability of floods, landslides and fires; food safety and quality assurance; mitigate climate problems; maintaining the vitality of rural areas and communities; improving air quality. All they receive assessments interavala 80-90 points are the maximum possible. These public goods correspond to the fundamental problems of rural areas whose solution can hardly be achieved only through market mechanism. Three other public goods - maintaining the quality and quantity of water; maintaining the functionality of the soil; ensure local supplies are rated between 70 and 80 points. Least been evaluated creation of atraktivin rural landscapes and maintain farmland biodiversity.

Also, all respondents determine the amount of 80 euros annual payment per household as sufficient to encourage the provision of public goods.

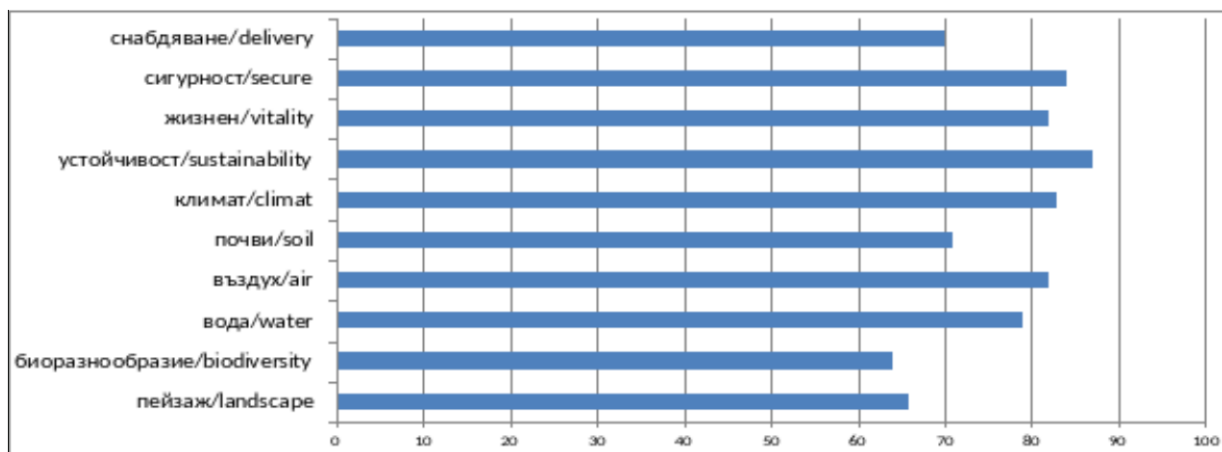


Figure 11. Priority of public goods in financial support (max. Score 90). Source: Own survey, 2018

Through statistical method chi-square we found the interactions of three public goods with socio-economic variables of local farmers (see Table 1).

Table 1. Results from testing the statistically significant relationship between the characteristics of the farmers and public goods. Source: Own survey, 2018

	Water	food	Recreation
Gender	no relation	no relation	there is a realation
Age	there is a realation	no relation	there is a realation
Experience	there is a realation	no relation	no relation
Consultancy	no relation	no relation	there is a realation
Non agricultural activities	there is a realation	no relation	no relation
Education	no relation	no relation	no relation
Successor	there is a realation	no relation	no relation

Maintaining water quality is part of the activities of farmers who are older age, have more experience as farmers, carry out another business and have someone to inherit their business. Obviously the benefits of public good look in the long term, the goal is to ensure sustainability of the environment for business and life. The possibilities of Agriculture to create conditions for recreation is assessed by women farmers, older farmers and those who use advisory services. In this context can be interpreted relationship between agriculture and tourism and to achieve synergistic effects from their interaction. Interesting is the fact that for the third public good "food security" no relationship with any of the studied characteristics of the farmers. This gives grounds to look for other motivating factors that affect the provision of this public good. We can assume that the market is a priority influence on the development of food security.

Conclusion

The results and findings lead to the conclusion that the agricultural sector in Smolyan region actively participated in the formation of public goods that are highly valued by local farmers. Public goods in the region are a direct result of land management, whichever is the high level in this region.

An important part of the process of providing public goods is the proper combination to market products that will ensure that the competitive advantage of the region. Public goods have an important role in shaping the competitive advantages of the region. They assist businesses in creating value in their business and market development. Offering products with clear identification of origin is complemented by local public goods, thereby achieving uniqueness of the proposed value.

Farmers expect support from the public institutions to absorb these competitive advantages. Thus, supporting the development of business, the nature of a private interest will be maintained and public goods in the region.

The present study was carried out under a project PROVIDE (PROVIDing smart DELivery of public goods by EU agriculture and forestry), funded by Horizon 2020. Call identifier: H2020-ISIB-2014-2; Topic: ISIB-01-2014. <http://www.provide-project.eu/>

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OPPORTUNITIES FOR JOINT BIO-BASED MARKETING OF FARMERS FROM SMOLYAN DISTRICT, BULGARIA

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Abstract

Access to profitable markets is perhaps the single most influential factor in determining the viability of the agricultural sector. It is a crucial factor for small farms which have historically had limited access to viable and profitable markets, usually marketing their products right out of the field through peddling and individual sales. These weaknesses of business can be overcome through participation in cooperative marketing.

The aim of the article is to determine benefits and constraints of joint – marketing in farms from Smolyan district.

Farmers can achieve three types of benefits from participation in joint marketing - 1) better market information; 2) access to profitable market; 3) higher profit. These benefits are considered as results of direct contact with consumers. There will not be used external intermediaries. Some constraints restrain farmers to participate in forms of cooperative marketing. Farmers have doubts about management of the process and coordination between independent farmers.

Key words: business model, small farms, risk, joint marketing, bio-based marketing

Abstrakt

Der Zugang zu profitablen Märkten ist vielleicht der einflussreichste Einzelfaktor, der die Lebensfähigkeit des Agrarsektors bestimmt. Er ist ein entscheidender Faktor für kleine Betriebe, die in der Vergangenheit nur begrenzten Zugang zu lebensfähigen und rentablen Märkten hatten und ihre Produkte in der Regel direkt vom Feld aus durch Hausieren und Einzelverkäufe vermarkten. Diese Schwächen des Geschäfts können durch die Teilnahme an der genossenschaftlichen Vermarktung überwunden werden.

Ziel des Artikels ist es, die Vorteile und Zwänge der genossenschaftlichen Vermarktung in landwirtschaftlichen Betrieben aus dem Distrikt Smolyan zu ermitteln.

Die Landwirte können durch die Teilnahme am genossenschaftlichen Marketing drei Arten von Vorteilen erzielen - 1) bessere Marktinformationen; 2) Zugang zu einem profitablen Markt; 3) höherer Gewinn. Diese Vorteile werden als Ergebnisse des direkten Kontakts mit den Verbrauchern betrachtet. Es werden keine externen Vermittler eingesetzt. Einige Einschränkungen schränken die Teilnahme der Landwirte an Formen der genossenschaftlichen Vermarktung ein. Die Landwirte haben Zweifel am Management des Prozesses und an der Koordination zwischen unabhängigen Landwirten.

Schlüsselwörter: Geschäftsmodell, Kleinbetriebe, Risiko, gemeinsame Vermarktung, biobasierte Vermarktung

Résumé

L'accès à des marchés rentables est peut-être le facteur le plus influent pour déterminer la viabilité du secteur agricole. C'est un facteur crucial pour les petites exploitations agricoles qui ont historiquement eu un accès limité à des marchés viables et rentables, commercialisant généralement leurs produits dès la sortie des champs par le biais du colportage et des ventes individuelles. Ces faiblesses commerciales peuvent être surmontées par la participation à des coopératives de commercialisation.

L'objectif de cet article est de déterminer les avantages et les contraintes de la commercialisation coopérative dans les exploitations agricoles du district de Smolyan.

Les agriculteurs peuvent tirer trois types d'avantages de la participation au marketing coopératif: 1) une meilleure information sur le marché; 2) l'accès à un marché rentable; 3) des bénéfices plus élevés. Ces avantages sont considérés comme le résultat d'un contact direct avec les consommateurs. Il ne sera pas fait appel à des intermédiaires externes. Certaines contraintes empêchent les agriculteurs de participer à des formes de commercialisation coopérative. Les agriculteurs ont des doutes quant à la gestion du processus et à la coordination entre les agriculteurs indépendants.

Mots clés: modèle d'entreprise, petites exploitations, risque, commercialisation conjointe, commercialisation fondée sur la biologie

Introduction

Bulgarian farmers face serious difficulties in carrying out their business in today's dynamic business environment. They often make decisions without having the complete information on the cost of production factors, the opportunities for financial support, the characteristics of market demand, the risks accompanying their activity, return on invested capital, etc. Information about these components and their integration in agricultural production systems is necessary to improve the profitability and viability of farms.

Access to market is among the most important factors affecting production activity. It is a key factor particularly for small farms, which are difficult to resist competition and find market for their products. Most often these stopnastva rely on individual sales. This way of offering takes place at prices that do not correspond to production costs in order to achieve the desired profitability. Profitability is a prerequisite to enable the business to continue its existence and its improvement requires careful planning of resources and activities on farms.

The aim of the article is to determine benefits and constraints of joint bio-based marketing in farms from Smolyan district.

Joint Bio-based marketing

Joint bio-based marketing is any agreement between farmers to combine marketing efforts, which may occur in a variety of forms (Borisov, 2013). Bio-based marketing is approach for business management relying on the idea to use environmentally friendly methods of organizing of business activities of any business model in value chain (Stoeva and Vulcheva, 2016). In a bio-based marketing, biologically derived materials will replace synthetic materials in marketing of agricultural and food products (Sijtsema, 2016).

Also any approach for cutting down the plastic waste in production and promotion of food can be formulated as bio-based marketing (Praus and Boevsky, 2015).

Small-sized farms can perform useful and efficient joint marketing campaigns. Sharing resources and ideas is an important part of the collaboration. For example, a group of producers in a region can rent designer of websites that presented their products to their target customers. Joint activity is often targeted at sales by making a larger market penetration (Yovchevska, 2015.). Thus farmers obtain greater market strength and have the ability to influence the pricing process for obtaining a higher price for their products. Another popular form of joint bio-based marketing promotion is reference to fellow farmer. In practice this means a farmer to promote its client's products of another farmer who complement his business activities. In carrying out joint marketing place to implement one or more of the following goals - improving the economic efficiency; sharing resources; better market performance; access to a market; convincing consumers (Kolaj and Borisov, 2019). For small farms, joint marketing activities can be a powerful tool for maintenance and development of their business (Nedeva and Marinov, 2015). To realize that approach, farmers must be involved in a variety of arrangements for mutually beneficial activities.

Results

To study rely on information received from 30 farmers from Smolyan District. Their production activity is focused on the cultivation of beans, potatoes and sheep-breeding that are typical for the region, and produces agricultural products formed almost exclusively agricultural incomes and have built an image of the region. Appropriate conditions for production and traditions in these proceedings are popular among the local community, while consumers evaluate products manufactured here as quality and natural.

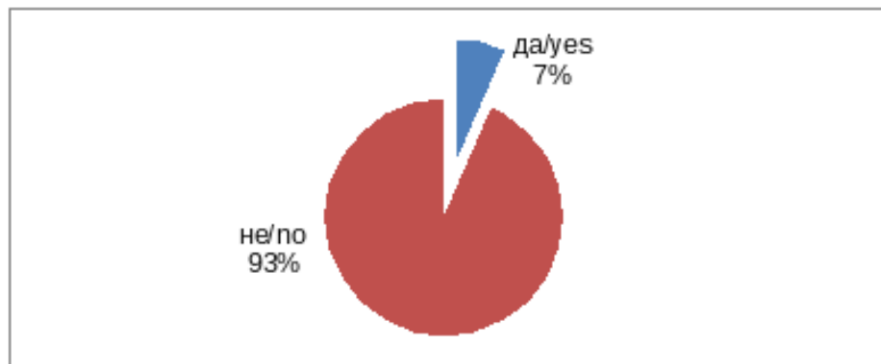


Figure 1. Farmers membership in professional association. Source: Own survey, 2019

Agriculture in the region is small and fragmented, which is typical for mountain regions. The small size of production puts farmers at a disadvantage to suppliers and intermediaries, and the presence of multiple farms makes it difficult to control. Under these conditions, participation in associations of producers may enable optimal use of resources and facilitate activities through mutual support and coordination. In the inquiry set experience very small number of farmers who are members of an agricultural association. Only 7% (Fig.1) said they were active members of the association and seek advantage based on mutual interest such as farmers and solve similar problems. Interest in participating

in agricultural associations is very low, but it is explained by the fact that farmers do not recognize the association as an effective structure to solve their problems.

Farmers use two basic channels (often in combination) for the realization of its products – Direct sales (in place) and retail (Fig. 2). Do not look for marketplaces and do not enter into contracts with processors because the volumes produced are small and these forms of marketing of produce are not suitable.

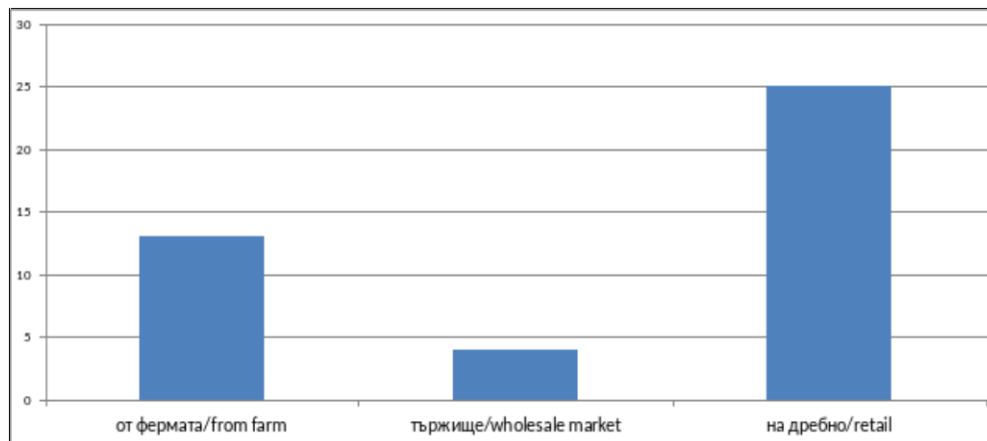


Figure 2. Sales channels. Source: Own survey, 2019

Already it mentioned that the region has suitable conditions for development of agricultural production set - beans, potatoes and sheep-breeding. However, nearly one third of respondents define the image of these products as a weak or absent (Fig. 3), which is surprising against the background of the positive user review. Yet no small part by the farmers appreciate the image of local products as high, which enables to produce products with clear identification of origin. This is evidenced by the willingness of all respondents to participate in forms of joint marketing for the production and marketing of products with a registered origin (Fig. 4).

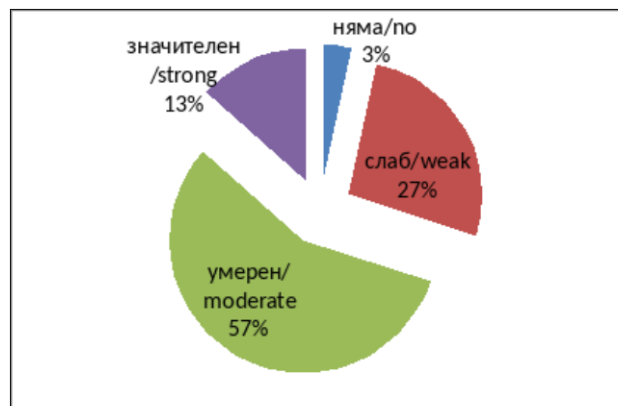


Figure 3. Image of the local products. Source: Own survey, 2019

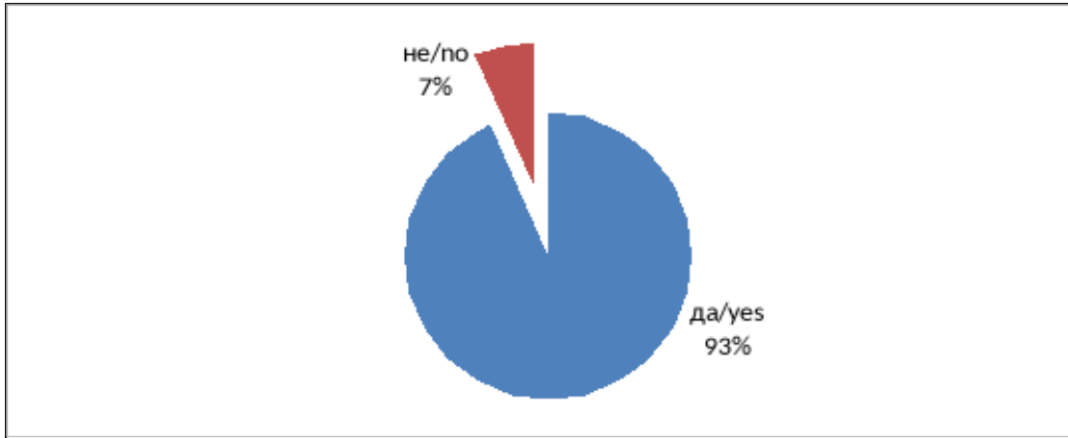


Figure 4. Willingness to participate in joint marketing association. Source: Own survey, 2019

Participation in joint marketing association can result in a variety of benefits for farmers. These benefits can be grouped into two main areas - improving the integration of farms in the food chain and improve business. In terms of improved integration (Fig. 5), farmers in the region expect the joint marketing to provide them with direct contact with end users, where they will not need external mediators. This will enable them to be aware of consumer demands on the one hand and on the other to be able to position their products by focusing on their specific characteristics and present the advantages of its business and region. This can be achieved by offering local products with guaranteed origin. Interesting is the fact that the majority of respondents believe that joint marketing would not lead to improved quality of products offered.

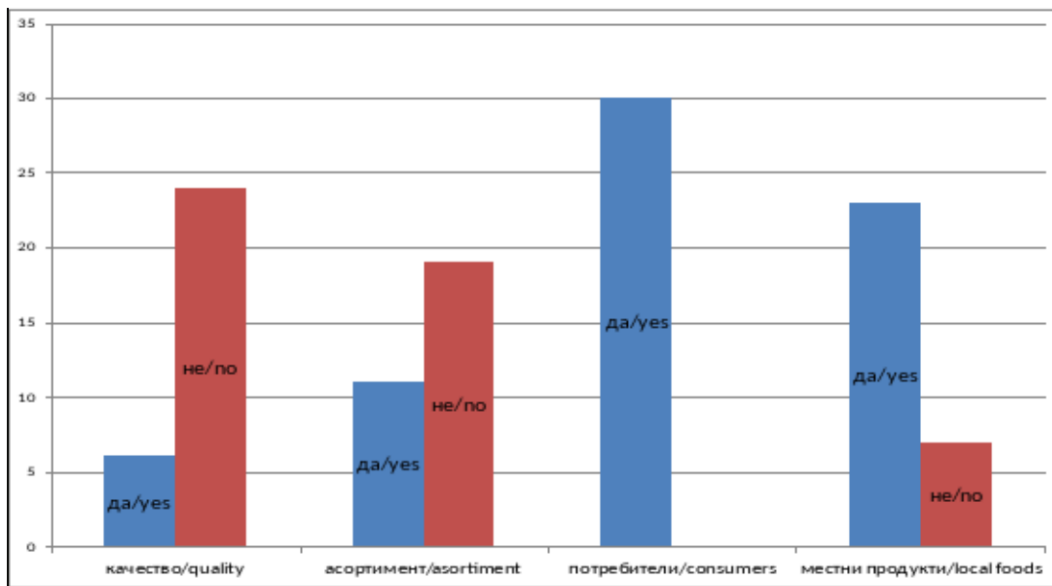


Figure 5. Effect of joint marketing on the integration of the economy in the Food Chain. Source: Own survey, 2019

This explains the problems of local farmers are not related to product quality, but rather to ensure its users. The clear product identification products from the region will provide precisely such a benefit. The majority of respondents do not see an opportunity to diversify the product range as a result of the

introduction of joint marketing. This is due to the limited production capacity of the region as natural and climatic conditions are specific and provide an opportunity to grow a limited number of crops. However, the image of the region in these proceedings can be used to expand their marketing. The majority of respondents do not see an opportunity to diversify the product range as a result of the introduction of joint marketing. This is due to the limited production capacity of the region as natural and climatic conditions are specific and provide an opportunity to grow a limited number of crops. However, the image of the region in these proceedings can be used to expand their marketing. The majority of respondents do not see an opportunity to diversify the product range as a result of the introduction of joint marketing. This is due to the limited production capacity of the region as natural and climatic conditions are specific and provide an opportunity to grow a limited number of crops. However, the image of the region in these proceedings can be used to expand their marketing.

Joint marketing can affect the economic activities of farmers who participate in this form of association. As main benefits are recognized three - 1) better awareness of market requirements; 2) facilitating market access; 3) realization of higher operating profit (Fig. 6). Also, the majority of respondents believe that joint marketing would give them the opportunity to diversify their sources of income. But it will be implemented in the context of increasing the share of income from agricultural activity in the total income, as is currently the share is unsatisfactory. It is also stated that it expected contribution of joint marketing on a more efficient use of available resources and improve the quality of the implemented production activities.

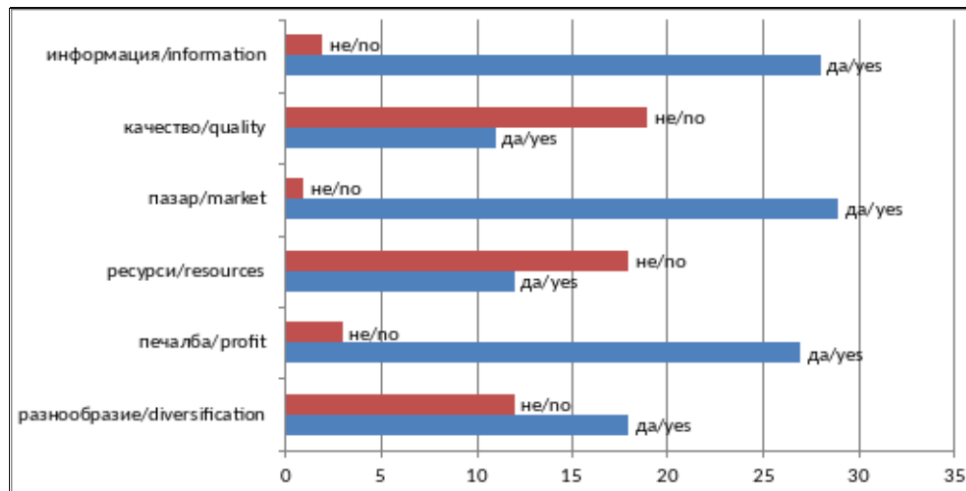


Figure 6. Effect of joint marketing on business. Source: Own survey, 2019

Participation in joint marketing association is possible only if there are certain incentives to motivate farmers to whitewash part of such unification. The problems faced by small farmers are diverse, but these market-related definitely have a critical impact on their business (Nikolov et al., 2015). This is confirmed by the answers of respondents that facilitating access to the market, in close contact and direct communication with end users and the ability to successfully resist the competitive pressures are among the main reasons to participate in joint marketing (Fig.7). Also has estimated costs related to the implementation of production to be reduced since this management process will be optimized. It is noteworthy that farmers do not recognize the benefits associated with easier access to financial

resources. This is because the small size of the business opportunity sets its own funds to cover the cost, which is often the main income of the farmers come from other activities used to finance the cost of farming.

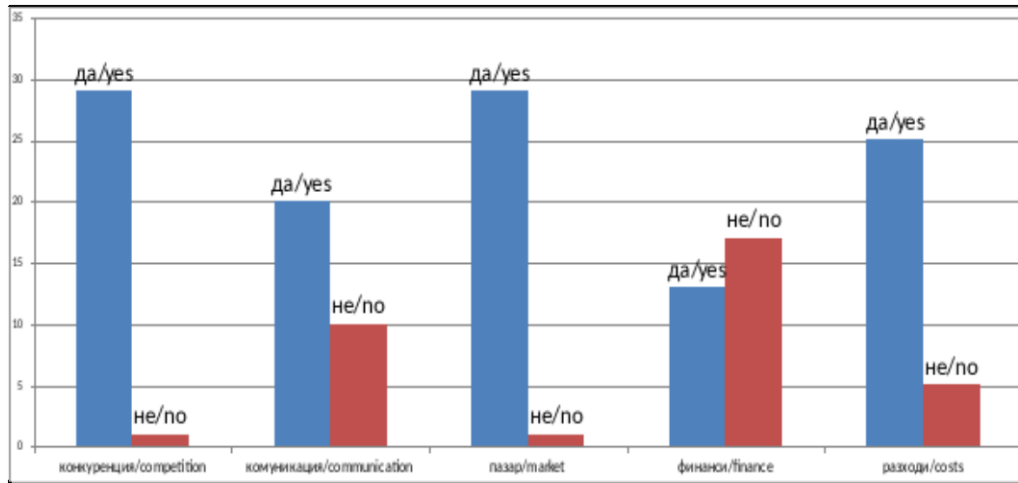


Figure 7. What motivates farmers to participate in joint marketing. Source: Own survey, 2019

Participation in joint marketing discourage some limitations that cast doubt on its successful functioning as a form of association. Respondents rated 6 potential factors that deterred them to participate in joint marketing. The evaluation was performed by four-point scale, with a higher score indicating a strong deterrent role of this factor. The sum of the scores of all respondents determines the overall score for each factor, the maximum value is 90 points. Six constraints were identified as potential disincentives, and the results show that all of them have a very strong restrictive effects (Fig. 8). The most significant factor among them is determined reluctance to association of farmers due to lack of mutual trust. Reporting of such high marks for all six factors.

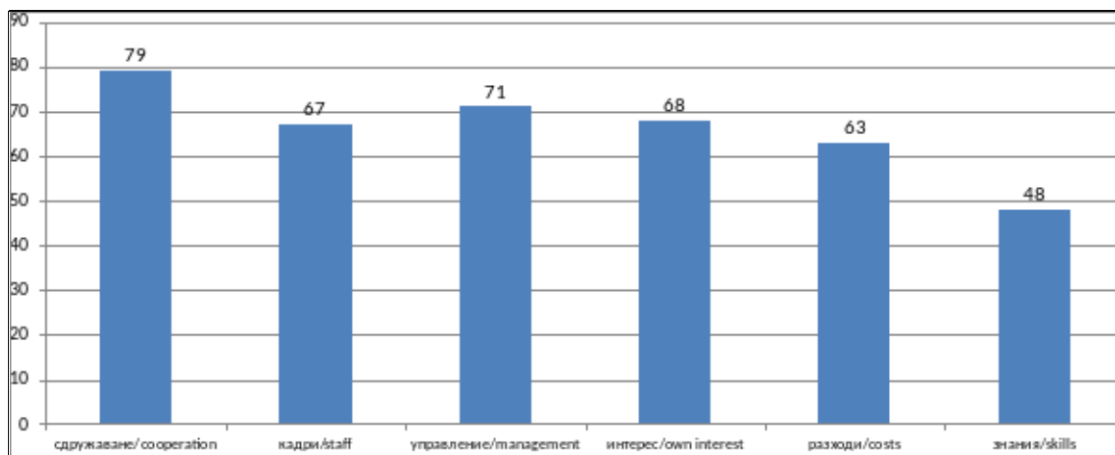


Figure 8. What discourages farmers to participate in joint marketing. Source: Own survey, 2019

Conclusion

The implementation of agricultural activity is carried out under conditions of uncertainty and risk as factors of the business environment have dominant importance. This is especially true for farmers in

mountainous areas whose farms are characterized by small size and are located in areas that are disadvantaged in terms of natural and climatic conditions. This creates difficulties for the effective functioning of farms achieve their financial and economic objectives and maintain their viability in the long term. Farmers of these areas difficult to compete with manufacturers from other regions, which need to explore new approaches in the management of production and supply of agricultural products. Joint marketing is an opportunity to organize production activity and distribution of finished products through cooperation among farmers. The cooperation allows for better use of available resources, to increase the efficiency of operations. Farmers can coordinate their actions in terms of production output by offering the market a wide range and in larger quantities. Meanwhile local associations can utilize the advantages of the region in which they operate by offering their products with clear product identification of origin and guarantees. This will allow products to position themselves with their own unique qualities that distinguish them from those of other manufacturers. Thus it can overcome the mass nature of the product and to serve specific segments of the market for agricultural products that do not show such a strong price sensitivity as well as the general public. Implementation of joint marketing has its challenges that impede its implementation and effective use. The main restrictions are related to the effectiveness of the management processes and coordinating the activities of various entities.

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THE EFFECTS OF THE MARKETING CONCEPT ON OVERALL PERFORMANCE OF COMMERCIAL BANKS IN LENDING THE AGRIBUSINESS IN KOSOVO

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Abstract

The purpose of this article is to analyze and determine the effects that can be achieved on overall performance in implementing the marketing concept of the commercial banks in the agricultural sector of the Republic of Kosovo.

In conducting the analysis of the marketing activities of commercial banks are defined as factor - driver and achieved level of market and financial performance as a resulting factors. The research hypothesis is checked for authenticity is that the systematic execution of marketing activities, determine the level of market performance of commercial banks in the market segment "Loans and leasing for agribusiness". The systematic execution of marketing activities have a major impact on achieved market share of commercial banks in the market segment "Loans and leasing for agribusiness". Commercial banks with greater market share aspire to more systematically apply its marketing concept. These banks set aside and a bigger marketing budget for realization of their marketing concepts

Key words: market performance, marketing concept, agribusiness, marketing activities

Abstrakt

Der Zweck dieses Artikels ist es, die Auswirkungen zu analysieren und zu bestimmen, die bei der Umsetzung des Marketingkonzepts der Geschäftsbanken im Agrarsektor der Republik Kosovo auf die Gesamtleistung erzielt werden können.

Bei der Durchführung der Analyse der Marketingaktivitäten der Geschäftsbanken werden als Faktor - Treiber und erreichtes Niveau der Markt- und Finanzleistung als daraus resultierende Faktoren definiert. Die Forschungshypothese wird auf ihre Authentizität überprüft, dass die systematische Durchführung von Marketingaktivitäten das Niveau der Marktleistung von Geschäftsbanken im Marktsegment "Kredite und Leasing für das Agrargeschäft" bestimmt. Die systematische Durchführung von Marketingaktivitäten hat einen großen Einfluss auf den erreichten Marktanteil der Geschäftsbanken im Marktsegment "Kredite und Leasing für das Agrargeschäft". Geschäftsbanken mit größeren Marktanteilen streben eine systematischere Anwendung ihres Marketingkonzepts an. Diese Banken stellen ein größeres Marketingbudget für die Umsetzung ihrer Marketingkonzepte zur Verfügung.

Schlüsselwörter: Marktleistung, Marketingkonzept, Agrarwirtschaft, Marketingaktivitäten

Résumé

L'objectif de cet article est d'analyser et de déterminer les effets qui peuvent être obtenus sur les performances globales de la mise en œuvre du concept de commercialisation des banques commerciales dans le secteur agricole de la République du Kosovo.

Dans la conduite de l'analyse des activités de marketing des banques commerciales sont définis comme facteur - moteur et le niveau atteint de la performance du marché et financière comme un facteur résultant. L'hypothèse de recherche dont l'authenticité est vérifiée est que l'exécution systématique des activités de marketing, détermine le niveau de performance du marché des banques commerciales dans le segment de marché "Prêts et leasing pour l'agroalimentaire". L'exécution systématique d'activités de marketing a un impact majeur sur la part de marché atteinte par les banques commerciales dans le segment de marché "Prêts et leasing pour l'agrobusiness". Les banques commerciales ayant une plus grande part de marché aspirent à appliquer plus systématiquement son concept de marketing. Ces banques réservent un budget marketing plus important pour la réalisation de leurs concepts marketing

Mots clés: performance du marché, concept de marketing, agroalimentaire, activités de marketing

Introduction

Following certain marketing concept of economic organization is motivated by achieving specific effects. Like any business organization, commercial banks develop and follow a defined business concept, which aims to achieve beneficial effects in terms of better market and financial performance. Commercial banks are limited liability companies in which there is a clear distinction between ownership and management of financial capital (Stoeva and Marinov, 2015). Interest of the owners of capital he was quick to regain the form of dividends and managers to increase sales, thus optimizing revenue to achieve higher levels of profitability. Profitability of sales depends mainly on two factors, namely - (1) an increase in sales in a way that does not complicate management and (2) optimizing the cost of operations (Radev and Radeva, 2017). The first objective is achieved by pursuing market performance and development by crowding competition of the market segments, the object of attack. Attracting more "new" customers means an increase in market performance and potential for more sales of financial services and products in the future (Gashi, Behluli and Fejza,2018). Therefore, when imposing marketing approach in the management of the bank is vitally important to measure what the market performance and how, through adequate marketing activities it be maintained and increased. This mean increase in market performance and potential for more sales of financial services and products in the future.

The purpose of this article is to analyze and determine the effects that can be achieved on market performance in implementing the marketing concept of the commercial banks in the agricultural sector of the Republic of Kosovo.

Given that the commercial bank develops its market performance in the limited requirements of the owners of capital, namely faster and increasing returns on invested capital in her measured after effect of applying marketing concepts - increasing market performance; enhancing the financial performance of the commercial bank; adequacy of the marketing concept in terms of the requirements of the target market.

Achieved the effect of applying marketing concepts to commercial banks in the market of products and services for agribusiness are measured using the method of the survey and the comparative analysis method. Measured effects in terms of achieving market performance, financial performance and customer satisfaction.

To assess the market performance of commercial banks in the segment "Loans and leasing for agribusiness" is used as indicator the market share (Bajrami, Hajdari and Qerimi, 2018). Financial performance is measured by indicators (1) marketing expenses; (2) Income from sale of financial products; (3) The contribution of sales of products in the segment "Loans and leasing for agribusiness," and (4) return on sales. Customer satisfaction is measured through the use of qualitative indicators set in advance developed and tested questionnaire.

In conducting the analysis of the marketing activities of commercial banks are defined as performance factor and achieved level of market performance as a resulting factor. The research hypothesis is checked for authenticity is that the systematic execution of marketing activities, determine the level of market performance of commercial banks in the market segment (see table 1).

To conduct the analysis, based on information from the inquiry among study subjects were formed statistical groupings of studied indicators.

Through the resulting frequency distributions, using chi-square method to reveal those factors that are not accidental (objective) connection to the indicator-score (level of market performance in the segment), deterministic implementation. It should be noted that besides studied factors on the score-score affects many other factors here were not tested due to the inability for them to be covered in just one study. Values of χ^2 empirical and theoretical χ^2 distribution are defined as assessments made at $\alpha = 0,05$.

In the survey was involved 31 managers of 10 commercial banks from Republic of Kosovo and 120 clients of those banks.

Results

The relationship between the marketing activities and achieved level of marketing performance.

The results of the statistical analysis showed that the systematic execution of 14 (15 total) marketing activities significantly affect the progress of market share in the research market segment. An analysis of the external environment does not significantly affect the market performance of banks in the segment, while banks invested substantial resources for this type of analysis. The credit expansion of banks in the research market segment is determined by the performance of 6 (out of 15) marketing activities and they are: (1) analyzing the business environment; (2) segmentation of the market; (3) development of specific marketing mix; (4) clear definition of marketing strategy; (5) the positioning of the marketing strategy of a certain competitive advantage and (6) the clear definition of marketing objectives.

Achieving a certain market share should not be only one-step action. It is important also the achieved market share to be controlled and to retrieve return on marketing costs. A major measure of that to how effective the selected marketing concept is indicative profitability of sales (financial services). Implementation only five (out of 15) activities in research segment determine the profitability of sales and these are: (1) the construction and use of marketing information system; (2) the development of specific marketing mix; (3) the clear definition of marketing strategy; (4) the use of competitive advantage in formulating marketing strategy and (5) the consistency of the marketing strategy with other functional strategies of commercial banks.

By performing statistical analysis proves research thesis that market performance is determined by the degree of implementation of marketing activities. Obviously, there are other factors which have a systemic impact on the market performance of commercial banks in the market segment. From the

conducted survey and analysis of data from interviews of managers of commercial banks can be assumed that factors in strengthening market position in the segment are: disposable credit resources, the style of leadership and the market situation in Kosovo.

Table 1. Relationship between the marketing activities and achieved level of market performance.

Source: Results from χ^2 analysis of data received from 31 managers of commercial banks, 2018

Marketing activities	Market share	Market growth	Return of sales of financial services
Do you have an information system for collecting, processing and analyzing of marketing information?	There is relationship	There is no relationship	There is relationship
Do you analyze the external environment?	There is no relationship	There is relationship	There is no relationship
Is it clearly defined the mission of your organization?	There is relationship	There is no relationship	There is no relationship
Does your employees know and share the mission of bank?	There is relationship	There is no relationship	There is no relationship
Does your company define markets segments?	There is relationship	There is relationship	There is no relationship
Does your company develop a profile of each target segment?	There is relationship	There is no relationship	There is no relationship
Does your company have a specific marketing mix for each target segment?	There is relationship	There is relationship	There is relationship
Marketing objectives have they quantify and put you in writing?	There is relationship	There is relationship	There is no relationship
Is your company develop a strategic plan?	There is relationship	There is no relationship	There is no relationship
Is there a clearly defined marketing strategy to achieve the marketing goals?	There is relationship	There is relationship	There is relationship
Does the chosen marketing strategy is based on a competitive advantage?	There is relationship	There is relationship	There is relationship
Is coherent marketing strategy with other functional strategies of the company?	There is relationship	There is no relationship	There is relationship
Are there resources to conduct the chosen marketing strategy?	There is relationship	There is no relationship	There is no relationship
Is it clear who is responsible for what, and practice implementation of the strategy?	There is relationship	There is no relationship	There is no relationship
Is there a system for monitoring the implementation of selected marketing strategy?	There is relationship	There is no relationship	There is no relationship

The relationship between marketing costs and achieved level of market performance. Marketing budget determines the financial framework of the chosen marketing concept. Therefore we believe that marketing budgeting foreordained before the achieved effects of the applied marketing concept. Through statistical method correlation between the two factors is sought link between marketing costs and the level of market performance (measured by the index of market share). The statistical hypothesis that rises to verify that the size of the marketing costs determines the level of market performance in segments "Lending and leasing of agribusiness."

The results of the analysis demonstrate that there is a strong relationship between the studied factor (see Multiple R = 0,95 in Table 2) and is therefore straight. In other words, as more commercial banks increased their spending on marketing, the better market performance they will have in market segment. With an increase in marketing expenses amounting to 1000 euro, market share has grown by 0,00000011%. Therefore increasing the marketing budget is appropriate if a commercial bank wants to improve its market position in the market segment.

Table 2. Results from regression analysis of correlation between the amount of marketing expenses and market share. Source: Results from R- analysis of data received from 31 managers of commercial banks, 2018

<i>Regression Statistics</i>	
Multiple R	0.952442307
R Square	0.907146348
Adjusted R Square	0.905394392
Standard Error	1.092731972
Observations	31

The increase in the marketing budget is not sufficient conditions for improved market penetration of commercial banks. It is necessary to draw up a structure of this budget, which allows the achievement of targeted marketing purposes.

Financial effects of the applied marketing concept. Each management concept should lead to improved financial result from operations, including marketing concept. In a study of the effects of the application of the marketing concept must comply with the following limiting factors: (1) in most studied commercial banks there is autonomous marketing information system to generate data about revenues from sales of financial products and services that come from different market segments. The philosophy of developing an information system for decision-making is to summarize information coming from critical and important elements of management. The surveyed banks do not believe at this stage that the monitoring of revenues by market segment "Lending and leasing of agribusiness" is important since most of them have subdued performance in this segment and do not consider him to become important in the future. (2) the lack of understanding by senior management team of the lack of data (or partial representation thereof) regarding sales of financial services market segments faced by marketing managers. These limiting factors impose financial effects of the application of the chosen marketing

concept to measure the level of income without differentiate these revenues for this market segment generates them.

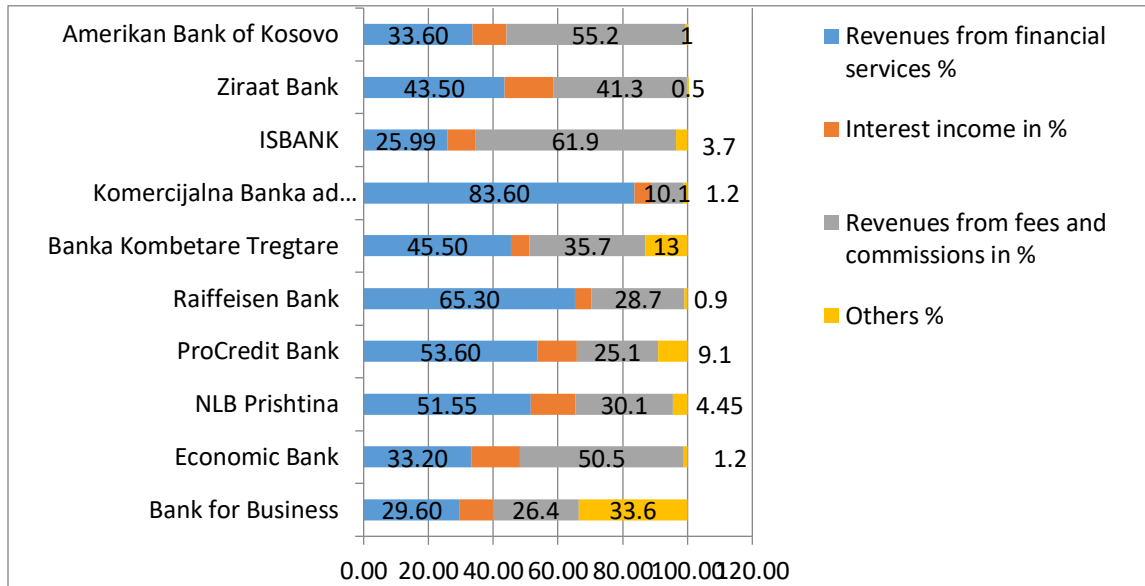


Figure 1. Income structure of commercial banks. Source: Results of data received from 31 managers of commercial banks, 2018

Revenue structure of commercial banks reveals that entrepreneurs mainly use financial services (credit and leasing) of the offered product range. These services form an average of 26% to 84% of the revenues of commercial banks. Along with using this service, entrepreneurs use banks to carry out banking transactions necessary for the operation of their business. The information given in Figure 1 can be interpreted in terms and otherwise. The main profit centers for commercial banks passages of financial services and income from fees and commissions

These revenue sources are critical in the formation of the income cash flow during operation of commercial banks in the market segment "Lending and leasing of agribusiness".

Figure 2 shows the contribution (in %) of revenues from financial products segment "Loans and leasing for agribusiness" in the formation of the income stream. In progress contribution can determine the importance of the market segment in the formation of financial results and to assess the impact of selected marketing concept on the financial result as a factor cause.

Applied marketing concepts in the research market segment for most commercial banks lead to increased revenue cash flow. When leaders RFB and PB reported an increase in the contribution of the segment in the formation of total revenue. At RFB contribution of 22.2% reached a level 26.3 percent in only one year. When PB is also an increase in the contribution of segments with about 2.6% (from 25.5% contribution increases to 28.1%). In these two banks formed almost ¼ of revenues originating from sales of services in the segments "Lending and leasing of agribusiness." In the remaining 8 studied commercial banks revenue from the segment have symbolic character. When EB and IAQ even noticeable decline in the realized contribution to the research market segment. Can be summarized that revenues from sales of services in the segments "Lending and leasing of agribusiness" increase for RFB and PB based increase in the number of clients served. This proves that applied marketing concepts in these two commercial banks lead to a positive outcome to the income cash flow.

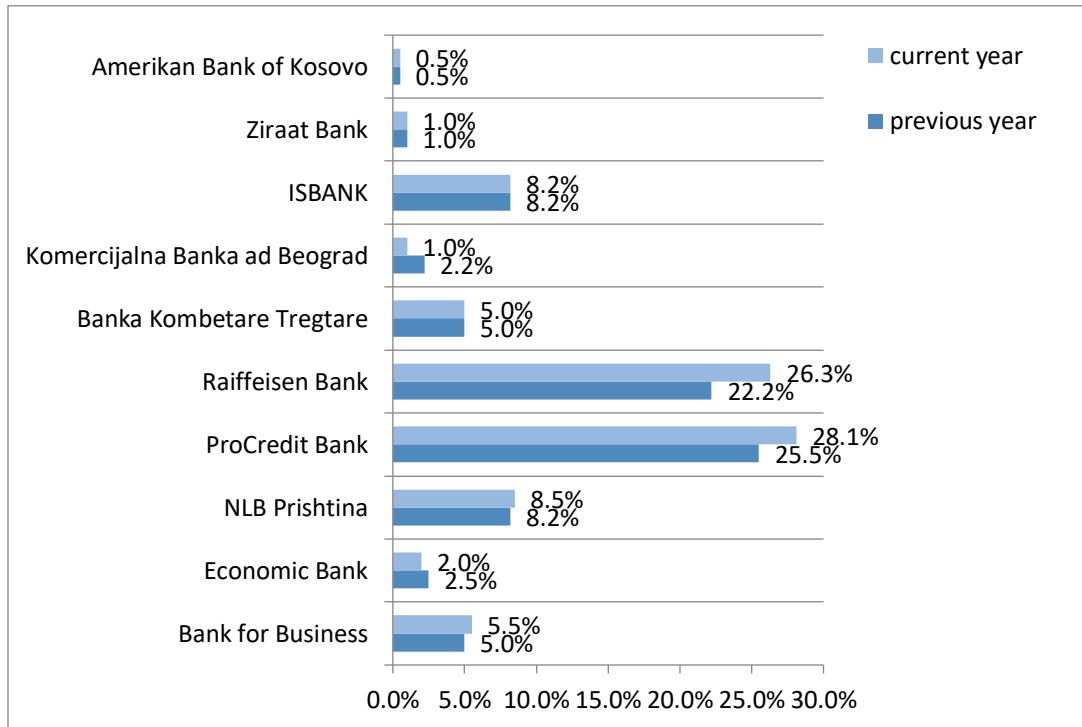


Figure 2. Contribution of revenues from the segment "Loans and leasing for agribusiness" in forming total income of commercial banks. Source: Data of the banks and own calculations.

Achieved effects of the applied marketing concept on the target market. The main measure of whether a successful marketing concept of choice is increase the number of satisfied customers. The adequacy of the marketing concept of customer requirements is a key factor in achieving good results in penetration and knowledge of a particular market segment. Customer satisfaction is a reliable indicator of quality performance marketing concept. In order to evaluate the effects of the applied concept in this part of the study show summary results from the responses of customers.

Figure 3 gives information about the level of customer satisfaction when they using the products offered by the bank. Users of banking services in the rmarket segment "Loans and leasing for agribusiness" feel satisfied - 70.1% of the total surveyed respondents gave a positive answer. Small part, however, of those surveyed customers said that more work can be done in terms of satisfaction, their requirements to the bank (24% respond "partly").

Only 15.5% of customers say they are not satisfied with the service and attitude towards them.

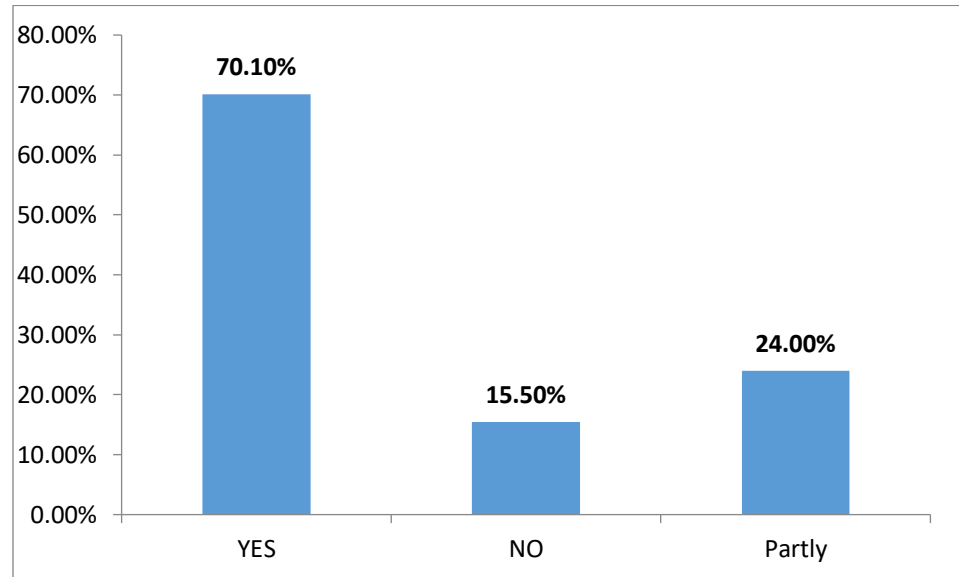


Figure 3. Degree of customer satisfaction. Source: Survey among 120 clients.

Satisfaction from use of certain banking product is strictly subjective value (for each client specific element of the product is important) setting to explore which items of applied marketing concept help to increase customer satisfaction.

Figure 4 are given the factors that determine the decision to use the products of commercial banks in the market segment "Loans and leasing for agribusiness" . These factors can be identified as important elements of applied marketing concept that affect the target group. As the results shows that the most important factor in the purchasing decisions of financial products are offered lower interest rates on granted loans - 60.1% of total respondents indicated that is critical factor in process of deciding to purchase. Another important factor determining consumer choice is to build trust in the brand - 50.8% of the total surveyed customers indicated this factor. Lower fees and commissions are also a real motivator to purchase 50.55% of the total surveyed respondents indicated this factor as a determinant in their choice. The location of the bank is also a critical factor in the purchase of financial services offered in the market segment ""Loans and leasing for agribusiness". The data shown in Figure 4 can be interpreted in a way showing which elements of applied marketing concept achieved positive effects on customer needs. Building and maintaining trust in the brand is an important element of the marketing concept in the research market segment. The pricing policy is also important for attracting and retaining customers. Another critical factor is the location of the bank, most customers say that this item is important to them in their service. The data shown in Figure 4 can be interpreted in a way showing which elements of applied marketing concept achieved positive effects on customer needs. Building and maintaining trust in the brand is an important element of the marketing concept in the research market segment. The pricing policy is also important for attracting and retaining customers. Another critical factor is the location of the bank, most customers say that this item is important to them in their service. The data shown in Figure 4 can be interpreted in a way showing which elements of applied marketing concept achieved positive effects on customer needs. Building and maintaining trust in the brand is an important element of the marketing concept in the research market segment. The pricing policy is also important for attracting and

retaining customers. Another critical factor is the location of the bank, most customers say that this item is important to them in their service.

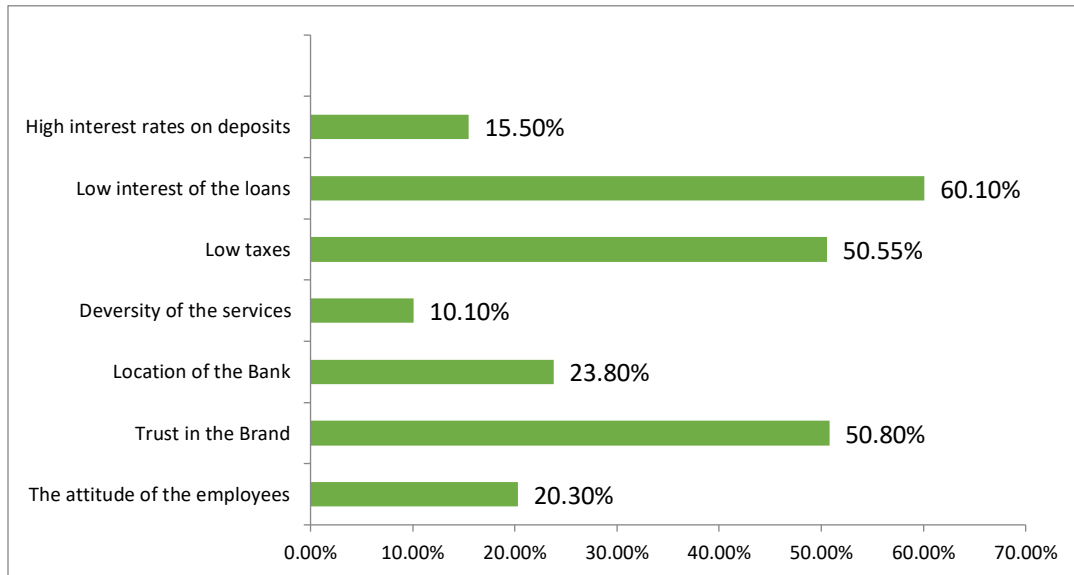


Figure 4. Factors determining the choice of customers when using financial services segment "Loans and leasing of agribusiness." Source: Survey among 120 clients.

Caring towards keeping loyal customers is an investment that returns repeatedly in the management of marketing activities. When it comes to offering financial services, one of the critical factors determining customer loyalty is trust what they have to the commercial bank. In the research market segment "Loans and leasing of agribusiness.", customers have high confidence in their bank. Satisfied and loyal customers are a measure of the effectiveness of the applied marketing concept. These customers can make grants at promoting the services offered by the commercial bank products as recommend it to their friends. Thereby achieving a multiplier effect of properly applied marketing concept.

Conclusions

- The systematic execution of marketing activities have a major impact on achieved market share of commercial banks in the market segment "Loans and leasing for agribusiness". Commercial banks with greater market share aspire to more systematically apply its marketing concept. These banks set aside and a bigger marketing budget for realization of their marketing concepts;
- The increase in marketing budget leads to improved market performance of banks in the market segment. In marketing budget banks dominate the means of television and radio advertising and internet advertising. These are the main means of communication with customers who develop entrepreneurial activity in the agricultural sector;
- Critical revenues items are from the sale of financial products and revenues from commissions and fees. These two revenue items are defined as profit centers. Banks that invest more money in the marketing budget form higher sales revenues compared with those who have smaller

marketing budgets. In the majority of the surveyed banks, the contribution of revenues from the segment "Loans and leasing for agribusiness" is negligible except for market leaders - RFB and PB;

- Users of banking services in the research market segment ""Loans and leasing of agribusiness"" feel satisfied with the offered financial products. The main elements of marketing applied to banks that have value (meaning) to the customer are of interest rates when granting credit, the level of fees and commissions for the use of banking services and establish trust bank. These are the main factors determining the choice of buying a financial services the market segment;
- Customers have high confidence in the financial products of banks. Basically this trust is built based on the feeling of security and confidence to the banking system in Kosovo and in particular to the selected bank.

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DIAGNOSTICS OF MARKETING CONCEPTS OF COMMERCIAL BANKS IN PROVIDING LOANS TO AGRICULTURAL SECTOR OF KOSOVO

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Abstract

The purpose of this study is to analyze the key factors in marketing concepts applied by commercial banks in servicing its market segment "Loans and leasing for agribusiness" in Kosovo.

Through analysis aims at identifying the critical factors that banks incorporated within the selected marketing concept and how these factors influence the market presence of commercial banks in the research market segment. The research involves 10 leading commercial banks in the banking sector of Kosovo. In these economic structures are analyzed the following success factors for marketing concept: systematic application of marketing activities within the selected marketing concept; leadership in implementing the marketing concept; budgeting marketing concept. The main methods of collecting information necessary for the purposes of the questionnaire survey method and in-depth interview. Another important source of information audit reports of commercial banks. The commercial banks need to invest more in online advertising and the creation of products that successfully compete looming "threat" from new players. This means investing in the creation of the marketing information systems, the construction of "big data" sets and using innovative Internet solutions to create and implement marketing concepts offering products at minimal cost to the customer.

Key words: marketing concept, marketing strategy, commercial banks, market share, loans

Abstrakt

Ziel dieser Studie ist es, die Schlüsselfaktoren der Marketingkonzepte zu analysieren, die von den Geschäftsbanken bei der Bedienung ihres Marktsegments "Kredite und Leasing für das Agrargeschäft" im Kosovo angewandt werden.

Durch die Analyse sollen die kritischen Faktoren identifiziert werden, die die Banken in das ausgewählte Marketingkonzept einbeziehen, und wie diese Faktoren die Marktpräsenz der Geschäftsbanken im Forschungsmarktsegment beeinflussen. An der Untersuchung sind 10 führende Geschäftsbanken im Bankensektor des Kosovo beteiligt. In diesen Wirtschaftsstrukturen werden folgende Erfolgsfaktoren für das Marketingkonzept analysiert: systematische Anwendung von Marketingaktivitäten innerhalb des gewählten Marketingkonzepts; Führung bei der Umsetzung des Marketingkonzepts; Budgetierung des Marketingkonzepts. Die wichtigsten Methoden zur Erhebung von Informationen, die für die Zwecke der Methode der Fragebogenerhebung und des Tiefeninterviews erforderlich sind. Eine weitere wichtige Quelle für Informationsauditberichte von Geschäftsbanken. Die Geschäftsbanken

müssen mehr in die Online-Werbung und die Schaffung von Produkten investieren, die erfolgreich mit der von neuen Akteuren drohenden "Bedrohung" konkurrieren. Dies bedeutet, dass sie in die Schaffung der Marketing-Informationssysteme, den Aufbau "großer Datenmengen" und die Nutzung innovativer Internetlösungen investieren müssen, um Marketingkonzepte zu erstellen und umzusetzen, die dem Kunden Produkte zu minimalen Kosten anbieten.

Schlüsselwörter: Marketingkonzept, Marketingstrategie, Geschäftsbanken, Marktanteil, Kredite

Résumé

L'objectif de cette étude est d'analyser les facteurs clés des concepts de marketing appliqués par les banques commerciales pour desservir son segment de marché "Prêts et leasing pour l'agroalimentaire" au Kosovo.

L'analyse vise à identifier les facteurs critiques que les banques ont incorporés dans le concept de marketing sélectionné et comment ces facteurs influencent la présence des banques commerciales dans le segment de marché de la recherche. La recherche implique 10 banques commerciales de premier plan dans le secteur bancaire du Kosovo. Dans ces structures économiques sont analysés les facteurs de succès suivants pour le concept de marketing: application systématique des activités de marketing dans le cadre du concept de marketing sélectionné; leadership dans la mise en œuvre du concept de marketing; budgétisation du concept de marketing. Les principales méthodes de collecte des informations nécessaires aux fins de la méthode d'enquête par questionnaire et de l'entretien approfondi. Une autre source importante d'informations: les rapports d'audit des banques commerciales. Les banques commerciales doivent investir davantage dans la publicité en ligne et dans la création de produits capables de faire face avec succès à la "menace" que représentent les nouveaux acteurs. Cela signifie qu'elles doivent investir dans la création de systèmes d'information marketing, dans la construction de "grands ensembles de données" et dans l'utilisation de solutions Internet innovantes pour créer et mettre en œuvre des concepts marketing offrant des produits à un coût minimal pour le client.

Mots clés: concept de marketing, stratégie de marketing, banques commerciales, part de marché, prêts

Introduction

Modern banking with timid steps went into the transformation process necessary due to the rapid pace of innovation in the sector. Classical approach to banking has increasingly smaller role when it comes to achieving better market positions in a business environment characterized by increasing the presence of innovation and new market requirements. The processes of transformation in the financial sector led to significant changes in business orientation and marketing management of commercial banks, which relate to: (1) Adoption of marketing approach in the management of the bank as a leading; (2) Securitization of banking services; (3) the imposition of electronic banking and insurance and (4) monitoring of granted credit resources; (5) creating and managing big data (Bajrami, Hajdari and Qerimi, 2018). These changes pose significant challenges in the management and operation of commercial banks, which are expressed in that they have competence in the fields of marketing management, Internet security and encryption of data on construction and management of information systems (Gupta, 2011).

The modern market of banking services is saturated with a large presence of players - traditional and new, which determines the existence of fierce competition. "Traditional players" are banks that have built a network of offices, departments and offices, where staff works to offer quality services at competitive conditions. "Traditional players" have a real infrastructure that creates tangible costs of bidding for banking services. "New players" are so-called "fintech" companies, unlike banks have a virtual infrastructure that enables them to significantly less cost price to compete with banks bidding for banking services. "New players" are highly innovative in the use of marketing principles to build competitive advantage (Romanova and Kudinska, 2017). They actively set up their marketing concepts using social networks and "B2B" partnerships. Under these conditions, the use of innovative elements in the marketing concept has a decisive role in the occupation of market positions. Therefore the analysis of marketing concepts has contemporary relevance in studying the market presence of the commercial bank. As a result of this analysis can identify the basic elements of the marketing concept that lead to market success.

The marketing concept of management is expressed in constant search for the best balance between user requirements, on the one hand, and the desire of commercial banks to get a higher profit on the other (Pride, 1994). It is a way of thinking - a management philosophy for overall activities of commercial banks (commercial banks). This philosophy influences the overall activities of the bank, not just on marketing activities (Hadzic, 2007). The main advantage of marketing management is to focus attention on the processes of the positions in the market in order to best comply with its requirements (Radev and Dirimanova, 2017) . Such deliberate coordination and coordinating business activities on surrounding businesses can increase efficiency. To succeed in a commercial bank, its managers must know these external forces to cover the relationships between them and understand what their real and potential impact on the organization (Radev, 2014). Above all, managers must manage commercial banks, so as to minimize the negative impact from the impact of external factors and maximize their positive impact on the organization.

A number of studies have been made on identifying the most important factors that you should know in developing the marketing concept of business organization. One of the researchers are of the opinion that marketing concept must be consistent with the organizational and management structure. (Walczak, 2005); (Zheng, 2010). Commercial banks have international structures and the principle of internationality management is directly advocated the formation of the organizational structure. That is why the formation of the marketing concept, commercial banks reported this principle. The kind of organizational and management structure is determined whether marketing unit will play a leading role. If the marketing department has a central role, he is able to apply systematic marketing activities within the selected management concept. Another critical factor that has an impact on the way of application is the marketing concept is the kind of leadership that is necessary in the marketing management of commercial banks (Bencheva and Stoeva, 2019). Leadership as a factor in the marketing environment has an impact not only in the choice of concept, but also in the control system implemented marketing activities.

Another important factor in the selection and application of the marketing concept of the commercial bank is its funding. Each management concept without funding is just one good wishes for

market presence (Gronroos, 1991). Establishment of the budget of the marketing concept is one of the most important tasks in marketing planning (Hawkins, 2010). In size and structure of this budget shows how commercial banks will address their offer to consumers of banking services and how it intends to ensure a sustainable market presence.

The purpose of this study is to analyze the key factors in marketing concepts applied by commercial banks in servicing its market segment "Loans and leasing for agribusiness" in Kosovo.

Through analysis aims at identifying the critical factors that banks incorporated within the selected marketing concept and how these factors influence the market presence of commercial banks in the research market segment.

The research involves 10 leading commercial banks in the banking sector of Kosovo. In these economic structures are analyzed the following success factors for marketing concept:

- Systematic application of marketing activities within the selected marketing concept;
- Leadership in implementing the marketing concept;
- Budgeting marketing concept.

The main methods of collecting information necessary for the purposes of the questionnaire survey method and in-depth interview. Another important source of information audit reports of commercial banks.

Limitations with which it is necessary to comply with this study are the following: (1) not every commercial bank perceives marketing approach to leading in their management, so those surveyed structures, marketing management be combined with other management actions ie marketing manager has other management functions. As part of the study marketing experts have no leader, and are under the rule to the managers of another department; (2) marketing budgets are not drawn according to the specifics of each individual market segment. This leads to uncertain about the effect of the budget on sales of services to agribusiness.

Each marketing concept is perceived as a tool to achieve more noticeable market presence. Therefore, the study analyzes the market presence of commercial banks in the market segment as a function of the chosen marketing concept. The study period is 2015-2017

Results

Characteristics of the surveyed sites. Table 1 show an origin of banks in respect of the location of the company "mother". The origin of the commercial banks in Kosovo is dominated by foreign countries, assets and personnel management. This foreign capital has a different origin (Germany, Austria, Turkey and Slovenia) and has great influence within the banking system. The main foreign capital comes from economically stable countries that share the very financial and market risk in the market of banking services in Kosovo. The share of domestic capital is very small and does not affect the activities of local banks. This defines the strong dependence of local banks regarding the financial position of the bank "mother" in terms of applied marketing concept for lending to agricultural businesses.

Figure 1 provides information on owned assets and equity of the surveyed banks. Clearly outline the three banks that dominate in terms of disposable assets and equity. These are banks Raiffeisen Bank (RFB) with assets amounting to 5210 thousand euro and equity – 4080 000 thousand euro; ProCredit Bank (PB) of assets respectively 2 530 thousand euro and equity - 1 520 thousand euro and ISBANK with assets

2,540 thousand euro and equity - 1 890 thousand euro. These three banks concentrate 59% of assets in the study group of commercial banks and 62% of the equity.

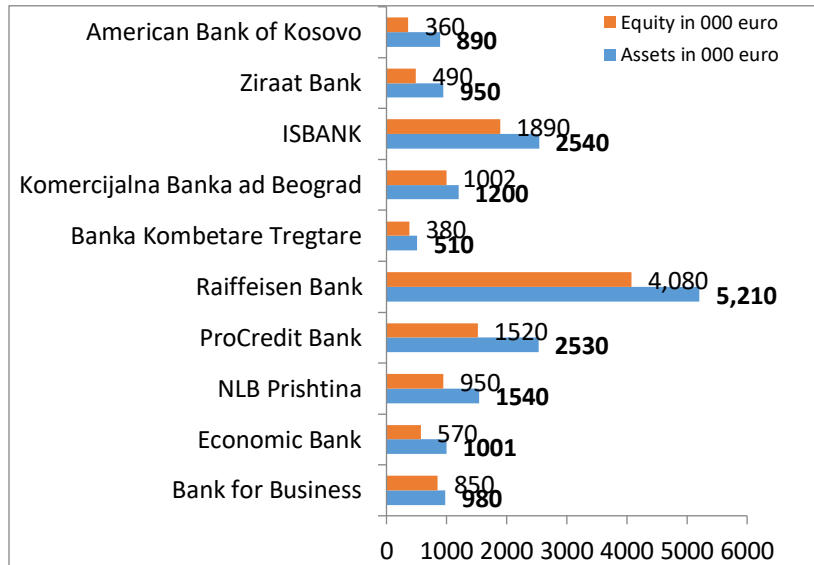


Figure 1. Assets and equity of the surveyed banks. Source: Audit reports.

Figure 2 is a credit resource that surveyed banks manage in the "Total loans". The largest contribution in lending are RFB, PB and ISBANK. These three banks possess 67% of credit resources market. Most often preferred for deposit are determined same three banks, as they possess 69% of the total cash deposits in the studied group of commercial banks.

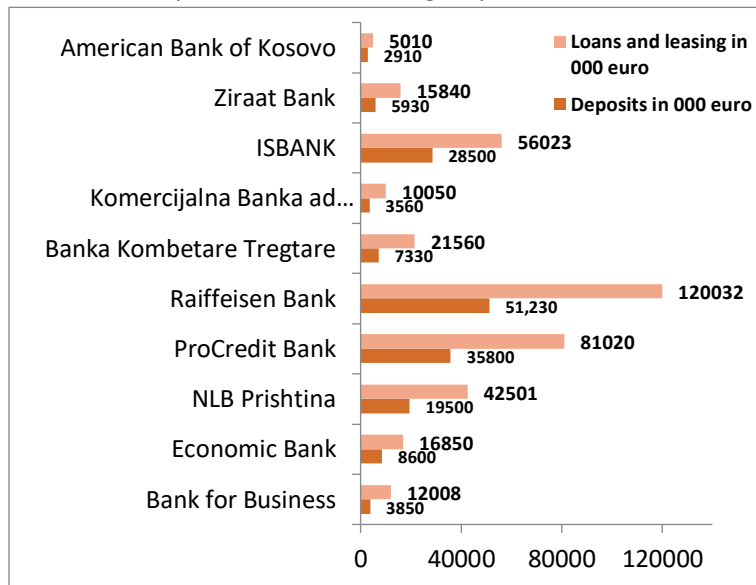


Figure 2. Loans and deposits in surveyed banks. Source: Audit reports.

From the graphical analysis, it is clear that the bank services market is dominated by banks whose origin is local - 48% of all surveyed banks originate from Kosovo. The bank services market is dominated by three banks, which determines its monopolistic structure in terms of lending to businesses, and in terms of deposit of funds by citizens and businesses.

Agriculture is a risky sector and commercial banks in Kosovo for many years avoided its active lending. During the survey found that agribusiness in recent years, thanks to government support becomes more attractive sector lending by commercial banks. On figura 5 contains information on the activity of banks to lend to agriculture in Kosovo. The main measure used in the comparative analysis of bank lending is % of the total loan resource that they are granted the sector "agribusiness". It is clear that two strong banks dominate lending to agribusiness, namely are: first is RFB, which provided 25.3% of total credits awarded for development of the sector and the second is PB, whose share 20.6% of total given loans. ISBANK and Economic Bank stand out and it pretty poorly amid PB and RFB as active in terms of given loans for agribusiness in Kosovo. ISBANK has extended credit financing for agribusiness in Kosovo amounted to 5.1% of total distributed such and Economic Bank respectively - 4.2%. The remaining six banks have too symbolic contribution to agribusiness lending to Kosovo.

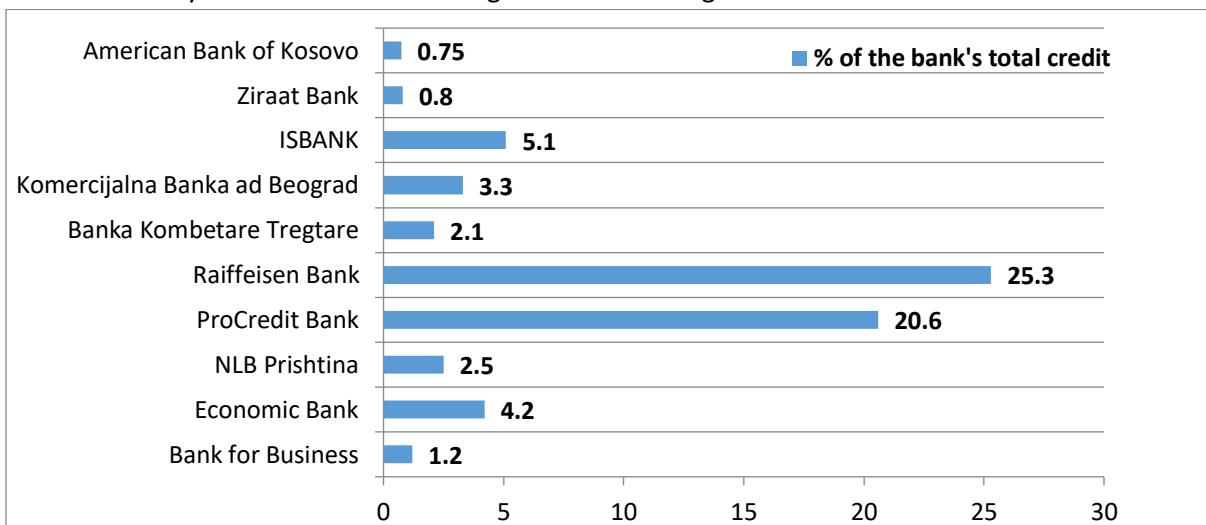


Figure 3. Lending to agribusiness in Kosovo. Source: Data from the commercial banks and own calculations.

It can be concluded that commercial banks still avoid actively lend to the agricultural business. They are seeking to diversify its range of credit, preferring to lend to other more attractive sectors. RFB and PB are the two commercial banks that see potential for growth in the segment "loans for agribusiness." They focus a significant portion of its credit resources to serve this market segment. The main reasons for this are: (1) most entrepreneurs in the sector receive their grants in accounts held by the two banks; (2) those entrepreneurs prefer to use credit services to these banks because of already built respect to service and the high costs of switching to the use of financial services.

Analysis of the implementation of marketing concepts. Marketing concepts applied to commercial banks in research market segment is analyzed and evaluated in terms of their level of performance. Marketing concept to commercial banks is seen as being consistent implementation of a series of interconnected and self-differentiated marketing activities.

Through a specially developed questionnaire monitored the degree of implementation of marketing activities of commercial banks set by their chosen marketing concept. Figure 9 provides information on the extent of implementation of marketing activities in the studied group of commercial banks.

Marketing concept of the bank includes the steps - analysis, planning, execution and control. By specified 15 questions seek to determine the extent of implementation of the activities of each stage of the application of the marketing concept in the research market segment.

On the first question, "Is there a built marketing information system (MIS)?" 50% of those surveyed marketing professionals working in commercial banks have given a positive response, 30% of respondents said that they have such a system, but it is not autonomous and building block of a higher management systems (see figure 4).

To the question "Do you analysis the external environment," 80% of marketing managers say they do this kind of analysis and believe it is useful in developing the marketing concept of commercial banks. Only 10% of the total respondents, declare that they make a partial analysis of the external environment, as the main reason for this, they argue that unseen need this kind of analysis.

The next question in the survey was "well defined is the mission of your bank?". Here 100% of respondents give a positive response and believe that the mission is an important tool for effective marketing planning.

To the question "Your employees familiar you are with the organization's mission and share it?", 80% of marketing managers said "Yes". These results give reason to believe that the mission was used as the primary motivator in the implementation of the marketing concept of the bank. Only 3 percent of marketing managers said "No".

When asked "Do you segment your market?", 60% of marketing managers said "Yes"; 30% said they partially do this activity and 10% in general do not carry this out.

The question "Is developed profile of each target segment?", 50% of respondents gave a positive answer, 40% gave the answer "Partly" and 10% said "No".

An important point in correct positioning of the financial product is the choice of appropriate marketing mix. With the question "Has a specific marketing mix for each target segment?" we seek to establish whether, in practice, commercial banks give this matter in imposing its marketing concept. Of all respondents (marketing managers), 50% give a positive response, 30% said that this activity is made partly and 20% gave a negative answer "No". The results of this response indicates that the preparation of specific marketing mix in the research market segment is not implemented systematically. Reasons for this could be sought that the majority of commercial banks believe that it is worth doing so, adopting the philosophy of mass marketing ie

The question "Does the marketing objectives are quantified?", 90% of respondents said "Yes" and 10% gave a negative answer, "No". Quantification of marketing objectives is an important principle in marketing planning. This is because marketing objectives are used as standards for control over the marketing concept of commercial banks. The high performance of this marketing activity proves that marketing managers also share this principle in their work.

Marketing plan is one of the important tools for planning and control of the marketing concept to commercial banks. To the question "Have you developed a marketing plan?", 50% of surveyed marketing managers respond "yes", 20% gave the answer "Partly" and 30% gave the answer "No". The results of the survey suggest that the development of a marketing plan as part of the marketing concept is not implemented in full. Reasons for this are: (1) managers believe that targeting a market segment marketing plan will help them particularly; (2) market segment is not as attractive and do not deserve wasting

resources for making a marketing plan; (3) the bank "mother" is responsible for developing this type of plan in challenging market segment.

The question "Is there a clearly defined marketing strategy to achieve the objectives?", 90% of marketing managers said that their bank has got a marketing strategy, 10% state that they have got, but it is not complete. The results show that marketing managers are concerned about the performance of the marketing strategy and define it as one of the most important in the planning of the marketing concept to commercial banks.

The existence of a reasonable marketing strategy is not sufficient conditions to achieve efficiency in implementing the marketing concept. This strategy should relies on a specific competitive advantage - 60% of marketing managers declare that their bank it happens, 20% say it happens in their bank partly and 20% said that this strategy is not oriented in that way. The results of this question shows that achieving competitive advantage in the market segment "Loans and leasing for agribusiness" is performed by a specific marketing strategy.

The consistency of the marketing strategy with other business strategies of commercial banks is another critical factor that depends on the effectiveness of the marketing concept. On this question, only 40% of respondents gave a positive answer. These results suggest that marketing managers do not make sense in the coordination of marketing activities of commercial banks with other business activities.

Formulation of marketing strategy is not sufficient conditions to increase the efficiency of applied marketing approach to management of commercial banks. Each strategy adopted as an official document of strategic management without obtaining the necessary financing remains only "wishful thinking." To the question "Are there sufficient financial resources to carry out the chosen marketing strategy?", 70% of respondents gave a positive response, which means that this activity is important and is accomplished in the majority of the surveyed banks.

The question "Is it clear who is responsible for what in implementing the strategy?", 60% of respondents said "yes", 30% said "partly" and 10% say it is not clear. The results indicate that staff in most of the cases is aware of the implementation of marketing strategy.

The last question in the survey is "Is there a system for monitoring the implementation of selected marketing strategy?". On this question only 50% said "Yes". This result shows that at this stage the bankers are not motivated essential to implement a controlling system.

The analysis can be concluded that most significant activities for banks to carry out are the following: (1) a clear definition of the marketing strategy; (2) a clear definition of the mission; (3) an analysis of the external environment. The results of the survey show that commercial banks in the development of the segment "Loans and leasing for agribusiness" rely on effective goal setting and quality in its marketing. Almost all surveyed banks invest in analysis and goal setting. The most neglected marketing activities are: (1) coordination of marketing strategy with other business strategies of the bank; (2) establishment of a system for monitoring the implementation of the marketing strategy; (3) the development of specific marketing mix positioning of the credit services in market segment; (4) developing a marketing plan.

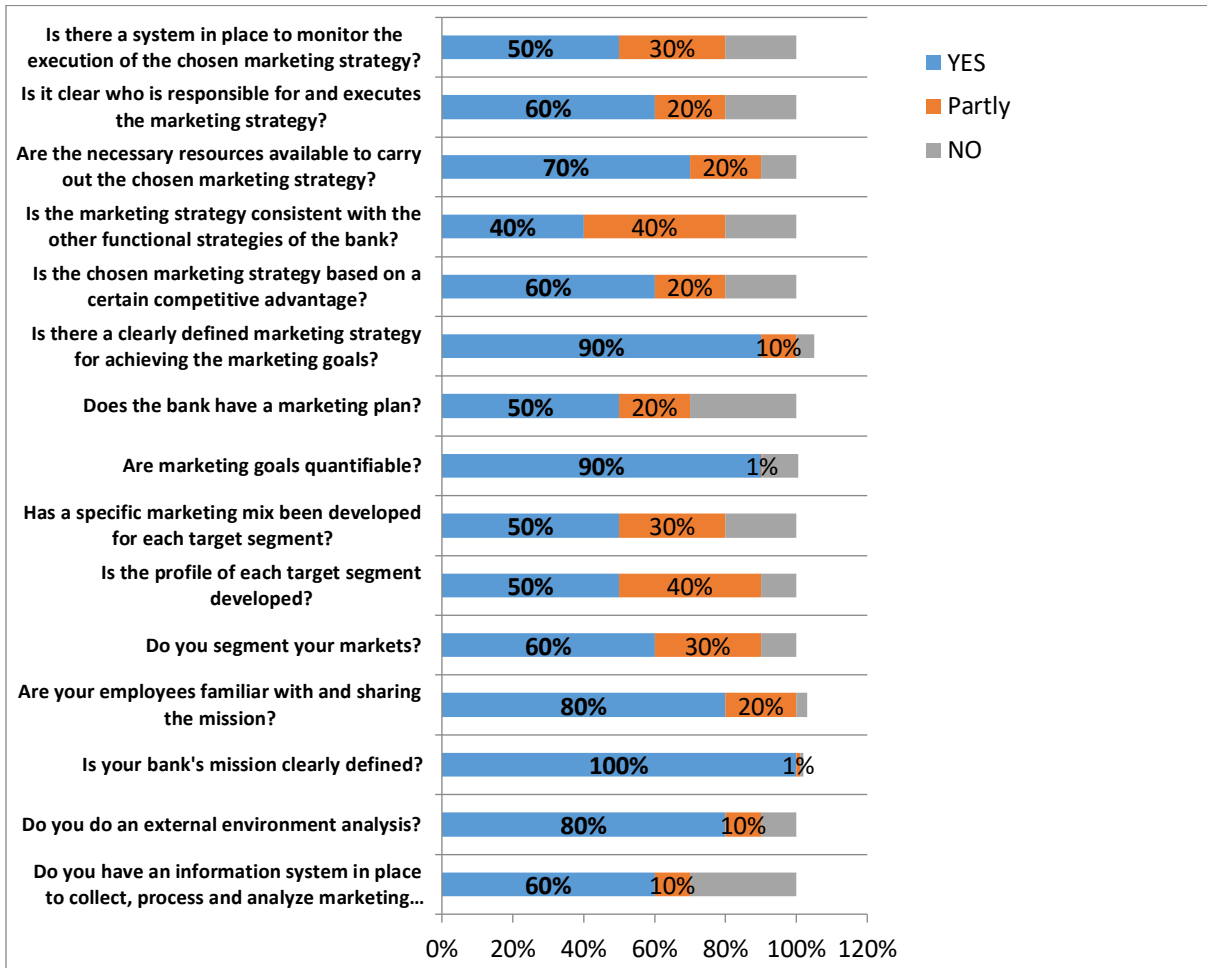


Figure 4. Level of implementation of marketing activities among commercial banks. Source: Survey among 30 marketing managers working in the surveyed banks.

Formulation, selection, implementation and control of the marketing concept of the commercial bank is a continuous process and its interruption by systemic deficiencies in the ongoing marketing activities lead to lower efficiency of marketing management and loss of market power in the market. Therefore, identification of gaps in the implementation of marketing concepts to commercial banks is an important element of the analysis and evaluation of the effectiveness of the applied marketing concept to commercial banks.

Analysis of the lead in the application of marketing concepts. Effectiveness of marketing activities are largely determined by the style of leadership that is required for marketing management of commercial banks. In this part of the study is analyzed the leadership of marketing managers that they impose within the selected marketing concept of commercial banks. The philosophy that managers profess the organization of marketing activities determined the outcome of activity-layered. Every manager imposes his own style of leadership, which is very specific and is determined by the situation (the situation of decision-making process) as well as experience, knowledge and competencies to deal with the typical problems surrounding the organization of marketing activities.

Leadership of marketing managers examine and evaluate on the basis of specially designed questions in the questionnaire. Figure 5 presents information on the preferences of marketing managers to the particular type of leadership, which seek to impose commercial banks. The results suggest that marketing managers prefer to respect the principle of undivided authority in organizing marketing activities, 33.3% of respondents chose the answer "Centralized type of leadership." Another preferred style of leadership among managers is the "bureaucratic-type" that is characterized by the fact that it is easy to implement control and traceability of implemented marketing activities. Commercial banks as specific business structure are required to operate with the principles of transparency, relevance and responsiveness to market changes. Therefore the use of "centralized type of" leadership and "bureaucratic type of" leadership are preferred by marketing managers among surveyed commercial banks. These types of leadership have the following weaknesses: (1) high requirements on the manager, he must be an experienced administrator and he has willing to lose a large part of his working time for paper work; (2) do not share the risk in marketing management with the rest of the company staff; (3) lost to feedback from staff. Key strengths of these types of leadership are: (1) quick decisions, leading to increased proactivity to the surrounding environment; (2) avoids conflicts; (3) easily monitor the implemented marketing activities in commercial banks. (1) high demands on the manager, he must be an experienced administrator and is willing to lose a large part of their working time accounts; (2) do not share the risk in marketing management with the rest of the staff; (3) lost to feedback from staff. Key strengths of these types of leadership are: (1) quick decisions, leading to increased proactivity to the surrounding environment; (2) avoids conflicts; (3) easily monitor the implemented marketing activities in commercial banks.

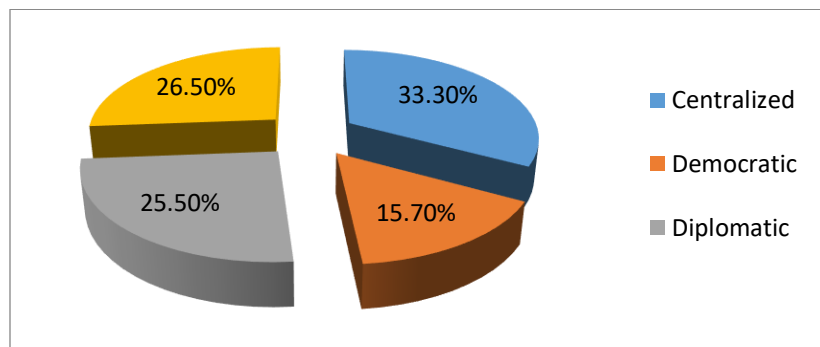


Figure 5. Preferences marketing managers to leadership in marketing. Source: Results of a survey among 30 managers, working in the surveyed banks.

Another important element in leadership of marketing activities at commercial banks is the approach used in motivation for quality output marketing concept. Figure 6 contains information on techniques for motivating that marketing managers apply banks. The results of the survey suggest that managers mostly stimulate and encourage staff to be empathetic to being the chosen marketing concept by linking remuneration with the achieved end result - 51.8 percent of the surveyed managers use this approach. Next in importance motivational technique is delegating more authority and responsibilities of personnel, 30.3% of managers use this motivator in his approach to leadership. Only 10% of respondents marketing managers say that training is a motivator in the management of marketing staff.

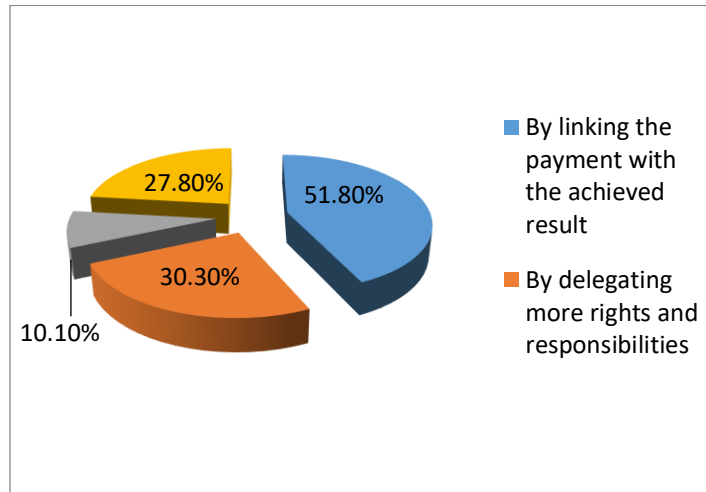


Figure 6. Approaches to motivate the staff to implement the marketing activities. Source: Results of a survey among 30 managers working in the surveyed banks.

Each style of leadership is required and determined by the view of manager for success and his attitude for the future development of the organization in which he operates. Figure 7a shows the results of answers to the question included in the survey - "What are your future expectations for your presence in the market" Lending to agribusiness "?.

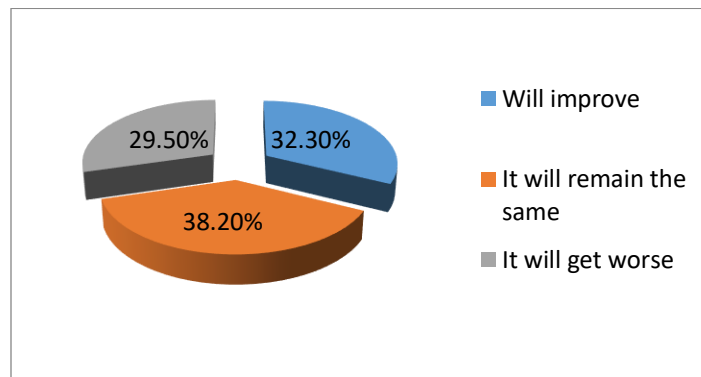


Figure 7a. Managers' expectations regarding market presence of their commercial bank in research segment. Source: Results of a survey among 30 managers working in the surveyed banks.

More than 1/3 of respondents said that they are optimistic about the market presence of their bank in the segment "Loans and leasing of agribusiness." Equally of surveyed managers said that their bank will maintain its market position within the applied marketing concept. The results showed that the attitude of managers' success in the market is essential in the surveyed banks. In other words, there is a tangible sense of stability and potential for market success in 2/3 of surveyed marketing managers.

Expression of the chosen style of leadership is the applied marketing strategy of the manager in commercial banks. Leadership directly affects the process of formulating a marketing strategy. In the choice of marketignova strategy that makes the manager can understand what business concept to follow it and what management principles seek to manifest in their work.

Figure 7b. contains information on the preferences of marketing executives on strategy for marketing management in commercial banks.

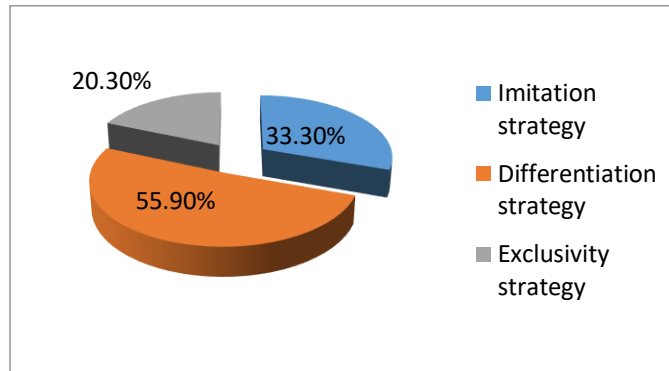


Figure 7b. Preferences of managers to the types of marketing strategies. Source: Results of a survey among 30 managers working in the surveyed banks.

The data in Figure 7 show that marketing managers prefer to use the strategy of differentiation in pursuit of selected marketing concept - 55.9% of all respondents indicate that strategy by choice. Positioning the financial services in segment "Loans and leasing for agribusiness", marketing managers seek to impose product that differs in its characteristics from the competition. Distinction criteria in pursuing this strategy are intangible resources of commercial banks - leadership, brand, service quality, build trust among customers and service.

Marketing managers said they follow a strategy of imitation positioning of banking products in the research market segment - 33.3% recognize the strategy of imitation, as a useful tool for imposing on the market. Only 20.3% of managers rely on the strategy of exclusivity positioning of products in the market segment. It can be concluded that marketing managers strive to be innovative in terms of applied marketing concept as quality of service and give a sense of satisfaction of client in their consumption.

Another important element of the marketing leadership is how to define the target market. Proper profiling the client type is critical element in effectiveness of imposing style of leadership on the applied marketing activities. Market segmentation is one of the most important activities in product positioning in the market. Figure 8 provides information on the criteria that marketing managers use in the formulation of the target market. It is clear that the main criteria is profiling the income of potential borrower, 95% of managers indicate that criteria. Another important criterion is "age", 90% of managers use this segmentation criterion in shaping the market. Another important criteria for segmentation is the location of the borrower - 83% of managers use it in their marketing concept.

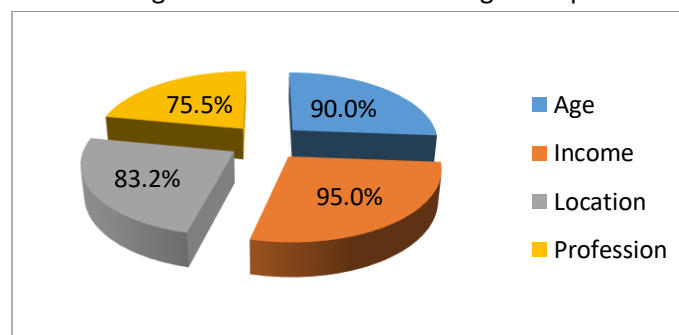


Figure 8. Criteria for market segmentation used by managers. Source: Results of a survey among 30 managers working in the surveyed banks.

Analysis of marketing budgets. Achieving the effects of the applied marketing concept depends on the budget, which must comply and running marketing manager at commercial banks. Still there is no single formula by which to determine the optimal structure of the marketing budget to ensure high levels of sales.

Figure 9 provides information on the amount of marketing costs, which commercial banks make to enforce its product in the market segment. The biggest marketing budgets are developed by the leaders in the market segment - RFB and PB. RFB finance its marketing concept with 805 thousand euro and PB with 512 thousand euro. VKT also makes significant marketing costs compared to other commercial banks, the amount of marketing budget is nearly 500 thousand euro. The smallest marketing budget stands in Ziraat Bank with 105 thousand euro.

The structuring of the marketing budget is subject to the principle of achieving higher sales in the market segment. Choosing a structure of this type of budget determines what kind of communication mix will be used to get the message of a commercial bank to its customers (current and future). Figure 9 is a comparative characteristic of the budget structure for the marketing of commercial banks. It is clear that the leaders in the market segment RFB and PB rely on radio and television network as channels of communication with its customers.

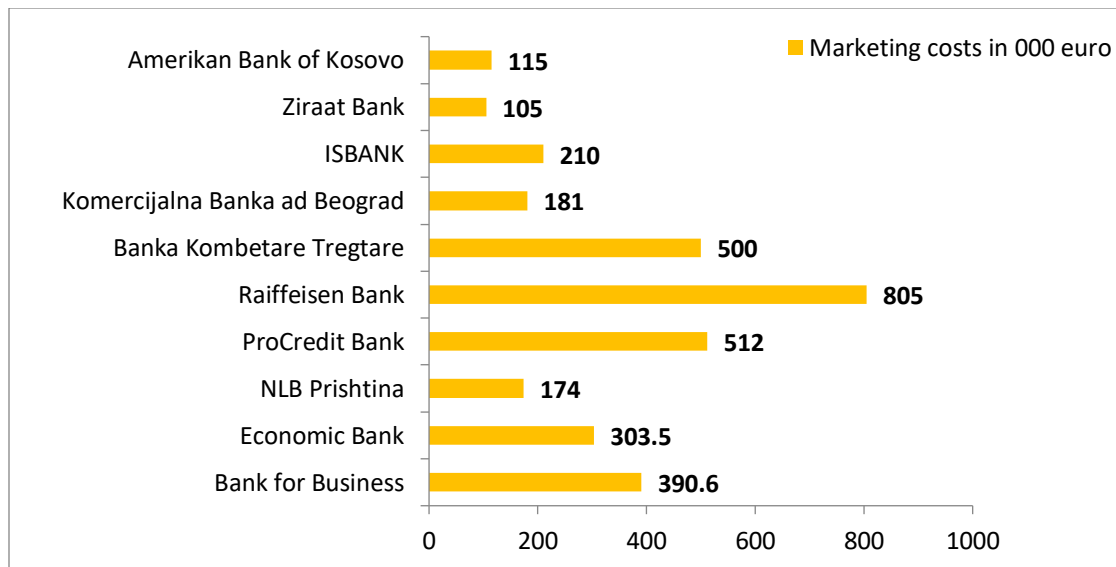


Figure 9. Marketing costs of commercial banks. Source: Own data.

RFB allocates 55% of the cost of radio and television advertising and PB - 80%. PB managed to improve its market position thanks to better structuring their marketing budget. The results of the comparative analysis of the marketing budgets of commercial banks shows that in the structure of the budget dominate (1) the cost of radio and television advertising and (2) the cost of Internet advertising (see figure 10). These are the two largest items in the budget, which indicates that commercial banks rely on television media as the main channel of communication with its customers. Cost of visualization (cost

of billboards, brochures, posters and promotional materials) have the lowest percentage in the structure of the marketing budget (their share varies from 4% to 10% in the analyzed budgets of banks).

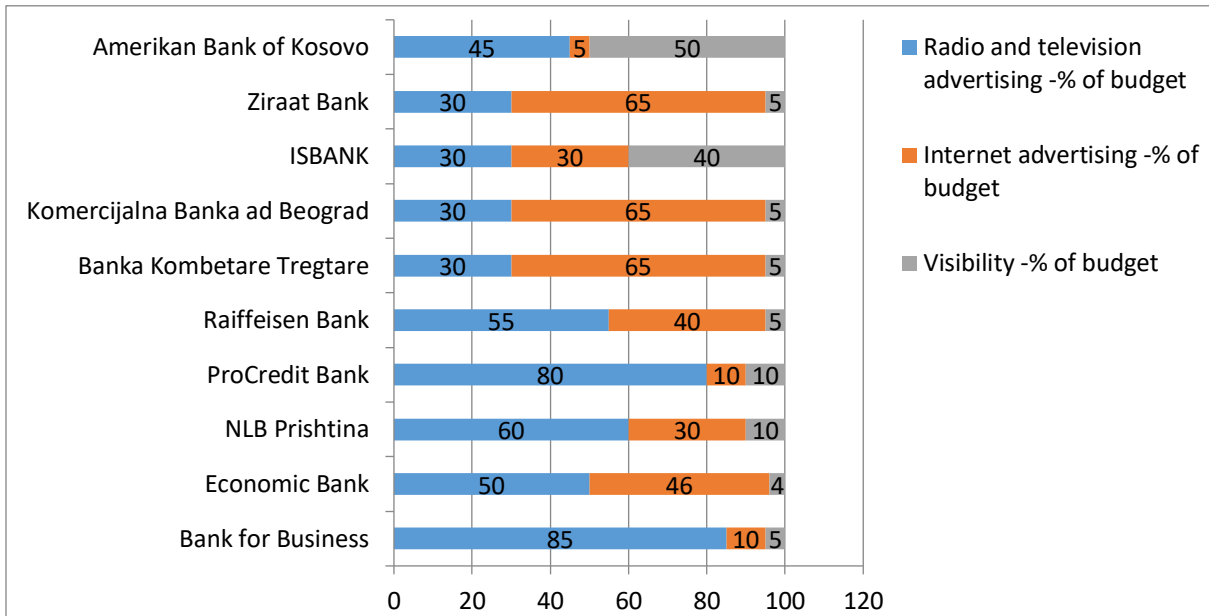


Figure 10. Structure of the marketing budgets of commercial banks. Source: Data from the commercial banks and own calculations.

Market presence of commercial banks in segment "Lending to agribusiness". Market presence of banks in the segment "Lending to agribusiness" examine by the indicator - market share. Figure 6 gives comparative characteristic of commercial banks by achieved market share in the researched market segment. Clearly stand two player in the market segment - RFB and PB. RFB manage 32.5% of the market for loans to agribusiness, and PB - 24.3%. The data set in the graph indicate that both commercial banks have complete dominance in researched market segment. These are the most active banks in terms of offering financial services for agribusiness. Total two commercial banks possess 56.8% of the market, which means that every second customer prefers to use credit for its agribusiness granted by RFB or PB. Achieving this dominance in the market segment of these two commercial banks can be explained by the following factors: commercial banks actively diversifying its financial products to the farmers needs; provide the best conditions on lending market; taking care to maintain customer loyalty, resulting in better conditions for refinancing loans; sluggish presence of other commercial banks in the researched market segment. Achieved a market share of both commercial banks is an indicator of their market power. Dominance in the market segment of two players sharpen competition between them, which benefits customers – farmers (see figure 11). At this stage, managers from group of surveyed commercial banks, said that exhaustion of the segment is too small and therefore it is not actively attacking them.

Figure 12 shows dynamics of lending to the researched segment of commercial banks. Used method of single index to identify changes in credit expansion in the research market segment. The largest growth in lending segment is PB, which has increased concluded credit agreements with 10,1%. It RFB, which realizes growth in loans by 5.9%. A sizeable increase (+ 5.5%) of the signed credit contracts with farmers account and NLB Prishtina. The increase in sales of credit resources of these three commercial banks is not significant (ranging between 5% and 10%). According featured in Figure 12, RFB losing ground

in the market segment against its main competitor PB. However, RFB remains the largest market share. Market power segment noticeably lose Komercijalna Banka ad Beograd (-50%).

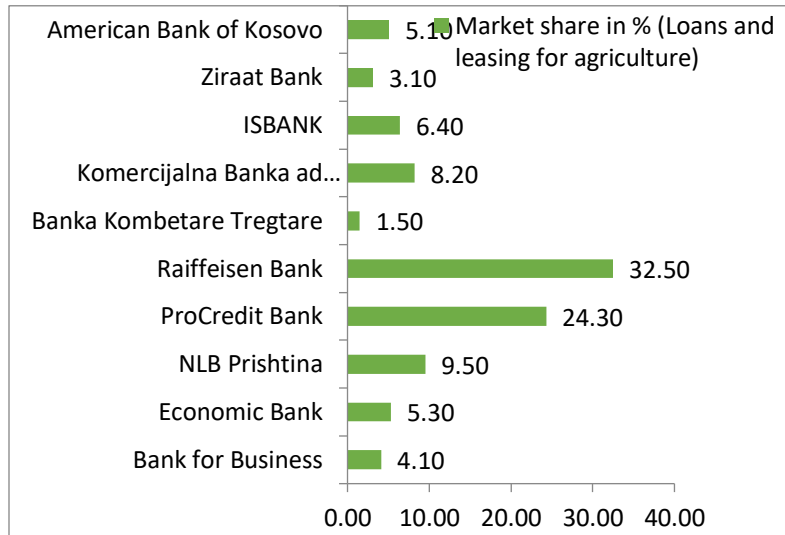


Figure 11. Market share of commercial banks in segment "Loans and leasing of agribusiness". Source: Data from the commercial banks and own calculations.

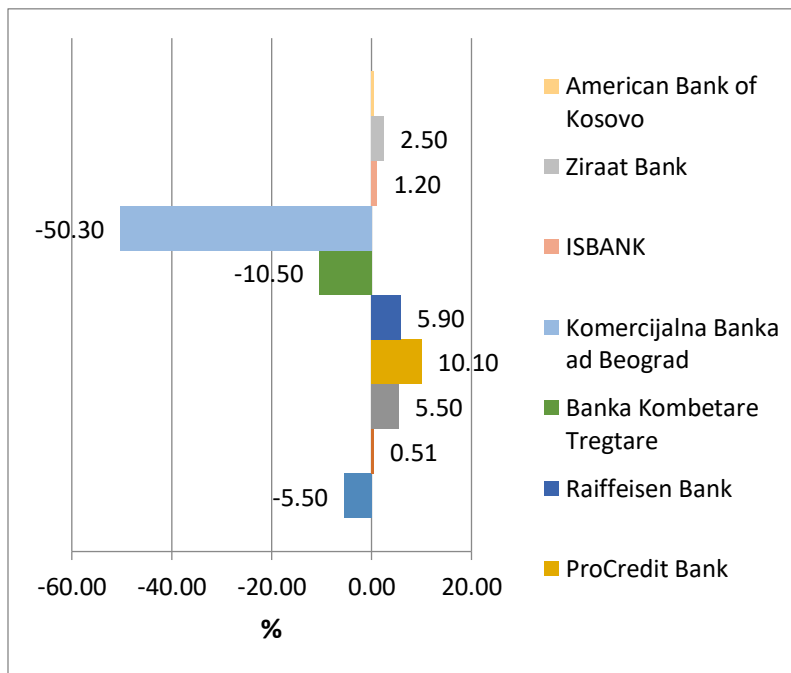


Figure 12. Credit growth (%) in the segment "Loans and leasing for agribusiness"

Conclusions

In the market segment "Loans and leasing for agribusiness" dominate only two players - RFB and PB. These two commercial banks have a dominant influence on the market segment. These are the major commercial banks in passing on subsidy payments for farmers in Kosovo. Another factor for the hegemony of these banks in the segment is the concentration of financial capital in these structures, expressed in

disposable assets and equity. More than half of credit resources is concentrated in these two banks, enabling them to benefit from economies of scale in lending to agribusiness in Kosovo. Potential market segment is very limited and can "feed" two or three commercial banks that are in keen competition with each other. In developing research market segment, commercial banks showed a systematic approach in terms of analyzing the environment and goal setting. These are the two most significant marketing activities positioning of loan products in the market segment "Loans and leasing of agribusiness". There are systemic flaws of commercial banks in terms of implementation and control of selected marketing concept, service research market segment. The main reasons for this are: (1) lack of understanding of the seriousness of the problem by marketing managers (they believe that control of this stage is not important in their function) and (2) deformations of the systems to control and monitor the implementation of marketing concept. These deformations are determined by the fact that the system is constructed as part of higher management system of commercial banks, whose parameters are defined in advance by the bank "mother", which requires priority to collect information for the purpose of financial and investment control. In the implementation of the marketing concept, marketing managers primarily use the principle of undivided authority, which allows them to be flexible in a changing business environment. In the pursuit of efficiency of applied marketing concept, commercial banks rely heavily on the cost of TV, radio and Internet advertising. These are structurally costs in the marketing budgets of surveyed commercial banks. Implementing the selected marketing concepts is accomplished by settling for product differentiation. More than half of commercial banks follow this principle to achieve better market positions in the research market segment.

Price competition in the market for financial services is acute and will become increasingly fierce due to the advent of more "new players" offering innovative products to customers at minimal cost. These new players are financial institutions that provide banking services without investing in creating a real infrastructure of a network of bank branches and offices, not to engage in their activities huge number of staff. Such "new players" are "fintech" companies that offer mobile applications for the financial needs of costumers. These companies have a virtual infrastructure for customer service failed bid to compete with commercial banks at customer service while minimizing costs of operating activity. Their proposed fees and commissions are much lower than those of commercial banks as their product is accessible at any time and place, thanks to the fact that it is an integral part of the smartphone software. Other innovators who successfully compete with the commercial banks are those that offer services based on "peer to peer" system, which system allows significantly reduce the cost of carrying out banking transactions called "money transfer" and achieve leadership in the market segment. These two innovative models in the future will increasingly compete and push commercial banks, which do not take into account in their business models and marketing concepts latest market trends.

The commercial banks need to invest more in online advertising and the creation of products that successfully compete looming "threat" from new players. This means investing in the creation of the marketing information systems, the construction of "big data" sets and using innovative Internet solutions to create and implement marketing concepts offering products at minimal cost to the customer.

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INVESTMENT ACTIVITY OF BULGARIAN FARMS UNDER THE CONDITIONS OF CAP 2014-2020

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Abstract

Successful adaptation of Bulgarian farmers to modern, dynamic market environment requires investment in production factors to strengthen the productive potential of the sector as a whole. Conduct the common agricultural policy aims to support farms in the process. CAP instruments play an important role in determining the propensity to invest and renovation industry.

The aim of the study is eand establish the impact of the CAP on the investment activity of Bulgarian farms. Farmers demonstrate increased investment activity, which is realized thanks to the ongoing Common Agricultural Policy. The majority of investment expenses of farms are funded investment program measure for rural development. Measure 121 "Modernization of agricultural holdings" may be determined by the measure with the greatest impact on the sector, because it forms the main part of the investment and updated production in technical and technological terms.

Keywords: measures, investments, agricultural farms, competitiveness

Abstrakt

Die erfolgreiche Anpassung der bulgarischen Landwirte an ein modernes, dynamisches Marktumfeld erfordert Investitionen in Produktionsfaktoren, um das Produktionspotenzial des Sektors insgesamt zu stärken. Die Durchführung der Gemeinsamen Agrarpolitik zielt darauf ab, die landwirtschaftlichen Betriebe in diesem Prozess zu unterstützen. Die Instrumente der GAP spielen eine wichtige Rolle bei der Bestimmung der Investitions- und Renovierungsbereitschaft der Industrie.

Ziel der Studie ist es, die Auswirkungen der GAP auf die Investitionstätigkeit der bulgarischen Landwirtschaftsbetriebe zu ermitteln. Die Landwirte zeigen eine verstärkte Investitionstätigkeit, die dank der laufenden Gemeinsamen Agrarpolitik realisiert wird. Der Großteil der Investitionsausgaben der landwirtschaftlichen Betriebe wird im Rahmen eines Investitionsprogramms für die ländliche Entwicklung finanziert. Die Maßnahme 121 "Modernisierung landwirtschaftlicher Betriebe" kann durch die Maßnahme mit der größten Auswirkung auf den Sektor bestimmt werden, da sie den Hauptteil der Investitionen und der technisch und technologisch aktualisierten Produktion darstellt.

Schlüsselwörter: Maßnahmen, Investitionen, landwirtschaftliche Betriebe, Wettbewerbsfähigkeit

Résumé

L'adaptation réussie des agriculteurs bulgares à un environnement de marché moderne et dynamique nécessite des investissements dans les facteurs de production afin de renforcer le potentiel productif du secteur dans son ensemble. La conduite de la politique agricole commune vise à soutenir les

exploitations agricoles dans ce processus. Les instruments de la PAC jouent un rôle important dans la détermination de la propension à investir et de la rénovation de l'industrie.

L'objectif de l'étude est d'établir l'impact de la PAC sur l'activité d'investissement des exploitations agricoles bulgares. Les agriculteurs font preuve d'une activité d'investissement accrue, qui est réalisée grâce à la politique agricole commune en cours. La majorité des dépenses d'investissement des exploitations agricoles sont financées par les programmes d'investissement pour le développement rural. La mesure 121 "Modernisation des exploitations agricoles" peut être déterminée par la mesure ayant le plus grand impact sur le secteur, car elle constitue la partie principale de l'investissement et de la production actualisée en termes techniques et technologiques.

Mots clés: mesures, investissements, exploitations agricoles, compétitivité

Introduction

Successful restructuring of the agricultural sector following the accession of Bulgaria to the EU and putting his modern scientific and technological level requires adequate financial provision, which means that the importance of investment activity increases. According to Nedelcheva (2011) investment in production factors are a means of making the Bulgarian agriculture in competitive by expanding and modernizing production, reducing production costs and improving the quality of agro-technical measures and harvesting produce.

Investments determine the production potential and changing it qualitatively affect income and employment in the sector, (Gongalova, 2008). They create conditions for efficient use of resources to maintain and expand physical assets. By investing business is playing, expands and updates. If the investment process does not occur positive changes, investments Progressive subside, therefore reducing the rate of their return, (Kaneva, 2009).

The need for investment activity to activate requires joint efforts of all - the state through agrarian policy support; and farmers to achieve qualitative and quantitative changes in the socio-economic development of the sector, (Anastasova, Nikolov and Radev, 2010). The need for more investment process in Bulgarian agriculture as Hadzhieva (2008) provoked by the following key characteristics of the industry:

- Although the share of agriculture in national economy declining, it is still structurally important sector;
- The resource potential for investment in agriculture is severely limited for several reasons: greater risks in agriculture and lower profits compared to other sectors; a longer period of return on investment (especially in permanent crops and livestock industries); limited inflow of foreign investments;
- Modern market environment is dynamic and the adaptation of farms to it is a permanent process that is based on increasing investments;
- The role of the state and the communities in regulation and support at this branch. The problems that exist in the market of agricultural products and its importance for each country have turned it into the most important subject of the impact of the regulatory authorities.

Despite the fact that agricultural policy should play an important role in determining the propensity to invest, the tools of the CAP, particularly direct payments aimed at ensuring a minimum level

of income from agriculture. Changes in economic conditions increase the role of the CAP, but more obvious is the importance of CAP funding to cover the investment costs associated with the replacement of old assets, (Borisov, 2013). This renewal of the sector needs to increase its competitiveness in the long term by introducing new technologies and industries.

One of the main objective in National Strategic Plan for Rural Development is focused on increasing the competitiveness of agriculture. It should be achieved through activities that support the modernization of production structures and circuit realization of agricultural products. These activities are subject to support from Axis 1 of the CAP. Measures under Axis 1 aim to increase the competitiveness of agriculture and focused on the basic needs of the sector:

- Modernization of physical assets and production factors;
- Adaptation of the farm structure;
- Improving human potential.

The program for rural development is determined that investing in the modernization of physical assets is key to reducing costs, the production of products with high added value and to comply with Community standards on environmental protection. Providing farmers with technical and economic knowledge and use of advisory services from them also identified as a precondition for improving competitiveness.

To achieve these results were 12 measures to support Bulgarian farmers in efforts to preserve and poddobyat its production and market capacity. Four of these measures are designed to provide direct support in making investments and may be defined as investment measure.

Measure "Establishment of Young Farmers' code 112

Support under this measure supports the establishment of young farmers who have been the manager for the first time. The measure aims to facilitate the creation of farms by young farmers and help modernize their compliance with safety, environmental protection, hygiene and animal welfare.

Measure "Modernization of agricultural holdings", code 121

As of 2007 the agricultural sector in Bulgaria is characterized by very low productivity, outdated buildings and equipment. The measure aims to improve the overall performance and competitiveness of agricultural holdings by modernizing production conditions and the introduction of new processes and technologies.

Measure "Adding value to agricultural and forestry products", code 123

In a highly saturated market of grocery business competitiveness largely depends on the improvement of marketing. The measure aims to increase market opportunities for primary product by adding value to agricultural products.

Measure "Support for semi-subsistence farms undergoing restructuring", code 141

The measure is aimed at semi-subsistence farms, which sell a small portion of its production to supplement household income and use the rest for domestic consumption, but also have economic potential for future development. This is a temporary income support to such farms, which will help to overcome difficulties in meeting the costs associated with the restructuring of their agricultural activity.

The aim of the survey is to track trends in investment activity in Bulgarian agriculture in the context of the Common Agricultural Policy. They use quantitative indicators which allows comparisons to

be made in the projection of rising and falling trends. The selected indicators are used to assess the impact of European and national funding on Bulgarian agriculture.

In the present study covered 7 indicators. They have been selected in order to analyze the interest of farmers to measure investment program for rural areas and determine the contribution of these measures of investment in the sector.

The "Cost of acquisition of fixed assets in the sector of agriculture and forestry" represents an absolute value incurred by farmers costs for each year of the study period. The index provides an opportunity to determine the trend of the investment processes in the sector.

Indicators "Total number of incoming stuck on investment measure" and "Percentage of projects approved under the investment measure" is used to analyze the interest on agricultural proizovditeli to participate in financing schemes investtsii and to assess the quality of projects.

Taking into account the "cost of the project each investment measure" is defined nominal value of the invested funds for each measure and determine their combined influence by calculating the share of these costs within the RDP 2007-2013.

Two of the investment measure 121 and 123 are juxtaposed in two 'Maximum value of a project "and" Average cost of a project, "thus assessing the potential of the measure to have a significant impact on the activities of the beneficiaries.

Data for each of the described parameters are taken from published Agrarian reports for the relevant years by the Ministry of Agriculture and Food in Bulgaria. Official sources used are essentially secondary sources of data and study the nature of desk research.

Results

Investment activity of farms is demonstrated by the cost of acquisition of fixed assets (FTA). The farms in the agricultural sector are significantly increase their spending on acquisition within the study period. In 2013. fines amounted to 1.529139 billion lev, which is nearly 2.5 times more than in the baseline 2007. (See Fig. 1). During establish lasting upward trend in the annual cost of acquisition of fixed assets, as the only exception being 2009 crisis. Determined data give reason to conclude that in terms of implementation of the CAP investment activity of Bulgarian farms expand. This in turn is a sign that the agricultural sector of our country is developing at a rapid pace, searching through technical and technological renewal of production to improve its competitiveness. Stimulating role in the ongoing sectoral policy is obvious given, that other economic sectors reported a decline in the cost of acquisition of fixed assets for izsledvainya period. Given that the global economic crisis impacted strongly on investment processes, it can be concluded that thanks to purposeful policy, the agricultural sector in Bulgaria remains outside these global processes crisis and even managed to strengthen their capacity.

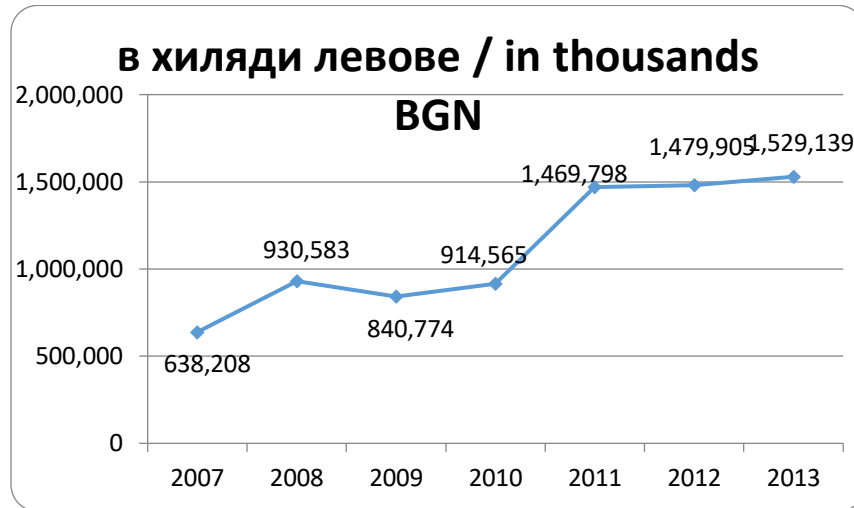


Figure 1. Expenditures of assets in agriculture and forestry. Source: MAF – Sofia.

Access to grant resource motivate farmers to apply for the investment measure to implement their investment intentions. The greatest interest is shown to measure 112 and M141, which is a result of their nature. The measure aimed to stimulate business creation and supporting semi-subsistence farms or they target a wide range of potential beneficiaries. In each of the two measure are filed nearly 10 000 applications (see Fig. 2), which gives grounds to determine that both measure indeed have broad support farms to strengthen their market potential. Great interest has to measure 121 which received over 6000 applications. Here we take into account the fact that investments under this measure are large in size, which defines a significant contribution to this measure of investment activity of farmers. At least number of applications submitted under measure 123, but considering that the beneficiaries of her apply primarily to the realization of large investment intentions can be concluded that this measure is recognized as a reliable tool for improving the competitiveness of the sector as a whole .

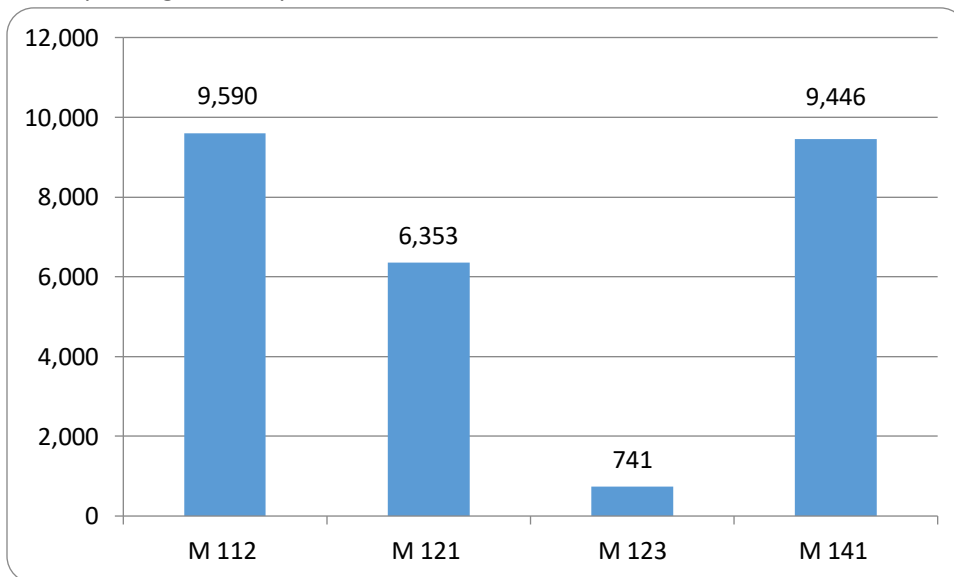


Figure 2. Number of applications in investment measures. Source: MAF - Sofia

Qualitative analysis of projects under the measure under which payments were made, showing that the majority of young farmers is principally engaged in gardening - 35%, orchards - 26% and field crops - 14%. Crop traditional for Bulgaria cultures is preferred by 77% of young farmers, and 9% of projects in the field of animal husbandry. Mixed farms are 8%. Holdings in other category - beekeeping and alternative livestock (California red worms and snails) have a share of 7%.

Measure 121 is applied very successfully in terms of investment in the plant - they occupy a share of 67% of the eligible public expenditure. Projects of the livestock sector with a share of 27% of the eligible public expenditure.

Under Measure 123 largest beneficiaries show interest in investing in food processing (77% of all contracts with a value of public expenditure 524 162 thousand. Lev). In contracts prevail micro (share of 76%), followed by small, with 22%.

Among the beneficiaries of M141 is dominated by small farms with an area of 5 ha (91% of applications). Farms area between 5 and 10 hectares occupy 6% of the approved applications and farms used area of 10 ha with a share of 3%.

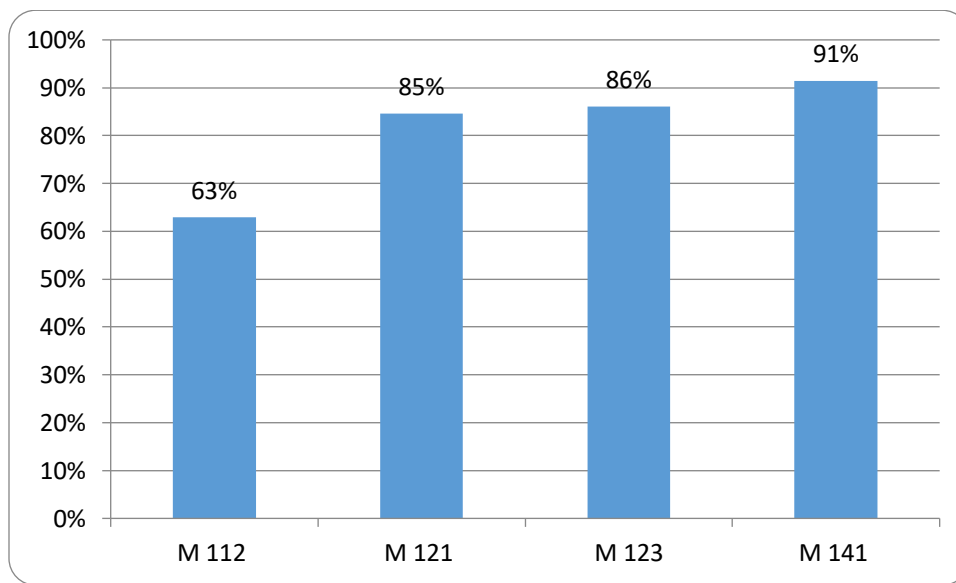


Figure 3. Percentage of adoption in investment measures. Source: MAF - Sofia

One of the most popular measure among farmers is 112 "young farmers", whose main objective is the improvement of human potential in the agriculture sector. It should be noted that this is one of the measures under which quickly run out of funds planned to support, Which explains the low rate of approval of the applications for assisted RDP (see Fig. 3). However, the majority of respondents stated that the measure has had a moderate impact on their farms and for achieving bolted targets women have an indirect influence. According to the respondents measure has the highest contribution to improving the human potential in the agricultural January sector. Beneficial effect of the application of the measure is implemented in the field of enhancing the competitiveness of the sector. Great amount of advance payments and simplified form of project application for financial assistance under this measure are two main factors for the high levels of utilization of funds provided. It can be concluded that Measure

112 has played the role of an effective financial tool for achieving multiplier effects in the agricultural sector. As indicated results of the survey, farmers were of the opinion that the most important priorities in improving the competitive advantages of the sector have been achieved mainly through the implementation of Measure 112, namely enhancing the human potential and increase Konkaniurentosposobnostta sector. The measure has a low contribution to the diversification of production of farm restructuring of its business and sustainable development.

Another Investment measure of importance for development and achieving competitive advantages in the agricultural sector Measure 121 "Modernizationa farm. " The contribution of mbrightth is rated significant technological upgrade of the sector and to increase competitiveness the agricultural and forestry sector. The measure has contributed to raisingsis the vitality of farmsIntroduction of new technologies and innovations in production and efficient use of production factors in production. The measure is low contribution expansion access to markets and sales. It should be noted that the problem of product realization is basic and common limiting factor in the operation of farms specializing in industries other than grain. Respondents farmers are generally of the opinion that need another mechanism to assist in the realization of their product different from the association and onmozhnostta direct sales.

Measure 123 "Adding value to agricultural and forestry products "is assessed as a measure a weak contribution Investment in Agra sector. Farmers are pessimistic opinion on the achieved beneficial effects of the application of the measureso, therefore, that the main beneficiaries of it are processors. They have realized projects integrating production back posashtestvo which narrows the market of agricultural products.Considerable interest in the measure have beneficiaries who have sought to implement standards in enhancing the competitiveness of the economy and the technological renovation of production.

Measure 141 "Support for semi-subsistence farms" is very popular among farmers, but its contribution is assessed as very important for the development and consolidation of farms. According to the farmers, the measure plays an important social role in the sustainable development of their farms. Despite the relatively small funds that are intended for use under the measure, it guarantees a minimum standard of living in the farmer. Farmers say they M141 helps them in performing their payments to the state budget and even allows them to hire at least one person on a permanent contract to work on the farm. The measure is an important contribution to improving the competitiveness of farms and increase the market orientation of production.

The total cost of projects approved under the investment measure for the period 2007-2013 are presented in Figure 4. Measure 121 is provikirala largest investment intentions, as total investment in it amounted to 2,462,527,735 lev About 50% of this amount represent public expenditure to be allocated RDP. Beneficiaries applying for measure 123 have made the investments in the amount of 1 208 033 958lv., And the percentage of public expenditure also amounts to nearly 50%. As already mentioned, both of measures are key contributors to the formation of investment in the sector, their share is nearly 90% of the total cost of the four measure. The total cost of the investment measure are 4,089,774,374 lev, which represents about 60% of the costs incurred for the acquisition of fixed assets in agriculture and forestry. On this basis can not be determined, that investment activity of farms in Bulgaria in the period 2007-2013. It is very strongly influenced by the ongoing Common Agricultural Policy (CAP). CAP has

stimulated farmers to prepare and implement investment projects in purely commercial terms would have failed. Obviously sector policy has played a positive role in the development of the sector and improve its technological and technical basis.

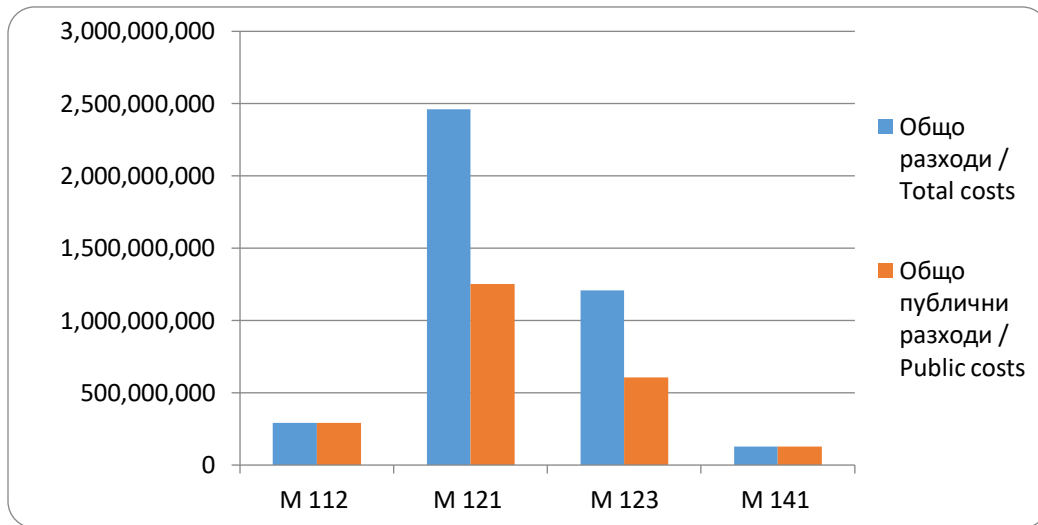


Figure 4. Total costs by investment measures. Source: MAF – Sofia

Noting that investment measure a major contribution to the renovation of the agricultural sector in Bulgaria It should be noted that the distribution of funds to support the sector have been properly distributed. The total budget of the four investment measure represents 56% of the budget of the RDP. Prioritization of investments in the sector is the right approach for preserving and developing its potential. These investments have long-term horizon and enable farms to improve their competitiveness and realize beneficial secondary effects in rural areas. It can definitely say that rural areas improve their attractiveness as a place to live and work thanks to the investment activity of farms.

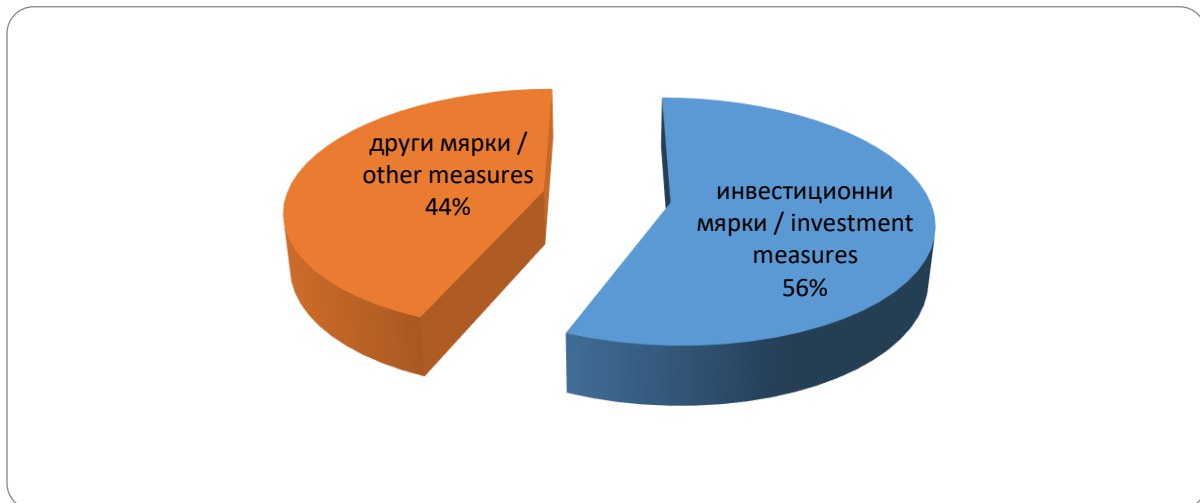


Figure 5. Distribution of costs by type of measures of RDP 2007-2013. Source: MAF - Sofia

The two major investment of measures are compared in terms of maximum and average value of a project (Fig. 6). The ratio on both counts is approximately 2: 1 in favor of Measure 123, which determines the high importance of these projects in terms of investment intentions.

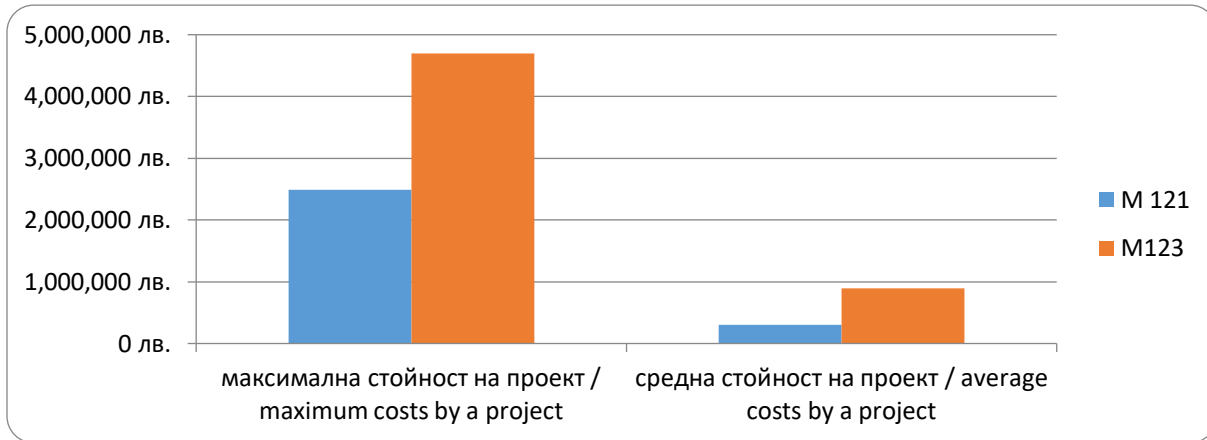


Figure 6. Comparison of projects funded by measures 121 and 123. Source: MAF - Sofia

The projects implemented under Measure 121 most frequently are subject purchase of new equipment. The ability to use financial resources to update technology in the agricultural sector in Bulgaria has led to improved technical equipment of production. During the period 2007-2013. increasing number of groundsvnite agricultural machinery (Fig. 7). Buying a new technique improves the age structure of the machines, but also a prerequisite for increasing productivity in the sector.

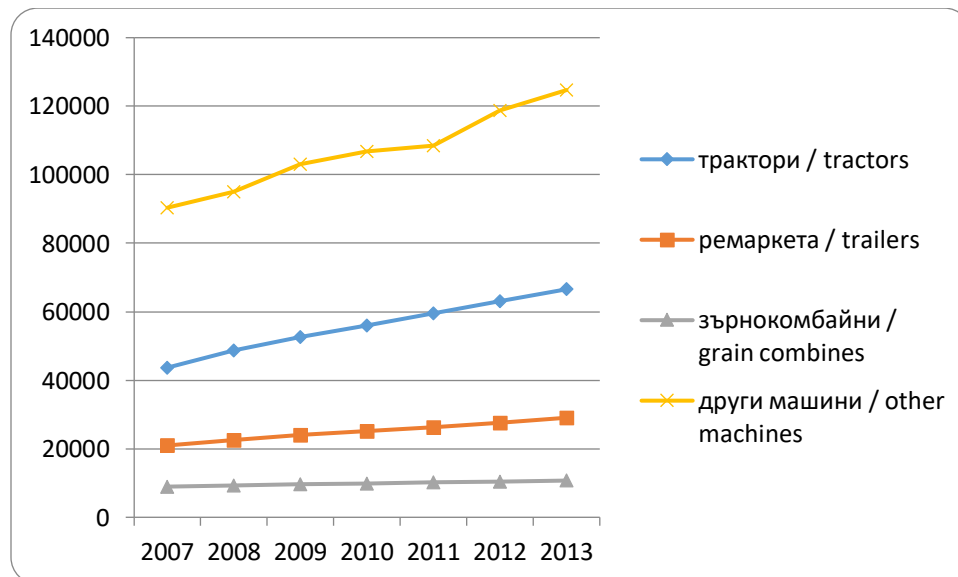


Figure 7. Number of new machines by types for period 2007-2013. Source: MAF – Sofia

Conclusions

Bulgarian farmers through the Common Agricultural Policy have access to significant financial resources in order to support its activities. Some of the measures under Axis 1 are specifically designed to support investment intentions and allow farmers to plan the renovation of its material and technical base. Support under Measure 112, 121, 123, 141 provide an opportunity for different groups of beneficiaries to make investments aimed at improving their competitiveness. This determines the balanced nature of the planned support investment in the sector.

Within the first for Bulgaria programming period 2007-2013., This support has stimulated investment activity on farms. Significant changes occurred in the functioning of the sector, it can be concluded that his condition has greatly improved. Interest in agricultural activity has been revived and renovation of farms is underway. However, it should be borne in mind that due to very weak starting positions (especially with regard to the utilized agricultural equipment), good results are not achieved widespread but the trend of development is encouraging.

Farmers demonstrate increased investment activity, which is realized thanks to the ongoing Common Agricultural Policy. The majority of investment expenses of farms are funded investment program measure for rural development. Outstanding interest proyavyava to measure 112 "young farmer" and 141 "Support for semi-subsistence farms" to which there are at many requests for assistance. Measure 121 "Modernization of agricultural holdings" may be determined by the measure with the greatest impact on the sector, because it forms the main part of the investment and updated production in technical and technological terms. The high rate of approval of investment projects developed a criterion for their high quality,

Investment measure had an impact on the overall performance of the agricultural sector in Bulgaria, which determines their considerable potential to influence the macro level. The effects of completed projects in these measures of farm beneficiaries are highly visible and positive to improve their business. Micro benefits of the implemented investment projects can be grouped in several key areas - production, finance, personnel and marketing.

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PROFILING THE GEODEMOGRAPHIC PICTURE OF EUROPE

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Abstract

The continent of Europe, as a localization for the development of modern human civilization from the most ancient times to the present day, has always been influenced by anthropogenic peculiarities that determine the number and movement of the population through the various geographic and historical segments of time events. The various factors of the nature of their situation have had a positive or negative impact on the number and dynamics of the human population of the Old Continent. In the report I make a chronological survey of the population, its number for a certain geographical and historical period. I analyze the current state of play of the public geodemographic massif of the continent Europe in the regional aspect for the period 2014-2018.

Keywords: Europe, geography, population, geodemography

Abstrakt

Der Kontinent Europa als Ort der Entwicklung der modernen menschlichen Zivilisation von der Antike bis zur Gegenwart wurde immer von anthropogenen Besonderheiten beeinflusst, die die Anzahl und die Bewegung der Bevölkerung durch die verschiedenen geographischen und historischen Zeitabschnitte bestimmen. Die verschiedenen Faktoren der Art ihrer Situation haben sich positiv oder negativ auf die Anzahl und die Dynamik der menschlichen Bevölkerung des Alten Kontinents ausgewirkt. In dem Bericht mache ich eine chronologische Übersicht über die Bevölkerung, ihre Zahl für einen bestimmten geographischen und historischen Zeitraum. Ich analysiere den aktuellen Stand des öffentlichen geodemographischen Massivs des Kontinents Europa unter dem regionalen Aspekt für den Zeitraum 2014-2018.

Schlüsselwörter: Europa, Geographie, Bevölkerung, Geodemographie

Résumé

Le continent européen, en tant que lieu de développement de la civilisation humaine moderne depuis les temps les plus anciens jusqu'à nos jours, a toujours été influencé par des particularités anthropiques qui déterminent le nombre et les mouvements de la population à travers les différents segments géographiques et historiques des événements temporels. Les différents facteurs de la nature de leur situation ont eu un impact positif ou négatif sur le nombre et la dynamique de la population humaine du Vieux Continent. Dans le rapport, je fais un relevé chronologique de la population, de son nombre pour une certaine période géographique et historique. J'analyse l'état actuel du massif géodémographique public du continent Europe sous l'aspect régional pour la période 2014-2018.

Mots-clés: Europe, géographie, population, géodémographie

Introduction

The population is variable, moving in a positive or negative direction depending on the historical and political events taking place in the area. The monitoring of the population during the periods of socio-economic development of the continental continent has always aroused the governing, regardless of historical time or concomitant events. Population numbers varied in range and factors related to the status of different ethnic groups inhabiting a given territory. Official population statistics began to be recorded relatively early in the eighteenth century, and in the twentieth century, it acquired the status of reliable information, controlled by the administrative governments of the countries. Nevertheless, monitoring the population movement, its number is necessary for analyzes and conclusions related to its socio-economic development. A number of authors from Bulgaria and Europe work in the field of geography (Beloch, 1900); (McEvedy and Jones, 1978); (Kremer and Michael, 1993); (Marinov, 2018); (Petrov, 2019).

The purpose of the paper is to study and analyze the geodemographic picture of Europe and to compare demographic statistics across continents with those of the world.

The study uses the statistical-mathematical method for analyzing the geodemographic status of the population of the continent of Europe, covering the period from the first representatives of the human species to the second two decades of the 21st century. The empirical method used in the report is a basic one that serves to collect and process information on the continent and the world population. The report includes an overview of the population of the Old Continent by region and other terrestrial territories using the comparative method over a period of time. I also apply historical methods in researching and analyzing dates, events, and processes related to material development.

Demography is a science that studies the population (human civilization), involving various social events and processes such as population, birth rate, mortality, natural growth, and migration. The term "demography" is formed by two ancient Greek words "demos" people and "graphos" description. The literal translation means "folk description". The changes that have taken place in the development of human civilization over the last 300 years require new interpretations, analyzes and studies of social events occurring globally. Geodemography appears as an intermediate link between settlement geography and demography. It deals with the study, study and analysis of these same socio-economic processes and phenomena caused by human activity in certain regions of planet Earth. A number of factors also influence the population: Natural - altitude, availability of natural resources, climatic conditions, relief, waters and others; Economic - financial crises, unemployment, job creation, investment policy, economic stability and others (Kolaj, Borisov, Osmani, and Skunka, 2018); Social - fertility, mortality, natural growth, migration, social infrastructure and others (Petrov, 2019); Ecological - air, water, soil, fires, landslides, floods, extraction of natural resources, industrial accidents and others (Yancheva, S., C. Yancheva, and Borisov, 2018). The conduct of hostilities in a given territory has a great influence on the population. High mortality in men in this type of process leads to lower birth rates and vice versa, after the war, birth rates rise sharply. Religion, as a spiritual and social element, has always played a significant role in the population. Within the boundaries of Europe during the various historical periods of development, the clergy used different religious practices and means to increase the population or

physically obliterate certain ethnic groups. Totalitarian regimes (Eastern European countries) experienced high population growth in the 20th century as a result of different social policies, one of which was to promote high birth rates, ban abortions, early marriages and other activities aimed at an increase in the proletarian mass. The population of human civilization, from the time of the Early Modern Man - Kromanian to the modern individual of the 21st century, is increasing every year. The exception is the periods of plague epidemics and prolonged hostilities, in which the population slows down its reproductive processes and decreases its numbers. Colin Peter MacDway, in his work, represents the number of people - 4 million who inhabited the Earth in 10,000 BC.

Results

According to the US Census Bureau's Historical Estimates of World Population (Kremer and Michael, 1993), humanity during the same period in the world is 50 million. by continents - Africa, 7 million, Asia, 33 million, and Europe, 9 million. For the rest of the Earth (territories) no hypotheses have been presented in the literary geodemographic sources.

Tracking the chronology of historical events, continental statistics, again based on the hypothesis - the population in 500 BC. the world is 100 mil. p., Africa 14 mil. p., Asia 66 mil. p. and Europe 16 mil. souls. Over the next five hundred years, there is an increase in the human population of fifty million. During the Holocene period, the migration (spread) of human species began throughout the world. During this time period the population is approximately between 1-3 mil. the person. Climate warming is an important factor in the growth and migration mobility of the human species over the above geo-chronological segment of the time cycle. From the tenth millennium BC by the end of the first millennium BC within 9000 the number of humanity has increased from 1-50 million. The first census in Rome (Roma-Roma), made in 435 BC, by administrative officials - censors. Initially, only the free people were enumerated, and subsequently slaves began to count. In 201 BC. the population of Italy, approximately 4 mil. p., like 1 mil. of these are slaves. Capital of the Roman Empire, 13 BC Roma have a population of approximately 800,000 people. According to modern estimates in 1 and 2 years of the New Era, it is estimated that the population of the Earth varies between 160-200 mil. souls. During the first decades of the New Era, the number of people increased in ascending order. The Greek and Latin texts that have reached us about Thrace and Moesia about the population of these two Roman provinces, in the first three centuries since the 27th century BC, to 327 AD., it probably amounted to about 3 250 000 people for the two territories. Karl Julius Beloch (1854-1929) takes the Thracian population at the time of Thucydides (455 BC - 397 BC) as a base, indicating a population of 600,000. From the first year of the New Millennium to 1000, the global population reaches 400 million. p., the growth within a millennium is 200 mil. souls. According to continents, Africa reaches 70 mil. p., Asia 269 mil. p., Europe 50 mil. p. in the latter the increase is the least compared to the others. In 1086, the first European census was conducted in England. Renaissance period XIV-XVII century, from Fr. - Renaissance Renaissance, embracing European cultural development, dating back to the dark medieval ages. The rejection of the Church's hegemony gives the population greater freedom to develop in different areas of socio-economic life. As a result, the population is increasing. In 1600, the world's population numbered 580 million. p., Asia 339 mil. p., Africa 114 mil. souls. In Europe, their numbers reach 111 million. or 19,14% of human civilization.

In the major European countries in 1600, the population was approximately, the following number - Italy 13 million, Spain and Portugal 10 million, France within its borders 16 million. p., England and Wales

4,5 mil. p., Scotland and Ireland 2 mil. p., Denmark 600 000 p., The Netherlands 3 million p., Sweden, Norway and Finland total 1,4 million e., Germany 20 mil. souls. Worldwide, the population in the 18th century is 682 million. During this period, Europe's population is 125 million. p., the growth of the previous century is an increase of 14 mil. souls. The low rate is the result of ongoing urbanization processes, the Industrial Revolution, and migration to neighboring continents. At the beginning of the nineteenth century, in 1805 the population of the world was already 1 billion (now the population of the population is 7 608 629 322 people) souls. In 1800, there were 3 cities in the world with a population of 1 million or more: London, Beijing and Tokyo. In 1851, London was the largest city in the world with a population of 2,4 million inhabitants. Official statistics on the population began to be kept in the Kingdom of Spain in 1857. On the continent, Europe reached 203 million in the same period. e. or within fifty years, there is a population growth of 40 mil. souls. In 1850 statistics accounted for 276 million, or within a century, the population has increased by 59%. With the development of industrialization, the use of natural resources and the cheap labor of the colonies, and the rapid progress of urbanization, London's population increased significantly before WWII, reaching 8,6 million. souls.

In the 19th century, London was the only city in the world with a population of 5 million inhabitants. Today, there are 55 cities globally, most of them in continent Asia. In the early 20th century, the population of the Old Continent reached 408 million. within fifty years, saturation rose by 132 million souls. In the world in 1900 the population was 1,650 mil. souls. In Europe, the number reaches 408 million. and constitutes 24,7% of human civilization.

The twentieth century was accompanied by two world wars that resulted in millions of human casualties. In 1916, Europe's population was approximately 330 million souls. After the war periods the population is recovering and increasing in number. In 1930, the world's population was 2 billion. In front of military Europe, human civilization on the continent is approximately 520 million souls. Five years after the end of WWII in 1950, the population of the Old Continent is 549 million. p., globally, approximately 2,5 billion people. In the mid-fifties, Europe numbered 577 1103 60 people, with urbanization accounting for 54,3% or 313 280 048 people living in cities. By the end of the twentieth century, Europe's population was growing in ascending fashion over the course of 45 years, increasing by 150 090 579 people.

At the beginning of the 21st century, Europe's population was 727,200,939. The continent's largest increase over the five years 1960-1965 was 294,067,977. In 2010, Europe's population was already 737,163,580, with 73% located in urban areas, with an average density of square kilometers. 72,9 people. According to the UN, the population of Europe in 2015 is estimated at 741 million p., which is just under 11% of the world's population. The exact figure depends on the precise definition of the geographical scope of Europe. In 2015, the EU population was 509 million souls. Non-EU countries located in Europe as a whole include 94 million souls. Five transcontinental countries have a total of 247 mil. of which about half live in Europe.

In the Table. 1 shows the population of Europe by year and region (area grouping was done by Worldometers), tracking the evolution of the number in miles for a period of five years. For the sake of clarity, I have also referred to the EU population movement within the twenty-eight countries.

Table.1 Europe by years of regions and population of millions. Source: Worldometers and own calculation.

years	North	South	East	West	Europe	EU-28
2014	102574541	152820713	293532237	191283239	740210730	507011330
2015	103097292	152440653	293243708	192032306	740813959	508540103
2016	103642971	152172107	292885221	192746859	741447158	510277177
2017	104199623	151989290	292454364	193430576	742073853	511522671
2018	104761581	151860162	291953328	194072933	742648004	512777350

From the initial period to the end for Europe, the population increased by 2 437 274 people, with the increase rising. The EU also has an increase of 5 766 020 people over five years, but the Community is characterized by high east-west migration.

Northern Europe (United Kingdom, Sweden, Norway, Finland, Denmark, Ireland, Lithuania, Latvia, Estonia, Iceland, Isle of Man and Faroe Islands), recorded a steady increase in population. In the period 2014-2018 the growth is 2 187 040 people.

Southern Europe (Italy, Spain, Greece, Portugal, Serbia, Croatia, Bosnia and Herzegovina, Albania, Northern Macedonia, Slovenia, Montenegro, Malta, Andorra, Gibraltar, San Marino and Vatican City), during the study period the population in that region decreased with 960,551 people. The downward movement of the number is from the beginning to the end period. The main reason for the decline is the high migration to the countries of Western and Northern Europe and the population of childbearing age.

Eastern Europe (Russia, Ukraine, Poland, Romania, Czech Republic, Hungary, Belarus, Bulgaria, Slovakia and Moldova), statistics show a population decrease of 1 578 909 from 2014 to 2018. During the five years of the survey, the population declined steadily, with the main facts being migration, lower living standards and low average life expectancy.

Western Europe (Germany, France, the Netherlands, Belgium, Austria, Switzerland, Luxembourg, Liechtenstein and the Kingdom of Monaco), there is a growth spurt for these countries, minimal due to high migration from the eastern countries. Each year, more than 500,000 emigrants formally enter the countries mentioned above.

Conclusion

In 1960, the world's population reached 3 billion. In a 30-year period, the global population is growing by one billion people. The next increase is in 1974, the human population reaches 4 billion. The increase is by another billion within 14 years. On July 11, 1987, in Zagreb, Croatia, was born Matthew Gaspar, the 5 billionth inhabitant of the Planet. In this span of 13 years, the population is growing again with another billion people. The next jump in population is on February 25, 2006, with another billion, or 6,5 billion. In 2009, there are already 6.8 billion inhabitants on planet Earth. The psychological moment of growth comes on October 31, 2011, when human civilization already numbers 7 billion. In the late 1920 is, about 12% of the world's people lived in Europe. If demographic trends keep pace, their share could drop to about 7% in 2050, but it still stands at 716 miles p., according to the UN assessment.

As of May 9, 2018, according to Worldometers, the World population is 7 620 873 604, for the continent of Europe, it numbers 742 564 911 people, including the EU with a total of twenty-eight countries, as of the above date, Eurostat statistics reports 511 522 671 people to the Community.

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ANALYSIS OF MECHANISMS TO SUPPORT THE AGRICULTURAL SECTOR IN THE CREATION OF PUBLIC GOODS

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Abstract

The agricultural sector creates public goods that are an integral part of the image of each region. Improving the supply of public goods increases the attractiveness of the region and requires an approach for support, taking into account regional specificities. The regional approach is distinguished by the fact that use and develop local resources, and thus be utilized to the fullest extent the capabilities of the policy on rural development to realize their goals. On the other hand between the mechanisms of influence, there are differences in terms of their potential and in their implementation. Support for local farmers improve the attractiveness of the area as a place to live and creates an incentive for the overall development of the local society.

The purpose of this article is to establish the potential of the selected mechanisms to support the agricultural sector in the creation of public goods.

The survey results show very large differences in the potential of the studied mechanisms. This determines the inability to balance the effects of their implementation in the context of territorial development. For this purpose it is necessary to develop and test scenarios, which are based on potential mechanisms for stimulating the creation of public goods and to achieve synergistic effects at regional level.

Keywords: rural areas, water protection, food security, agri-environmental schemes, AHP method

Abstrakt

Der Agrarsektor schafft öffentliche Güter, die ein integraler Bestandteil des Images jeder Region sind. Die Verbesserung des Angebots an öffentlichen Gütern erhöht die Attraktivität der Region und erfordert einen Ansatz zur Unterstützung, der die regionalen Besonderheiten berücksichtigt. Der regionale Ansatz zeichnet sich dadurch aus, dass die lokalen Ressourcen genutzt und entwickelt werden und somit die Möglichkeiten der Politik zur ländlichen Entwicklung zur Verwirklichung ihrer Ziele voll ausgeschöpft werden. Auf der anderen Seite gibt es Unterschiede zwischen den Einflußmechanismen, sowohl was ihr Potential als auch was ihre Umsetzung betrifft. Die Unterstützung der lokalen Bauern verbessert die Attraktivität des Gebiets als Lebensraum und schafft einen Anreiz für die Gesamtentwicklung der lokalen Gesellschaft.

Der Zweck dieses Artikels ist es, das Potential der ausgewählten Mechanismen zur Unterstützung des Agrarsektors bei der Schaffung öffentlicher Güter zu ermitteln.

Die Umfrageergebnisse zeigen sehr große Unterschiede im Potential der untersuchten Mechanismen. Dies bestimmt die Unfähigkeit, die Auswirkungen ihrer Umsetzung im Rahmen der territorialen Entwicklung auszugleichen. Zu diesem Zweck ist es notwendig, Szenarien zu entwickeln und zu testen, die auf potenziellen Mechanismen zur Förderung der Schaffung öffentlicher Güter und zur Erzielung von Synergieeffekten auf regionaler Ebene beruhen.

Stichworte: ländliche Gebiete, Wasserschutz, Ernährungssicherheit, Agrar-Umweltmaßnahmen, AHP-Methode

Résumé

Le secteur agricole crée des biens publics qui font partie intégrante de l'image de chaque région. L'amélioration de l'offre de biens publics augmente l'attractivité de la région et nécessite une approche de soutien qui tienne compte des spécificités régionales. L'approche régionale se distingue par le fait qu'elle utilise et développe les ressources locales, et donc qu'elle utilise au maximum les capacités de la politique de développement rural pour atteindre ses objectifs. D'autre part, entre les mécanismes d'influence, il existe des différences en termes de potentiel et de mise en œuvre. Le soutien aux agriculteurs locaux améliore l'attractivité de la région en tant que lieu de vie et crée une incitation au développement global de la société locale.

L'objectif de cet article est d'établir le potentiel des mécanismes sélectionnés pour soutenir le secteur agricole dans la création de biens publics.

Les résultats de l'enquête montrent de très grandes différences dans le potentiel des mécanismes étudiés. Cela détermine l'incapacité à équilibrer les effets de leur mise en œuvre dans le contexte du développement territorial. À cette fin, il est nécessaire d'élaborer et de tester des scénarios basés sur les mécanismes potentiels de stimulation de la création de biens publics et de réaliser des effets synergiques au niveau régional.

Mots clés: zones rurales, protection de l'eau, sécurité alimentaire, programmes agroenvironnementaux, méthode AHP

Introduction

Agriculture is an important part of socio-economic development of rural areas. Agriculture is seen not only as an opportunity for economic activity but also as a source of public goods that create a unique image of each area. The use and development of local conditions is a prerequisite for the expansion of overall economic activity in the region, which improves the vitality of the local community (Dirimanova, 2013). It should be recognized that between regions there are major differences in terms of their potential and trends of development (Stoeva and Marinov, 2015).

Primary means to influence these processes is the policy of rural development. Within it there are different mechanisms in supporting farmers through its activities to provide public goods. Nowadays support mechanisms are recognized as a means to overcome the negative socio-economic trends that result from market signals (Dimitrova and Dimitrov, 2017). The modern market is very dynamic and in order to meet market requirements often have to be compromised relating mainly to the preservation of natural resources. On the other hand, the market creates opportunities, but their use requires additional

investments that can not be provided by small farms having limited capacity. Targeted support of these farms maintain and develop agriculture in rural areas, improving the environment and becomes a territory attractive for the development of other economic activities such as tourism (Dirimanova, 2013). It also improves the overall image of the region as a provider of public goods.

The purpose of this article is to establish the potential of the selected mechanisms to support the agricultural sector in the creation of public goods.

The object of analysis are support mechanisms concerning the three main public goods for local development (see Table. 1). The factors which determine their applicability.

Table 1. Main public goods supplied by agriculture and governance mechanisms to support them.

Source: Own research, 2018

public goods	governance mechanisms
Water quality and availability	Water protection
Food Security	Local, traditional foods
Scenery and Recreation	Agro-environmental schemes

The study was done in Smolyan, which is typical of a region rich to public goods that are under the influence of agricultural activities. Use the method of data collection focus group and was attended by 10 persons from various stakeholders (farmers, consultants, residents, tourists).

The analysis used a set of criteria and mechanisms that are based on previous research within the project PROVIDE.

For data analysis using comparative analysis and the method AHP /analytics hierarchy process/, by analyzing the potential of each mechanism and determine the score (level of importance) of indicators for the implementation of mechanisms (Hallowell, 2005; Forman and Gass 2001). The rating of the indicators is formed based on the summary score for each municipality calculated by the following formula.

$$A_j = \sum_{i=1}^n B_{ij} \times D_{ij}$$

Where:

A_j - Summary of the facility "j"

B_{ij} - assessment criterion (indicator) "i" mechanism "j"

D_{ij} - weighting coefficient of criterion (indicator) "i" mechanism "j"

n - number of evaluated criteria (indicators)

The weighting factor (D) of each criterion for this mechanism is defined as the ratio between the assessment criteria for the mechanism and the sum of scores for all criteria. Thus determines the share of each criterion in research mechanism.

The evaluation of the criterion (B) for each assembly is determined by the views of the participants in the focus group. Through this technique is defined aggregate (average) assessment criteria.

Results

For each mechanism to support public goods, persons participating in the focus group identified what are its main strengths and weaknesses and to identify opportunities and threats it faces. Thus, for each assembly were measured at 12 criteria whose summary evaluations are presented in Figures 1, 2 and 3.



Figure 1. Importance of factors identified in the SWOT analysis of governance mechanism "Water quality improvements". Source: Own research, 2018

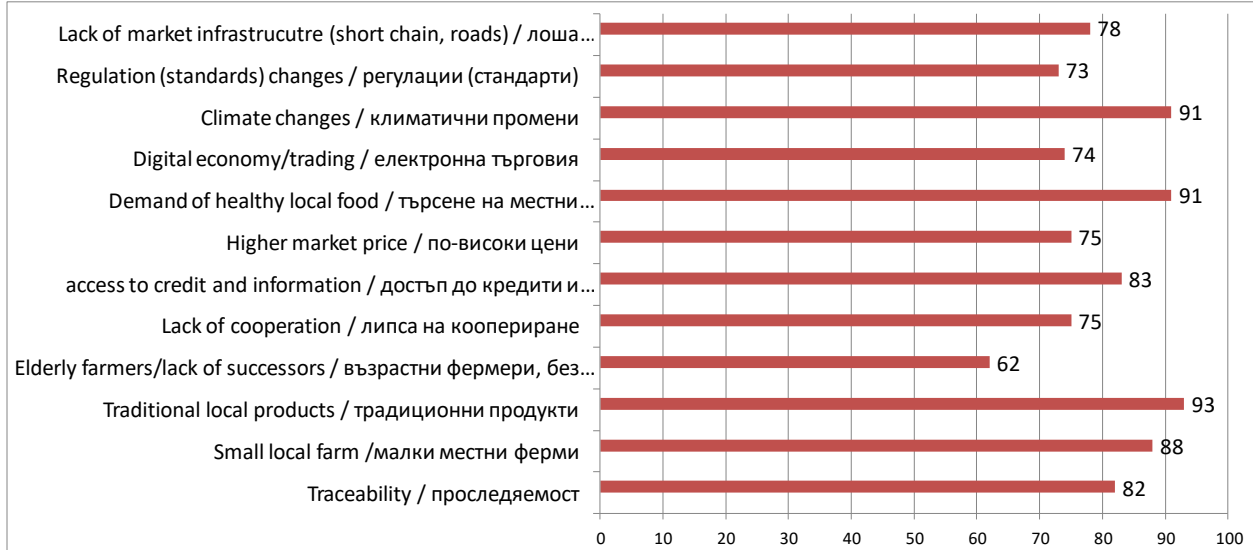


Figure 2. Importance of factors identified in the SWOT analysis of governance mechanism "Food security". Source: Own research, 2018

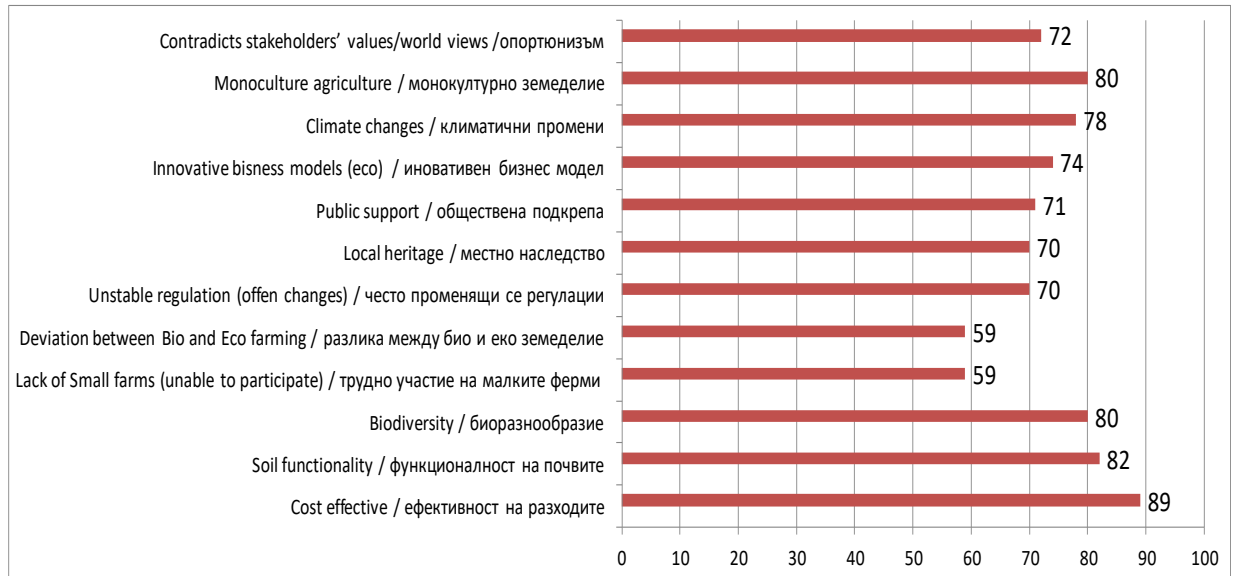


Figure 3. Importance of factors identified in the SWOT analysis of governance mechanism "Agro-environmental schemes". Source: Own research, 2018

Based on the data presented for each criterion are calculated average score and the weighting factor for the respective assembly / see table. 2 /. Mechanism "Water Management" as the most important strength, the effectiveness of the costs associated with the implementation of mechanisms is, while this criterion was rated highest. It is noteworthy that all three strengths of the mechanism receiving high average scores (over 7), indicating that the mechanism has internal potential. In addition to this statement are set low scores on the weaknesses of the mechanism. However, when evaluating stand low scores of opportunities relating to this mechanism, which limits its potential for implementation. Still high estimates of criteria related to the threats defined

Mechanism "Protection of local, traditional food" all strengths are defined as comparable in order of importance and at the same time appreciate. The average scores were above 8, indicating that the mechanism has considerable domestic potential. In contrast to findings from two weaknesses "Access to Information" and "lack of cooperation" were evaluated with high marks, which reduces the overall potential of the mechanism. However, when evaluating stand higher marks opportunities than threats, which indicates that the mechanism is acknowledged as a means of realizing opportunities and developing local businesses.

Mechanism "Agri" three strengths are defined as relatives in order of importance. Also noticed that they receive higher average scores (over 7), indicating that the mechanism has considerable domestic potential. In addition to this statement are set low scores on the weaknesses of the mechanism.

And under this facility as at the first stand low scores opportunities, which limits the potential mechanism for their realization. Still high estimates of criteria related to the threats determine that mechanism "Agri" can be used as a means to overcome the identified threats and achieve better conditions for business development.

Table 2. Assessment of governance mechanisms support public goods. Source: Own research, 2018

Group	criteria	weight	average score
Water protection			
Strengths	Cost Effectiveness	0.39	8.3
	Easy monitoring	0.25	7.5
	Focus	0.36	7.8
Weaknesses	No account local specificities	0.35	7.2
	Short-term horizon	0.38	5.5
	Unertain effect	0.27	4.3
Possibilities	Synergy	0.38	5.6
	Public support	0.33	5.5
	Shared interest	0.29	6.6
Threats	Limited application	0.34	7.9
	Incompatibility with other objectives	0.32	7.7
	Opportunism	0.34	6.8
Protection of local, traditional foods			
Strengths	Traceability	0.31	8.1
	Small local farm	0.33	8.6
	Traditional local products	0.36	8.5
Weaknesses	Adult farmers without successors	0.28	6.2
	Lack of cooperation	0.34	7.7
	Access to credit and information	0.38	8.5
Opportunities	Higher prices	0.31	6.5
	Demand of healthy local food	0.38	7.5
	Ecommerce	0.31	6.4
Threats	Climate change	0.38	5.4
	Regulations (standards)	0.30	5.8
	Lack of market infrastrucutre (short chain, roads)	0.32	5.9
Agro-environmental schemes			
Strengths	Cost Effectiveness	0.35	8.7
	Soil functionality	0.33	7.6
	Biodiversity	0.32	8.7
Weaknesses	Hard participation of small farms	0.31	5.5
	Difference between organic and ecological agriculture	0.31	5.5
	Often changes	0.37	6.5
Opportunities	Local heritage	0.33	6.0
	Public support	0.33	5.9
	Innovative business model	0.34	6.2
Threats	Climate changes	0.34	5.9
	Monoculture farming	0.35	7.5
	Expediency	0.31	7.2

The results of the evaluation show / see table. 3 / that three mechanisms have significant potential based on its strengths to successfully podmognat agricultural sector in the creation and maintenance of public goods. Summary of the strengths are high and close in value, indicating that the agricultural sector can count on support in implementing projects providing, both private and public benefits. Weaknesses

of mechanisms Water management and environmental payments are estimated to low ratings, which in addition to building on the strengths of their potential. The high general evaluation of the weaknesses of the mechanism protection of local, The traditional foods a mechanism more difficult to implement and achieve the benefits of its implementation. Three mechanisms show mirror results in terms of opportunities. With the great potential for utilization of opportunities is precisely the mechanism protection of local, traditional food, and the other two mechanisms are rated significantly lower. These mechanisms do they evaluate the potential to eliminate threats and improve conditions for the development of the agricultural sector to provide public goods.

Table 3. Potential mechanisms for support. Source: Own research, 2018

	Strengths	Weaknesses	Opportunities	Threats
	S	W	O	T
Water protection	7.92	5.76	5.86	7.46
Protection of local, traditional foods	8.40	7.47	6.83	5.70
Agro-environmental schemes	8.33	5.83	6.03	6.87

As a final result of the survey was conducted rating (prioritization) on six indicators for the implementation of the studied mechanisms. With the highest ratings stand Indicators - Effectiveness and Adoption, which sets expectations that mechanisms should give clear results themselves mechanisms should be recognized by, beneficiaries to realize their goals. Izmeraemostta the results achieved and targeted nature of the mechanisms are defined as intermediate in order of priority indicators for successful implementation of support mechanisms. The realization of hidden benefits and the need for additional costs associated with implementing the requirements of the mechanisms shall be determined by the lowest degree of importance.

Table 4. Rate of indicators for application of mechanisms. Source: Own research, 2018

No	Indicator	Total score
1.	Efficiency	4,654
2.	Adoption	4,276
3.	Measurability	3.792
4.	Focus	3.768
5.	Lower hidden cost	2,889
6.	Hidden benefits	2,809

Conclusions

The applied research method allowed for a discussion in which depth were reviewed and analyzed three mechanisms to support the agricultural sector in the creation of public goods. Participants in the focus group, depending on their expertise and perspective rated various criteria, and brought the directions in which each mechanism has advantages or experiencing problems. Pelvic Based on the results of the study can be useful for improving the implementation of mechanisms and improving benefits for

the local community. The survey results give reason to be made the following important conclusions regarding the potential mechanisms to support the agricultural sector in the creation of public goods:

- mechanisms have strengths that can be used for the realization of the objectives in support of the agricultural sector to create public goods;
- implementation mechanisms is matched to a higher level of threats than opportunities;
- a need for the implementation of mechanisms to be more in line with high specificities of the different areas of impact;
- establishes a slight degree of interaction between the three investigated the mechanism;
- agricultural sector relies on the studied mechanisms have contributed to improving the economic situation of production structures;
- support of the local community is important, so that the potential of the studied mechanisms to be utilized fully.

The survey results show very large differences in the potential of the studied mechanisms. This determines the inability to balance the effects of their implementation in the context of territorial development. For this purpose it is necessary to develop and test scenarios, which are based on potential mechanisms for stimulating the creation of public goods and to achieve synergistic effects at regional level.

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