

МАРКЕТИНГЪТ КАТО БИЗНЕС ПРЕДПРИЕМАЧЕСТВО

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Резюме: Динамиката на развитие на бизнес дейностите в наши дни изисква постоянното търсене на алтернативи за анализиране на пазарните възможности, конкурентните сили, както и икономическите и политически възможности за развитие на предприемаческа дейност.

Предприемаческата дейност е сложна структура от идеи, решения и възможности за постигане на високи икономически резултати, следствие на внимателно подбиране, провеждане и анализ на пазарна информация. Бизнес планирането, от своя страна, подпомага предприемачите в реализиране на маркираните стратегически идеи за постигане на постоянен и устойчив растеж, а оттам и в подкрепа развитието на националната икономика.

Основната цел на настоящия труд е да идентифицира главните предприемачески дейности по изготвяне на бизнес план. За постигане на основната маркетингова цел са поставени следните задачи:

- Анализ на предприемаческата дейност.
- Идентифициране на основните етапи за формулиране на бизнес идеята и създаване на адекватен бизнес план.
- Изследване на основните маркетингови зависимости при изготвяне анализ на средата за реализиране на бизнес дейностите, посредством адекватни стратегии.

Основната теза, която ще бъде доказана в рамките на настоящото изследване е, че посредством адекватно маркетингово планиране

възможностите и заплахите за една компания, анализ на външната и вътрешната среда, потребителите и правната рамка, всеки един бизнес може да реализира адекватна маркетингова стратегия, която да води до постоянен растеж на печалбите и пазарния дял.

За постигане на поставените цели, реализиране на задачите и доказване на тезата, в настоящото изследване са използвани методите на анализ и качествено проучване на теоретични и емпирични източници, специализирани публикации, списания, икономически книги и анализи на международни организации.

Ключови думи: предприемачество, бизнес, маркетинг, форми на предприемачество.

JEL: L26, M30, M31

MARKETING AS A BUSINESS ENTREPRENEURSHIP

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Abstract: The dynamics of business development nowadays requires the constant search for alternatives for analyzing market opportunities, competitive forces, as well as economic and political opportunities for entrepreneurial activity.

Entrepreneurial activity is a complex structure of ideas, solutions and opportunities to achieve high economic results, a consequence of careful selection, conduct and analysis of market information. Business planning, in turn, helps entrepreneurs to implement the marked strategic ideas for achieving sustainable growth, and hence support the development of the national economy.

The main goal of this paper is to identify the main entrepreneurial activities for preparing a business plan. To achieve the main marketing goal, the following tasks are set:

- ❖ Analysis of entrepreneurial activity.
- ❖ Identifying the main stages for formulating the business idea and creating an adequate business plan.
- ❖ Study of the main marketing dependencies in preparing an analysis of the environment for the implementation of business activities through adequate strategies.

The main thesis that will be proven in the present study is that through adequate marketing planning opportunities and threats for a company, analysis of external and internal environment, consumers and the legal framework, each business can implement an adequate marketing strategy that leads to steady growth in profits and market shares.

In order to achieve the set goals, realize the tasks and prove the thesis. The present research uses the methods of analysis and qualitative research of theoretical and empirical sources, specialized publications, journals, economic books and analyzes of international organizations.

Keywords: *entrepreneurship, business, marketing, forms of entrepreneurship.*

JEL: L26, M30, M31

1. Entrepreneurship

Entrepreneurial activity is the basis of socio-economic development of any country. Entrepreneurship is associated, on the one hand, with the creation of business and risk-taking by the entrepreneur (Todorov 2018), and on the other - it drives economic development, providing added value and resources for all stakeholders in a society.

The development of theories for entrepreneurship follows its natural logic from archaism to the present day, following the evolution of market relations, globalization, innovation and technological development. If in the beginning of its inception - since the period of barter transactions - business activities were perceived simply as a generator of profit and a means of exchanging goods and exchanging services, according to the specialization of each entrepreneur, today entrepreneurship could be seen as the engine of socio-economic development, the main generator of value for society, an incubator for ideas, providing livelihood and career opportunities, as well as ensuring the distribution of goods and the elimination of poverty.

1.1. Basic aspects and forms of entrepreneurship

Modern entrepreneurship takes various forms, and among its leading goals are to cover all its main aspects: social, economic, political and environmental. Among the main types of entrepreneurship that distinguish the theoretical literature, we can highlight the following:

- ❖ Social entrepreneurship - institutions and organizations that combine economic and social goals - especially in the field of health and education.
- ❖ Women's entrepreneurship - in the last few decades, as a result of policies to promote the equalization of gender standards for entry into the economic

sphere and equality of women, there is a normatively and theoretically sound discourse for women in entrepreneurship.

- ❖ Youth entrepreneurship - young people are the engine of new and innovation, as a result of which youth entrepreneurship has found its development as a current problem of modern society. Increasingly, economic policies are aimed at stimulating youth initiatives in an attempt to overcome the crisis and strike a balance between outpacing demand for new ideas, products and services.
- ❖ Global entrepreneurship - in a world where political borders are already a fictitious form of guaranteeing national sovereignty, economic activities are becoming easier. Entrepreneurial initiatives are given the opportunity for their global manifestation in the face of strong international competition, regulatory, fiscal rules and restrictions imposed in host countries (motivated by internationalization), as well as other challenges that entrepreneurs must face. Global entrepreneurship has increased the risk factors for starting a business abroad, as the business now needs protection from both the state and financial incentives to ensure the success of the activities. These financial incentives include, in addition to loans and grants under financing programs to support activities in small and medium-sized businesses, mainly, but also tax breaks and agreements that indirectly stimulate entrepreneurship.

Last but not least, one of the main types of entrepreneurship, distinguishable on the basis of business size are: corporate entrepreneurship and micro, small and medium enterprises (MSMEs).

While the importance of corporate entrepreneurship was significant in the 19th and early 20th centuries for capital accumulation and the development of modern capitalist societies, mega-businesses today are not a source of change and

place, in some form, a business monopoly over large niche markets. However, MSMEs are those flexible business structures that often succeed in implementing change and the required sustainability and flexibility, taking much less risk, in order to implement new procedures, activities and services that meet the changing requirements of consumers. The great potential of small businesses was appreciated in 1979, when Decree 5 of the Council of Ministers requires in the municipalities and border regions where there are free capacities to organize small enterprises and workshops for the production of goods to meet the needs of the population. Almost in the same way the problem for small enterprises is set in Decree 12 of the Council of Ministers of 1982. It provides for the establishment of small enterprises in the field of light industry and services, but with already clearly defined essential characteristics and features, with specific rules for their activity and approved a central coordinating organization - Bulgarian Industrial Business Association (Naydenov 2002: 27).

It is for this reason - greater efficiency, flexibility and innovation, MSMEs are the focus of this study as a major socio-economic engine of the modern global market.

1.2. Main factors influencing entrepreneurship

Every decision to start a new business depends on two main groups of characteristics, namely the individual and those of the business environment. Given the goals and objectives set at the beginning of our study, the focus will be on the factors of the business environment to motivate entrepreneurship and relevant business activities and initiatives.

The elements, or environmental factors, can be differentiated and combined in different approaches, depending on the degree of their impact on entrepreneurial

activity. The main factors influencing entrepreneurship in general are presented in Table 1.

Table 1.

Main factors of the business environment

External factors	Regulatory factors	labor legislation; tax policy; environmental policy; international agreements; supranational provisions.
	Science and technology	availability of know-how; realization of research and development; funding opportunities for research and development; opportunities for partnerships; opportunities for tax relief.
	Sociocultural factors	national culture; educational development; traditions and values; quality of life.
	Economic conditions	unemployment; inflation; interest rates; economic growth; market liberalization; infrastructure; competition; and other.
	Stakeholders	consumers; contractors; competitors; suppliers of resources.
Internal factors	Corporate strategy	
	Internal policy of the company	
	Corporate culture	
	Management team	
	Managerial experience	

Source: Author

In the theoretical literature there are different classifications of external and internal factors that affect the entrepreneur in planning business initiatives.

The most significant factors of the external environment are: national and social culture (or socio-cultural factors); political conditions (regulatory factors); economic conditions; social capital and supply and demand factors.

According to (Gartner, Shaver, Carter, & Reynolds 2004) based on Schumpeter's theory of the importance of the innovation process for economic progress, science and technology (innovation in general) are added to environmental factors as a major factor in the development of entrepreneurship.

(Foss & Mahnke 2000) derive from Mark Casson's research, An Entrepreneurial Theory of the Firm, that it adds another aspect to exogenous factors in business planning, namely relationships and interactions with potential stakeholders. In its study, Casson points out that relationships with all participants - from customers, through competitors, contractors and suppliers, play an important role in planning the company's communication strategy, which is key to achieving the strategic goals of the business. Of particular importance in this regard is the "management accountability system and decision-making procedure" (Radukanov 2021).

In order to justify the importance of each element of the system exogenous factors influencing business planning, a brief analysis will be presented in the following pages.

Among the normative factors are all normative and sub-normative acts, international regulations and policies that set the framework for business development - form the priorities for stimulating business initiatives for each industry; define the conditions, rights and obligations of business to society, other economic entities and the state, as well as regulate the rights of conduct, pricing, reporting and transparency of activities.

The group of factors related to the level of technical and scientific progress of society and the industry in which the business is developing. This is where the need for constant search for opportunities for use of the enterprise arises. This is a prerequisite for increasing the volume of the products without adding additional costs (Naydenov 2002a: 27). In recent years, there has been an increasing emphasis on the development of a “knowledge economy” based on new technologies, processes, products and services. In this aspect, innovation is becoming a key element of the environment, which generates competitive advantages and is closely linked to the opportunity for creativity and flexibility of companies, especially in the SME sector. Innovation here can be considered in a broader sense, namely innovation as a new way to meet the needs of ever-changing consumer requirements, the negative effects of competitors' creativity, as well as compliance with the development of suppliers.

The category of socio-cultural factors includes the dimensions and characteristics of national culture, shared social norms of behavior, symbols and beliefs of different generations; the quality of life in a particular region or nationally, etc. According to (Hofstede & Hofstede 2005) “culture is the collective programming of the mind that distinguishes members of one category of people from another. Culture is defined as shared patterns of behavior and interactions, cognitive constructs and effective understanding that are learned in the process of socialization in society. Common models identify the members of one cultural group while distinguishing them from those of another group”. Culture is an important distinguishing feature of the social aspect of the environment, because the way the world is perceived by a separate cultural group determines its behavior, degree of easy persuasion and influence, and its tendency to change (its “openness”). The entrepreneur should understand the behavior and psychological specifics of his potential customers, contractors, competitors and employees in order to ensure the proper development of its communication,

management and competition policy. The Organization for Economic Co-operation and Development (OECD) principles and standards of ethical conduct contain international best practices and rules for corporate governance. That is why today a corporation is considered to have good corporate governance if it fully applies these principles and standards, ie. if its governance is based on good international corporate governance practices and standards of ethical conduct. The potential benefits of good corporate governance of the corporation can be grouped into four main areas: increasing the efficiency of the corporation; facilitating access to capital; reducing the cost of borrowed capital and increasing the value of assets; strengthening the reputation of the corporation and managers (Naydenov 2012: 356). Quality of life, in turn, as a socio-cultural factor, determines the extent to which an individual would compromise with consumer dependence “price-quality” of a product or service and defines his desire to buy. Symbols and beliefs of different generations, on the other hand, are key to the company's advertising policy.

Undoubtedly, an important element of the exogenous environment is the economic conditions in which the business should develop. Apart from macroeconomic indicators, interest rates, tax policy and other national specifics of the economic situation in a broad sense, in a narrow sense - the regional characteristics of the environment, especially in the field of SMEs, are key to business development. Such aspects at the micro level are - the structure of the market in the region; main market niches; competition; infrastructure; distribution channels; unemployment and others.

The stakeholder group is directly related to both socio-cultural specifics and economic conditions, but in a passive way. Given that one of the main activities for entrepreneurship is the planning of relationships and communication with each defined group of contractors, their identification and analysis is a key point in the planning of business initiatives.

The endogenous factors of the environment for the development of entrepreneurial activity are: the chosen type of corporate strategy, or the legal-organizational form of the business and the strategic plan for its management; domestic policy, mainly with regard to human resources, corporate culture; the characteristics of the management team and its experience in management. Among the important elements of endogenous factors are: the motivation of workers; the working environment; creating an “infectious” corporate culture; ensuring low power distance between management and employees; as well as effective synergies between internal and external communication policy and "synergy is one of the main elements for building corporate competitiveness" (Stefanov 2018: 20).

2. Entrepreneurial process

Starting a new business is a long-term act, consisting of successive steps and activities. In this context, the theoretical literature and manuals for managing business initiatives and projects contain many classifications for the main types of activities needed by entrepreneurship. This study will create a simplified version of the entrepreneurial process, which is a synthesis of research and publications of authors such as (Timmons 2008), (Klapper, Amit, Guillen, & Quesada 2010), (Lambing & Kuehl 2003), (Todorov, Kolarov, & Ruychev 2002) and (Todorov 2011). Schematically, the model of the entrepreneurial process can be presented as follows: / see Graphic 1 /



Graphic 1. Entrepreneurial process

Identifying and recognizing opportunities means the existence of favorable circumstances that give rise to a need for a product or service. According to (Timmons 2008: 238) “an opportunity has four essential qualities: attractiveness, durability, timeliness and embodiment in a product or service of significant value to buyers and consumers”. The time when an entrepreneur could take advantage of an opportunity he (called) named a “window of opportunity”. According to a study by (Klapper, Amit, Guillen, & Quesada 2010: 16) “entrepreneurs in developing countries are looking for business opportunities mainly in retail due to lower requirements for investment, human qualities, knowledge and capital, while in industrialized countries the attention of entrepreneurs is focused on high-tech services and industry”.

Pursuant to (Lambing & Kuehl 2003: 111) “the first major approach in the search for business opportunities is to monitor trends in economic, social, technological and political factors”. The development of (Lambing & Kuehl 2003) is directly related to exogenous factors of the business environment. According to the authors:

- ❖ In the context of economic forces, entrepreneurs must monitor changes in statistics on the structure of consumption, as well as the distribution of income in different market segments;
- ❖ In the context of social forces, business people should monitor the dynamic changes in the structure of society and the corresponding lifestyles;
- ❖ In the context of technical progress, the emphasis is on the technological requirements for entering a sector of the economy;
- ❖ In the context of political factors, frequent changes in regulations, uncertainty of the political situation and possible negative effects on future business should be monitored.

According to (Todorov, Kolarov, & Ruychev 2002) there are many different methods for finding, formulating and evaluating ideas for business initiatives. The most important of these are: the use of people and their knowledge (human know-how); review and study of publications, statistics and trends in various economic fields; different types of market research; statistical analyzes and surveys, through national and regional national internet portals; as well as acquaintance with international and national data and analyzes, regulations and normative acts regarding the different sectors of the economy (Todorov, Kolarov, & Ruychev 2002: 45-48).

The authors argue that various methods can be used to generate ideas, the most popular of which are: human know-how; flow of everything written (publications, statistics, public information); solving a problem and meeting the needs (finding new methods to meet unsatisfied demand); and brainstorming (creativity and innovation).

The stage of analysis of the feasibility of the ideas is the stage of resource, time, financial and organizational dimension of the initiative until its transformation into a business. At this stage, among the key activities for each entrepreneur is the implementation of the following types of analysis (Todorov 2011: 273):

- ❖ Feasibility analysis of the product / service - research of consumer needs; defining and refining the product / service; product / service improvement through feedback; identifying the potential size of the market; applicability of the product / service in real conditions.
- ❖ Analysis of the industry / market - size, growth perspective; satisfaction needs; profitability; barriers to entry; degree of diversification; structure and intensity of competition.
- ❖ Analysis of organizational compatibility - the willingness of the entrepreneur to solve a number of management tasks - capacity, knowledge,

and other personal characteristics that mediate the intention to initiate entrepreneurial activity.

- ❖ Analysis of financial feasibility - opportunity to provide financial resources for business initiation and projected rate of return on investment.

The last phase of the entrepreneurial process is the actual marketing planning of the new business. This is the most important and time consuming part of the process and it requires extreme attention to detail. The end product and integrating tool of the whole marketing planning process is the business plan.

The business plan combines all the accumulated knowledge and discoveries of the entrepreneur during the previous stages, connects them in a logical sequence and gives them value. In its simplest form, the business plan of a future company contains the following basic details:

- Summary of the business organization - Vision, mission and main goals.
- Detailed description of the company / products, brands, potential, uniqueness.
- Marketing analysis.
- Marketing plan / Marketing strategy.
- Operational plan / production plan.
- Organization and management.
- Risk Assessment.
- Finance plan.
- Time schedule for the company's events and activities.

Each business plan, based on the recommendations of experts, begins with a business card of the company, its mission, vision and strategic goals. The business of start-ups is often determined by the vision of the individual entrepreneur as a person, but as the company grows, the organization may change its target

orientation. The mission indicates the direction in which each entrepreneur wants to develop their business, which is the formulated expression that gives the target orientation.

The mission is a formulation aimed at focusing on the essentials of the business plan, to summarize the specific advantages and capabilities of the entrepreneur in relation to the markets or customers he would serve, ie. the mission determines the position of the business in society (or where it needs to go).

An important point in the process of marketing planning is the definition of the main goals or results, the achievement of which will ensure the success of the entrepreneur. The company's goals are based on its mission and can be presented as detailed and specific intentions. Objectives can be classified mainly into two categories - by time principle: short-term, medium-term and strategic; or by thematic focus: economic, innovation, marketing, staff, etc.

The description of the offered products and services should express the specifics of the activity. Their description should include the application and their benefits in order to make it clear to the reader what their nature and useful characteristics are. Of particular importance at this stage is the assessment of the readiness of the product or service for the market. It is necessary to determine whether the product or service is no longer present on the market, and if not - what needs to be done to develop it. When offering a service, it is important to assess the skills available to the contractor and staff, as well as the technical capacity to maintain it.

What follows is the presence or absence of specific competitive advantages of the product / service. If they exist - they should be deduced and the possible term for retaining this position should be indicated, as well as the possibilities for their development. The personal knowledge and skills of the team that will manage the business are also considered as competitive advantages. The formation of the

mechanisms of corporate governance to some extent follows the socio-political and administrative practice and in particular the building of the levers for influence and coordination in the conditions of separation of powers in the socio-economic system in the modern democratic state (Naydenov 2007: 234).

One of the biggest challenges facing start-ups is the need to create, in the minds of consumers, a positive image or reputation for offering a quality service or production of a product. Modern companies face various challenges coming from their environment. In order to maintain their competitive advantages, they need to actively support the achievement of a stable organizational identity. Organizational identity sets the perspective for the organization for internal stakeholders by understanding their most important characteristics that give meaning to the work of its members over a long period of time. The role of the organization's communications in this process is significant because they help create and legitimize its specific profile (Naydenov 2015: 165). In micro and small businesses, the emphasis is not so much on quality as technical characteristics of products and services, but on a special approach to the consumer, joining the “small” community of the entrepreneur. Although the theory is that the most important aspect of consumer behavior is the evaluation of the price-quality ratio, modern research finds a more serious weight of the factor “personal attitude to the customer”.

One of the most important parts of a business plan is marketing analysis and marketing strategy / plan. After their development, there is a description of the way in which all activities will be carried out and the way to achieve the results. This refers to the description of the relationship with distributors, subcontractors, customers, contractors, competitors and so on. This section also specifies topics such as: business localization; storage and production base; basic equipment; main operations / activities and interactions between the individual business structures.

The next stage is the development of the management and organizational plan. This section includes important details such as: legal and organizational form of the company; choice of organizational structure; the company staff is defined and the basic requirements for their education, qualification and side skills are defined; the activities for selection, training and motivation of human resources are defined. All these topics should be described in detail, because they define the corporate internal policy towards the company and form the basis for development, both career and business itself.

Once all management and organizational issues have been defined, a so-called risk register is developed. It brings together all the topics already covered - market opportunities, management, organization, exogenous and endogenous factors affecting the company and more. The risk register is an important step in creating the Business Plan, because it allows the creation of an anti-crisis action plan in various potentially negative scenarios for the business - such as a decline in sales due to the emergence of a competitor; changes in legislation regarding the development sector; loss of supplier, and others. In some cases it is reasonable to quantify the risk, flexible and highly applicable methodology is VaR, more information about the application can be found in the works of . The risks in the risk register are grouped according to the degree of significance and the possibility of occurrence (Nikolaev 2017). As a result, adequate estimates are given (often on a scale of 1 to 5). An important point in the signing of the risk register is the creation of an adequate anti-crisis plan to counteract possible accidental events. This is done by listing the main activities to be carried out in the event of a “crisis” and specifying whose responsibilities these activities are - manager, owner, PR specialist, advertising and marketing department or sales consultant, for example.

Last but not least is the financial plan. It includes the draft budget of all assets, operating and ancillary activities, supplies of goods and services, and others

that directly or indirectly reduce the company's available capital, turnover or profit. This includes all contributions to the state budget, payments to banking institutions, patent companies, shareholders and creditors. The financial plan provides a clear picture of whether the entrepreneur is willing to meet the operating costs of maintaining the business, as well as whether the same business will be able to reinvest for innovation, improvement or expansion, and in what timeframe this is achievable.

The time schedule for the implementation of the activities requires drawing up a schedule for the implementation of: promotions, events, repairs, delivery planning and all activities provided in the business plan, placed in a visually simplified framework.

3. Marketing analysis and marketing plan

This part of the business plan is one of the main starting points for constructing the other elements, given that the results of the analyzed elements of the environment provide the basis for shaping the organizational structure, management activities, financial planning, identifying business risks, and last but not least - the formulation of the mission and product policy.

3.1. Marketing analysis

Marketing analysis can be formed thematically with several subsections, namely: macroeconomic analysis; industry analysis; competitor analysis and market analysis.

Macroeconomic analysis focuses on economic processes and trends that affect the overall development of the country, not just individual sectors or organizations. The economic conditions in a country are strongly linked to public policy, as regulations on entrepreneurship, namely tax policy, incentives for

innovation, incentives for the development of priority sectors, etc., lead to the achievement and maintenance of a certain level of development , measured by indicators such as - gross domestic product (GDP), inflation, purchasing power, profitability of economic activities, interest rates and others.

In the study (Bosma, Jones, Autio, & Levie 2007), the authors argue that “in recent years, analyzes of the links between economic development and entrepreneurial activity have shown certain dependencies. In general, these dependencies show that in low- to middle-income countries, entrepreneurial activity is high, but decreases with income growth”. Conversely, in higher-income countries, activity is generally low, but increases with decline in average per capital income. This phenomenon can be explained by the following facts: higher consumption taxation reduces the possibility of savings; on the other hand, high labor taxation creates a precondition for seeking higher incomes by launching business initiatives. Therefore, in lower to middle income regions, market competition would be higher.

Other factors that need to be examined in the general economic analysis are: trends in increasing the purchasing power of consumers; exchange rate trends when businesses should use imported goods or resources; the level of unemployment, employment and the state of the labor market.

Macroeconomic indicators, in general, do not have a strong impact on the development of start-ups or “young” businesses, especially in the micro and small enterprises sector. In most cases, this type of business has little elasticity to general economic indicators, especially those that deal with meeting basic human needs - such as health care, nutrition, and others.

Industry analysis. The characteristics of the industry in which the company will operate have an impact on its activities at all stages of its development. This requires them to be identified and forecast even before initiating business activities.

“The industry, by its very nature, is the totality of all existing business organizations that serve the same needs of a group of consumers, using similar approaches” (Porter 1998). The main idea of the analysis is to derive the main characteristics of the industry, the driving forces in it, the key success factors, as well as competitors. Among the main characteristics of the industry we can include, for example, the number of competing companies, their size and market share; the technological development of the sector, as well as the speed with which the normative and economic data for this branch change historically. The driving factors of the industry are the main characteristics of the environment that stimulate its development: changes in demography; technological changes; the emergence of new consumer needs; various socio-cultural changes.

The analysis of the key success factors is carried out after the main characteristics of the sector and its driving forces have been identified. Among them, the entrepreneur “discovers” those few factors over which he would have control, expertise and the opportunity to build, based on strategic goals and available know-how, material and human resources.

Last but not least is the analysis of competitive forces. The theoretical model for the analysis of the five competing forces was created by Michael E. Porter. The main idea of the model of the five competitive forces is that the attractiveness of a sector and its viability are determined by the combination of competitive forces of: companies entering the market; direct competitors; suppliers; customers and substitute products or services (see Figure 1).

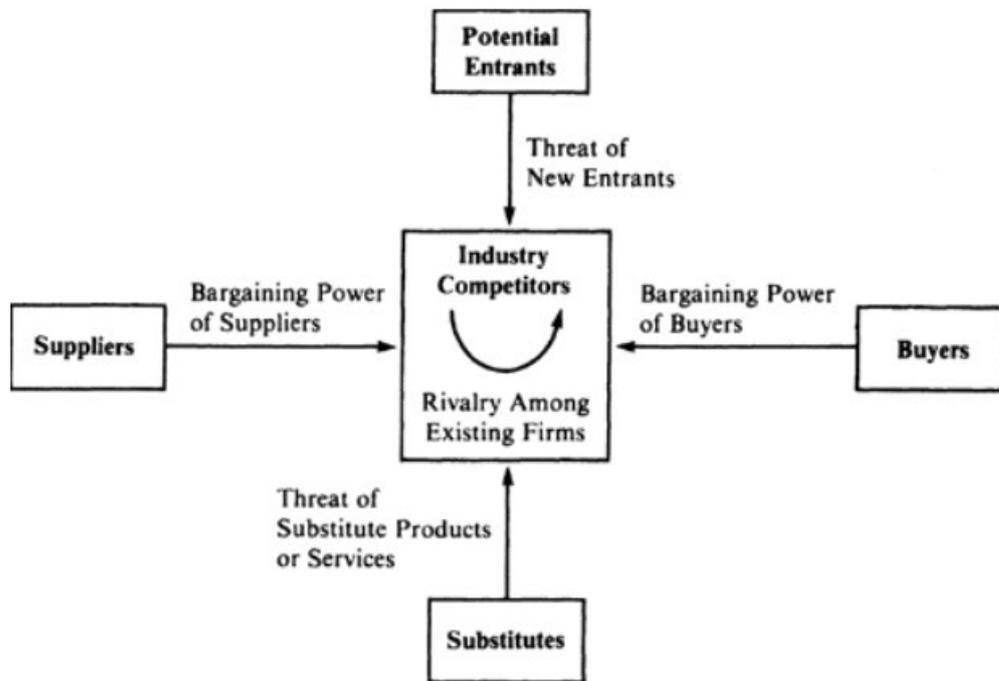


Fig. 1. The Five Competitive Forces that Determine Industry Profitability

Source: (Porter 1998: 176)

With regard to new entrants, practice shows that the more successful a sector of the economy, the greater the entrepreneurial interest in it. Central considerations of this competitive force are the eligibility levels of new “players” in the market. It is assumed that there would be a potential threat from new competitors, given that the barriers to entry are low. Among these are the legal and technological requirements that each new candidate must enter to enter the sector. For example, in recent years the requirements to the organizational and legal form, the methods of work organization, the number of additional documents, as well as the technological and financial requirements for establishing a pharmacy or chain of pharmacies in Bulgaria have changed many times. Currently, a number of companies already operating in the market have to invest in their own sites, and the

entry of new companies in the market already requires significant financial investment in order to compete with current ones imposed in the pharmaceutical sector at the level of TD - leading pharmacies.

Suppliers are companies that provide raw materials, services and products to companies in the industry. They can affect the economic performance of organizations through the prices of the goods they supply. According to (Porter 1998), the extent to which suppliers are in a competitive position to raise the prices of their products depends on two arguments - how replaceable their products are with those of other suppliers, and how important the product they offer is to the industry. This is one way of applying pressure from suppliers on companies in the sector.

Also, the number of possible suppliers and the cost of switching from one supplier to another is also an important factor in the context of the competitive strength of suppliers. If this number is large, then the cost of replacing it is low and the pressure on suppliers is also low. Conversely, if the number is small, then companies in the industry will be in a more uncompetitive position.

The third factor in the exercise of power by suppliers over the industry is the percentage of supplier turnover that companies generate. The bigger it is, the more unfavorable the competitive position of the suppliers.

The competitive strength of customers / buyers has the same characteristics as those of suppliers, but with the opposite sign. According to (Porter 1998: 114), “the main influencing factors are: the importance of the goods sold / services offered to customers; the number of buyers and their costs for switching suppliers; and the percentage of turnover of companies in the industry that a group of customers forms”.

Substitutes are those products / services that meet the same needs of consumers as the standard ones offered by companies in the industry. However,

they are often technologically different and the organizations that offer them do not belong to the same industry. Another important feature of the substitutes is that they are inversely proportional to the sales of goods and services offered in the analyzed industry. Therefore, the increase in sales of standard products in the sector leads to a decrease in sales of substitutes. It is clear that the sales of companies in the industry and profits will depend solely on the competitive strength of the substitutes.

In **summary**, the analysis of the industry in terms of the structure of the five competitive forces determines the attractiveness of the industry in the medium and long term. The entrepreneur should analyze his position as a start-up company and evaluate his position from this point of view, and subsequently analyze his position as an operating company in the sector, and assess the competitive strength of all other factors.

Competitor analysis is the next important step in marketing analysis. At this stage, all direct and indirect competitors should be analyzed, segmented by some main criteria: price of products / services; quality; geographical location. In his book (Todorov 1997) he proposes for the purposes of assessing the competitive advantages of the organization in relation to other participants in the sector, to apply the method of SWOT analysis - both for their own company and for direct competitors. Identifying the strengths and weaknesses of competitors can indicate a strategic path to gain an advantage or open up an opportunity for a “breakthrough” in the sector. According to (Todorov 1997) an important moment in the preparation of the analysis of competitors is the calculation of market shares of major competitors before the company enters the market and after its implementation.

Market analysis allows to identify potential customers and their inherent consumer characteristics. The dynamics of consumer tastes and their constant evolution, due to modern methods of PR influence by the media, large corporations

and the international consumer community, put entrepreneurs in front of the complex forecast task of identifying changes and opportunities to create such changes in consumer characteristics and tastes. First of all, an important task of the entrepreneur is to define the main demographic characteristics of his potential customers. Indicators such as gender, age, gender, social status - determine the behavior of buyers, motives for purchases and their frequency.

The business plan of the organization should contain a detailed description of the expected number of potential customers, their demographic characteristics, the reasons for choosing this particular company and the frequency of purchases. It is also important to forecast the approximate volume of demand for the company's products in order to be able to adequately plan the elements of deliveries, stocks, and costs associated with them. For this purpose, for example, a survey can be conducted on the consumer habits of the already defined sample of potential customers of the company. A suitable method of collecting such information is face-to-face surveys or the use of modern forms of research in recent years - through social networks. The use of the latter is facilitated by the established analytical systems for identifying a potential sample and the possibility of their direct contact through social platforms. The method is fast, allows significant interactivity and is innovative, which would motivate and interest the users themselves.

As a result of the conducted marketing analysis, a forecast for the market opportunities of the business is made, as a summary. According to (Todorov, Damyanov, Kolarov, & Kerezhev 2004: 72), "the forecast is an estimate and forecast for the total amount of solvent demand that the company and its competitors can rely on within the planning period in the business plan - the most -often expressed as financial value per year".

3.2. Marketing plan and marketing strategy

Marketers divide the marketing plan into four separate parts or strategies, which in the specialized literature are known as the “four P's” - price, promotion, place and product, or the so-called “marketing mix”. According to (Kotler & Armstrong 2013), the marketing mix is a set of controllable tools that the organization follows in order to produce the response that the target market wants. It consists of everything that a company can do to influence the demand for its product. The marketing mix is a set of controllable marketing variables that the company combines in order to achieve the desired response in its chosen target market. Most often, the desired response is a strategic goal of the company, namely to increase sales and meet customer needs.

The traditional marketing mix contains *the four main P's* to achieve the desired results, which are the basis of the traditional marketing plan. The four elements are strategic for business development, for which purpose we will designate each of them as strategies.

Product Strategy (PRODUCT)

Product strategy is the basis of any marketing plan, as it highlights the reasons why customers make their consumer choices to buy from this company. Among the main characteristics of the products and services with which start-ups “enter” the market is the price of the product. Most entrepreneurs do not take into account the fact that their competitors in the market can offer similar price offers, but in combination with a built reputation, social status and established networks of suppliers, which puts them in a more competitive position. According to (Todorov, Damyanov, Kolarov, & Kerezhev 2004) this competitive behavior is known as a “price war” and does not lead to positive results for the companies involved. It is therefore necessary to identify all the characteristics of the product elements that

can help build a competitive product strategy. The elements of the product strategy are presented through Figure 2.

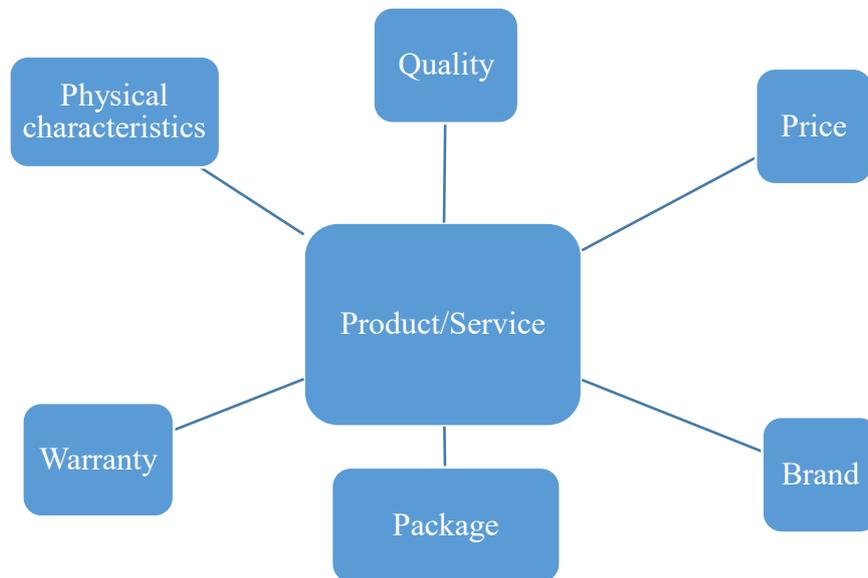


Figure 2. Elements of the product strategy

Source: (Todorov, Damyanov, Kolarov, & Kereziev 2004: 72)

Entrepreneurs should create such a set of sustainable distinctive features of the offered product / service in order to create a competitive advantage over other companies in the industry. When a company enters an industry with long-standing competitors with a well-established product range and engaging product policy, loyal competitors and conquered market niche, the owners of a new entrant should show a dose of creativity and create an innovative combination of existing product features to satisfy user needs not yet created. This refers in particular to the packaging, combining different products; promotional warranty and service packages; discounts on certain days or on the occasion of certain initiatives; highlighting the secondary characteristics of the products, which are not emphasized, but in a new way, and other similar techniques.

With regard to innovation, (Schumpeter 1912) formulates five dimensions of innovation: “the use of new technology or new market provision in the field of realization of products / services; introduction of new product properties; use of new raw materials; changes in the organization and logistics; the emergence of new markets”. According to (Popov 2006), innovation in practice is often used as a synonym for the term renewal. Innovation in this context should also be understood as those forms of renewal that lead to qualitative changes in the technological, environmental and social parameters of products and services (Popov 2006: 112). In this sense, innovation is viewed from a marketing point of view as any significant new idea that is launched on the market brings such a benefit to the consumer that he is willing to pay for it. Separately, "the company's management should follow the trends in the development of modern technologies and take into account the extent to which it can step on them in subsequent innovations" (Stefanov 2020: 70)

There is a direct relationship between the level of technology used in production and entrepreneurship. From it derive the basic requirements for the knowledge, skills and qualities of entrepreneurs. The following main levels of influence between technology and labor in organizations can be described - advanced technological change, conventional technical change and organizational change (Naydenov 2018: 229). Therefore, with regard to product policy, the entrepreneur should configure such product / service characteristics as representing a certain level of innovation or renewal, creating new needs to satisfy consumers. This is especially true for the services and trade sectors.

Pricing policy (PRICE)

In pricing practice, companies have established several basic approaches. Demand, competition and costs are the three pillars of the market model of corporate pricing. From the organization's point of view, these three determinants mean that market conditions and company interests are realities that must be

coordinated and balanced with the pricing process. Company prices, regardless of how they are determined, are indicative monetary estimates of the supplier until their introduction to the market in the form of a price list. The realities of the market always make their adjustments. When the company's discrepancy with the market price level is particularly large, this can lead to serious imbalances. For this reason, the company's pricing policy is oriented towards minimizing the risks of crises.

The pricing approaches and methods practiced by the companies allow, through combinations of different variations, to achieve the optimal balance of compromise for both parties - seller and buyer. The following pages will analyze some of the main groups of pricing approaches for small and medium-sized enterprises, which are the focus of our study, and whose main marketing policy, in general, is based mainly on prices.

(Todorov 2011), whose research is based mainly on the experience and research of SMEs and their marketing behavior, identifies several main approaches and pricing models: a method based on company criteria; calculation method; market-oriented method; full cost method; variable cost method; profit-making pricing; competitive pricing; demand-side pricing; and pricing based on psychological factors.

Approaches and methods for pricing based on company criteria. This group of approaches and methods is based on internal factors of the company and focuses on the quantitative relationships between costs, prices and sales. According to the author, the dependencies “price-sales” (or demand response), “price-costs” (or company conditions of production and sales) and “price-profit” (company goal) have real significance for the activities of SMEs. A disadvantage of the pricing methods based only on the exogenous view of the company is that they are not adequate for creating a permanent pricing policy due to failure to take into account the factors of the company's environment - competitors' prices; purchasing power, etc. On the other hand, these methods are often used by SMEs due to their ease of application.

Calculative pricing method. In this method of calculating the price, the entrepreneur starts from a certain company criteria - cost of production / provision of services; desired sales or profit. According to (Todorov 2011) the cost approach is not very reliable in a highly competitive market, the calculation of costs is crucial and widespread in the practice of corporate pricing. Calculation methods are based on the three main types of costs that a company makes, namely variable costs, fixed costs and total costs. Variable costs are those whose level varies according to sales. They are usually costs that are part of the physical composition of the goods or are ancillary material costs to the service provided. Therefore, with each number sold, the volume of costs increases.

Fixed costs are of such a type that the elasticity to the number of sales is very low or non-existent. Such costs, for example, are depreciation deductions, rents of used premises, salaries of employees, and others.

Total costs are formed by the sum of variable and fixed costs.

The movement of the main types of costs related to sales is presented in Figure 3.

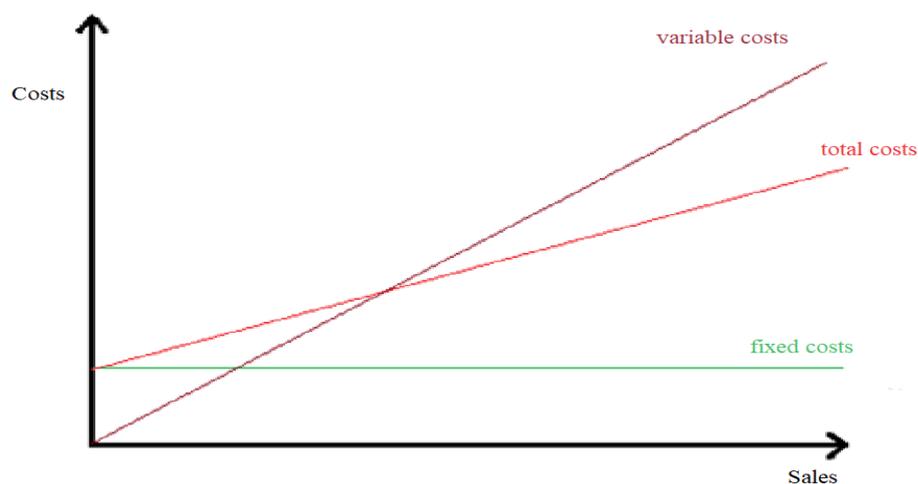


Figure 3. Main types of costs in the business organization

Full cost pricing consists of charging a mark-up on the unit cost of production, which includes full costs and the desired amount of profit, and a sales price with a certain increase is obtained.

Variable cost pricing takes into account the conditions of sale of the product / service, based on probable selling prices and distinguishes between variable and fixed costs.

Profit-based pricing emphasizes profit as a structural element of price. The entrepreneur determines some target amount of profit, determining such a level of price that this profit will be achieved, taking into account the sensitivity of sales from the price.

The group of market-oriented methods and approaches of pricing uses price benchmarks formed under competitive pressure or in accordance with the characteristics and requirements of consumer demand. Competitive pricing is based on the prices of competing companies and products, with the impact of market demand and own company costs having an indirect effect. An important point in competitive pricing is the collection of adequate and detailed technical, pricing and marketing information for competitors.

Pricing based on market demand is based on the consumer's perception and understanding of what the fair market price of the offered product/service should be. Consumer opinion, not cost, is a guide to price levels here. Given that the consumer always wants the price of the product or service to be unreasonably low, from the standpoint of benefit, companies use non-price factors to influence and form a notion of "justice" by suggesting real or imaginary additional characteristics of goods to justify higher prices.

Pricing based on psychological factors is a marketing approach that influences the presentation of the prices of final goods and services. Price psychology involves the use of so-called "soft numbers", namely 0, 9, 6 and 8; as

in sharp numbers - 1, 7, 4. The price must be consistent with the subjective nature of man and his perceptions, understandings, evaluative ability, reactions, etc., which often depend on the socio-cultural characteristics of consumer groups. This type of pricing, in principle, is not leading, but is applied alone or as a complementary element in the process of developing basic prices.

According to (Todorov 2011), cost pricing methods are most often preferred because firms feel more secure in estimating their own costs than relying on demand analysis. On the other hand, market-oriented pricing focuses on competition and demand as influencing factors. In the market orientation of price formation, costs are not the basis for company prices, and the emphasis is on the profitability of activities and products.

Distribution Strategy (PLACE)

The distribution or physical delivery of products and services aims to provide the company's customers with the convenience of location, time and method of receipt / consumption. For small organizations, physical distribution is among the critical factors for price formation and, respectively, for its competitiveness.

For companies in the service sector, we can rarely talk about a conventional distribution strategy due to the coincidence of the place of production and consumption. There are also sectors of the economy in which the main product offered is a service and the distribution strategy is of particular importance. Examples are sectors with high barriers to entry, such as banking, insurance and advisory services.

Promotion and Advertising Strategy (PROMOTION)

In general, "the modern development of social processes requires the conduct of an effective communication policy by all individuals and organizations" (Stefanov 2017: 360).

The promotion, or promotion of the products / services to the end customer offered by the company, means choosing the way in which the information about the company reaches the end user. There are many ways to inform customers about the emergence of new products, services, innovations that are used to encourage consumers to buy: personal sales, promotion by organizing games and raffles, advertising and more. The main methods defined in the theoretical literature are the direct and indirect methods of promotion.

Among the most popular indirect promotion techniques is advertising. Advertising is a type of promotional text or message about the company's products and / or services, which is distributed through traditional media (radio, television, print media) or through interactive online media. In recent years, advertising has shifted especially to Internet platforms, including those for video sharing and social networks (Facebook, Twitter, etc.). The digital age has allowed us to reach a larger number of users in relatively less time and money, as well as allowed the personal segmentation of marketing activities by promotions, given the characteristics of new media. In the new digital reality, the user determines the content he wants to see, in the form of ads, through the personal profile that each platform creates on the occasion of his most common interests. Thus, based on the creation of a brief survey of potential customers of the company, the entrepreneur can achieve a greater impact on potential new customers through a selected advertising campaign.

In conventional media, the impact is indirect and related to the consumer characteristics of the audience that consumes the products of traditional media, their

distribution in air time, the structure of competing messages in the media, their place, structure and others.

In the market entry phase, the advertising campaign should be more intensive in order to achieve a convincing effect. At a later level, advertising has a basic reminder function.

The costs of promotion and advertising are one of the most important for the business, as consumer awareness of the distinctive features and the existence and interest of the company to its customers are a driving factor in increasing demand.

The theoretical discourse on the marketing strategy and marketing mix of companies is not static. Since the development of the Four P's model in the 1960s, a number of marketers, researchers and scientists have refined the model, adding several more determinants, such as People, Processes, Physical Evidence, Positioning, Packaging and Partnership.

Regarding the newly added P-dimensions of the marketing strategy, it is important to note that each of them needs to be included in the development of the marketing plan insofar as they are actually relevant to the type of business. Thus, for example, in the packaging services sector, the strategy cannot be studied in its purest form, but must be seen as a package of services that are offered together in order to promote the company's activities.

Conclusion

In summary, we can say that entrepreneurship is a complex process of combining knowledge, management skills, motivational factors for starting a business initiative, analytical skills, research and innovation, which support the realization of a business idea from its identification to opening doors of the new company.

Among the most important activities in the process of planning the entrepreneurial process are marketing analysis and marketing strategy, which identify the main path of development, methods for achieving goals and means to protect the company's market position.

Based on the analysis of theoretical statements about the nature of entrepreneurship, the development of marketing discourse for planning business management decisions, as a result of analytical activities for the development environment, proved the importance of the process of creating marketing strategies for sustainable development.

Entrepreneurial activity is filled with controllable and uncontrollable factors of the organizational environment, whose preliminary identification and analysis provide the available empirical basis for building a competitive position for business.

The specifics of operating small and medium-sized businesses requires combining the professionalism of entrepreneurs with the theory of business planning, in order to obtain valuable management knowledge and skills to survive in a dynamic global market.

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