

## Peculiarity of Market Positioning of the Food Industry in Russia

*Catherine Shchetinina, Maria Starikova,  
Tatyana Ponomareva and Sergei Tumanov*

Belgorod State Technological University named after V.G. Shukhov,  
The Russian Federation, 308012, Belgorod, St. Kostyukova, 46

---

**Abstract:** The article provides a comparative analysis of approaches to determine the market position of the company and briefly discusses trends in the food industry in Russia and associated features of market positioning. Substantiates the evolution of paradigms positioning companies in the food industry. The article is dominated three levels of the market position of the company in accordance with an integrated paradigm. Authors provide a methodology to assess the market position of the index, including the selection of the market position of the company gauges the food industry, the definition of the benchmark index on Economic Indicators and estimating the average index of the market position of the manufacturer. It is suggested to analyze the optimality of market behavior on a scheme based on the choice the key factors of positioning of production, which is based on the hierarchy of additional motives characteristic of the food market consumers. The provisions of this study were tested at meat industry, which has allowed to develop recommendations for strategic changes of companies positions.

**Key words:** Market position • Competitiveness • Positioning • Food industry • Enterprise • Strategy  
• Business

---

### INTRODUCTION

Currently, an increasing interest on the analysis and evaluation of the market position of the enterprise is connected with the intensification of integration processes, the globalization of business, with the growing instability of the environment, the emergence of new segments of consumers, changing the strength of the competitive advantages of firms. Current trends are not yet fully reflected in the scientific and methodological level, resulting in the need for new tools for assessing and shaping the food industry products on the market. It should be noted that the problems of formation are not well developed market positions in terms of current trends towards integration. In addition, the existing design often do not account for industry-specific.

The concept of "positioning" appeared in 1972, thanks to the work of American researchers E. Rice and J. Trout, who defined the second half of the XX century as the "era of positioning." From their point of view, positioning reflects several key words that express the difference between one object from any other. Positioning

with their point of view comes to managing the consciousness of consumers. Although the work of these authors [1] are related mainly to the positioning of products, we believe that the findings made by them can be transferred to larger objects, for example, on the enterprise. According Kotler, positioning - this is the way in which users are identified according to its most important characteristics [2]. Competitive positioning can be considered one position in the market, based on an assessment of the competitive environment, their own and others' strengths and weaknesses and its correction, depending on the influence of environmental factors. Analysis of a variety of approaches gives reason to join those who believe the positioning tool of artificial transfer of entrepreneurial ideas, the competitive advantages of the company in clear manner to the buyer. Today, there are as many definitions associated with the position of the enterprise market. Our analysis shows that between "competitive position", "market position" and "position of the enterprise market", there is no significant difference. It can be explained that, firstly, a modern market is a set of relations that arise not only for the sale and purchase of

products, but also for competition. Secondly, the company's market position is relative, since its assessment is associated with comparing the performance of some integral number of competing firms. Competitive position is determined by the G.L. Azoev and A.P. Cheklenkov as the degree of market dominance of the enterprise [3, p. 177]. In the writings of Michael Porter the enterprise position is defined as a set of distinctive characteristics of its competitors. [4] I. Ansoff believes that the market position is the position of the firm in various markets due to price and non-price competition [5]. On the other hand market position reflects the level of competitiveness of the company. The market position of the subject of business is a place that the immediate rivals occupy among its process of evaluation of environment. In our opinion, the market position has comparative *position* that the company has in the industry as a result of their activities, taking into account the existing strengths and weaknesses.

It should be noted that a combination of all the above definitions, a *market position* is a relative value, determined on the background of the achievements of the competitors. Summarizing our findings, we can give the following definition: the market position of the company (MPC) - is its position relative to its competitors in the market, which is estimated by market participants for their significant characteristics. Thus, one of the problems of positioning is the definition of the global characteristics which allow to compare companies and their products. Another problem is to identify those market participants who evaluate the entity's position and make adjustments in their activities on the basis of this assessment.

## MATERIALS AND METHODS

Before describing the methodical aspects of the assessment and the formation of the market position of the food industry, we consider it necessary to identify the major trends of the branch. Leaders in the total turnover of the manufacturing industry in Russia are the metallurgy and production of finished metal products (21%), food industry (15%), coke and petroleum products (15%), manufacture of transport equipment (11%). The highest growth rates are observed in the sectors of the Russian economy that are focused on the end-consumer demand. [6] The number of enterprises engaged in food production, reduced, despite the fact that the manufacturing industry in general had an increase in this indicator. This is evidenced by the enlargement of business, which is the merger of food production, when

loss-making enterprises are redeemed by better competitors. Consequently, the competitive advantages of the company, the remaining operating in a market becoming more serious fight, so work on the formation of MPC requires new approaches, taking into account the main factors of positioning. Specificity of the food industry development is relatively greater inclusion of small businesses in this area. The composition of the food industry includes about 15% of small manufacturing businesses that generate about 20% of its turnover, from which it can be concluded that small food business is most profitable from an economic point of view.

Particular assessment of the market position of the food industry derives from the characteristics of the operation of enterprises, their competitive environment, as well as the specific needs and the development of the retail food market. Major trends most clearly manifested in the markets of food, can be combined into several groups:

- Trends in the development of retail chains, which are a powerful force in the market of fast moving consumer goods (FDMG). One of the most important trends in the food market is changing retail formats, such as: increasing the share of retail chains. At the same time, a sharp decrease in the number of retail markets. There is a trend towards consolidation of markets [7]. Despite the development of retail chains, the organizations that do not relate to the supply chain are dominated. The largest network of sales in Russia are: X5 Retail Group, which includes three networks "Perecrestok", "Carousel", METRO Cash AND Carry, "Magnet", "Auchan". By the number of stores in the network and retail space "Magnet", which includes 1,893 stores is the leader. The fastest growing companies in the Russian market are "MosMart", "Kopeechka", "Magnet". At the same time, the number of outlets per million inhabitants in Russia is much lower than in other parts of the world: the number of hypermarkets is 4.5 units per million people and the number of supermarket is 41 units per million people. Whereas, for example, in the Czech Republic there are 19 hypermarkets and 110 supermarkets per 1 million residents. At present, the companies are transformed from local retailers into federal, national brands and in many ways defining the development of the food industry.

It follows that the success of positioning food producers determined by a broad representation of the product on the supermarket shelves (in the final B2C

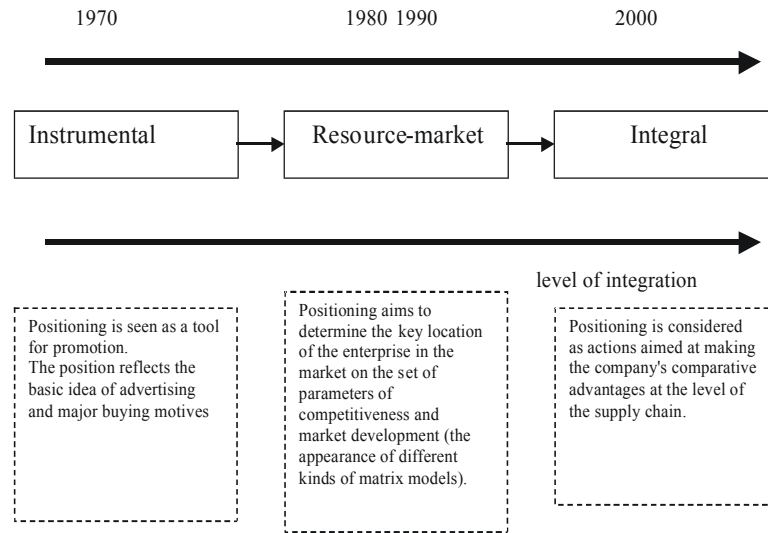
market), reasonable prices (which also depends on the policy of the retail chain), standards of accommodation and display of goods in retail outlets. These factors become important in view of the fact that the consumer choice is done, as a rule, "at the last minute." In addition, the development of private brands (private label) of trade chains lead to a limitation in the ability of producers to develop the idea of positioning among consumers. Many businesses that are distributing their products through the ZAO "Tander" (a chain-store "Magnet") are faced with a dilemma: to produce large volumes of products under private label, uploading, its capacity, or accept less favorable terms of cooperation, promoting their own brand names and, receiving one more lever of positioning in the consumer environment. The effect of this trend leads, ultimately, to the rise in the cost of the formation process of the MPC.

- Trends related to the specific conditions of competition. We are talking about the high level of competition among producers (including the right to "enter" into the retail chain) and FMCG brands. Intense competition is observed in almost all markets of the industry, due to the slowdown in demand (even if the drop factor of the deterioration of the economic situation). Due to a number of factors competition from foreign manufacturers, many of which are multinational corporations must be taken into account. The behavior of the foreign producers often determines the pricing of domestic enterprises. On the other hand it is known that the deterioration of the economic situation leads to import prices increasing (due to the devaluation of the ruble), which rises the possibility of domestic producers, including in terms of positioning. A feature of this industry is the large number of substitutes as on a microscope and on a functional level. Each sub-sector of food industry at the same time makes the overall competition with each other. This fact puts the process of formation of the MPC area of real quality and economic origin in the sphere of emotional and linguistic variables. The end-user perceives the products of different manufacturers not due to the classical "price- quality" principle, but based on the correlation of the benefits and image characteristics that belong to each product and brand. In other words, the industrial enterprises of the food industry must think not only about positioning in the market resellers, where rational and

pragmatic incentives are more important, but about positioning in the market of end-users, where irrational motives are more significant.

- Trends associated with the growth of competition in the advertising space. Competition mainly comes from indirect competition. Food products occupy a leading position in terms of television advertising, while in the rest of the media they are promoted less frequently. This implies that the growth of advertising of foodstuffs behind the growth of the advertising market as a whole. The amount of advertising of non-food products and products for industrial purposes is growing at a rapid pace. In general, it should be noted that the structure contracts advertising agencies commodities and services food stuffs occupy 4-3 % of the total [8]. Use of the leaders of the food industry of television advertising as the main method of positioning creates additional barriers to entry into national markets, as it requires a significant investment in advertising.
- Trends associated with changes in the demand for food. The formulation and evaluation of the market position of the food industry should consider the specific nature of the demand, which is manifested in the seasonality and relatively greater flexibility than for capital goods. At the same time, the demand for food depends on the level of income, the population density in a particular region, you need to consider when determining the capacity of the regional markets (based on the capacity of the national markets).
- Trends related to the specific innovation. In the food industry, which mainly refers to the medium technology industry (basic technology has not changed, but the range and volume of production increases) the proportion of organizations implementing technological, organizational and marketing innovation is average or above average level. However, the level of foreign investment in innovation is the highest (76% of total investments). In addition, the sub-sectors with a high level of competition in the marketing component of innovation is increasing. For example, 8.3% of tobacco companies use marketing innovation, which is four times higher than the average level [9]. Thus, accelerating the time required for the creation and promotion of new products and the life cycle of products is reduced.

- Trends relating to the importance of branding. In the food industry constantly appears a large number of new brands of products that aspire to become brands. On the world market the brand of food products are among the most expensive and well-known. Manufacturers of products at the regional level are faced with the need to formulate a policy of branding to face increasing competition from national manufacturers and global brands. Positioning companies aimed at end-users, which is closely related to branding. One of the problems about branding food industry is to develop brand name, which can be further registered into trademarks. The registration procedure involves checking the names of the similarity of the goods in class. In the International Classification of Goods and Services in some classes of goods included relatively more kinds of different foods than the other, which creates additional difficulties for manufacturers. In particular, if alcoholic beverages, tobacco, agricultural products into separate three classes (31, 33, 34), the coffee, tea, sugar, flour, bread and bakery products, confectionery, ice cream, spices combined into a single class (30). Consequently, during the preliminary search of identical and similar signs revealed the names of many similar ones. It turns out that from a market point of view, these matches may not lead to a conflict between competitors (for example, the names for tea and ice cream), but from a legal - registration of a trademark shall not be carried out. An important in this respect is that the time required to complete all procedures for formal registration trademark is from 1 to 1.5 years, i.e. for the food industry with short product life cycle process of trademark registration must precede the development of formulations, raw material procurement, production test batch and testing manufactured products. It should also be noted the relatively high importance of the psychological components of the perception of the brand to consumers, Russians, namely nostalgia, the connection with the historical traditions of Soviet factories, such as the " Red October ", "Babaevskaya, " that is, the mentality has to be taken into account when positioning strategy of joint companies, which today dominate this market. This is an essential element of brand equity in the Russian market, reflecting its national identity. As for the wave of admiration for western products and related trademarks, which took place in the 80-90s, it is currently in decline.
- Trends related to the specific production. Companies in the food industry are characterized by relatively large turnover, as well as a wide range, compared with other industries. The advantages are given to those producers who have a more flexible production, allowing to provide less costly changeovers to ensure the production of a wide range of items. The problem of formation of MPC is to achieve an acceptable level of profitability for the business. The existence of a range of a large number of new products that are developing products, as a rule, not making a profit, set the task of creating such a portfolio of proposals for the buyer (broker), which will be included as a low-margin new products, as well as highly profitable product options. In other words, management should be focused on creating cost-effective procurement of the party. Therefore, the positioning of the enterprise is based on the comparison of qualitative and quantitative characteristics of each customer purchased batches. Another problem of food production associated with the formation of loyalty and cost management is the high consumption of materials and dependence on commodity prices, as already mentioned above.
- Trends associated with integration of the business and with a focus on supply chain management. At the turn of the 20<sup>th</sup> 21<sup>st</sup> vv. businesses have begun to invest significant resources in supply chain management (Supply Chain Management), as markets have become more dynamic and changed the fundamental principles of competition for them. The era of competition gave way to an era of individual firms, the level of competition in the supply chains. A new form of competition is based on the strategic interaction between counterparties in the supply chain: starting from the first suppliers and ending with representatives of business in the market of final consumption [10]. In our view, the significance of the latest trends for the positioning process is so high that one can speak of the emergence of a new paradigm of positioning (Fig. 1). Analysis of the development of ideas positioning allowed us to formulate the following paradigm of positioning:
  - Instrumental. Positioning is seen as a tool for promotion. MPC expresses the main idea of the basic advertising and buying motives.



Pic. 1: The evolution of paradigms positioning in the food industry (based on the author's generalization)

- Resource-market. Positioning aims to determine the competitive position of the enterprise in the market on the set of parameters of competitiveness and market development (the appearance of different kinds of matrix models).
- Integral. Positioning is considered as actions aimed at making the company's comparative advantages at the level of the supply chain. It compares the competitiveness is not an individual enterprise and throughout the supply chain. This paradigm provides the highest level of integration of the components in terms of the positioning of all the audiences of the supply chain (not only direct customers).

Russian food industry, as well as other industries is characterized by the integration processes that lead to the creation of holding companies. From the point of view of the formation of MPC, this leads to the need for more careful coordination of interests of the various structures that make up the supply chain. Reducing the life cycle of products, increased competition, increased requirements for the quality of products due to the active development of trade networks are forcing the food industry to focus on the integrated positioning, which we mean as the process of developing and maintaining the market position of the company in a supply chain. Actuality of a new approach of positioning is explained for by arising coordination and integration of business processes in a supply chain which lead to increased levels of the realization of all participants chain. Under

such conditions the supply chain adapts to changes in end-user demand quickly, what coupled with the general cost reduction circuit provides a focal company (the parent company in a supply chain that acts as a focal point) competitive advantages which difficult to copy. Based on the paradigm, which we proposed, positioning can be visualized by MPC food industry (Pic. 1), being composed of three levels.

This idea of the MPC in the food industry allows us to develop a methodology for assessing market position of the company, consisting of the following steps:

- Allocation of indexes of market position in the food industry (Table 1). In the table "plus" denotes those indexes that are significant for the various subjects of the supply chain. The same economic indexes have equal importance for suppliers and intermediaries in the sale.
- Definition of a benchmark index for economic activities

$$I_{A_i} = \frac{A_{ij} - \min(A_i)}{\max(A_i) - \min(A_i)}$$

- $A_{ij}$  - Value of the 'i' economic market index of 'j' position of the producer;
- $\min(A^i)$  - Minimum value of 'i' economic index
- $\max(A^i)$  - Maximum value of 'i' economic index

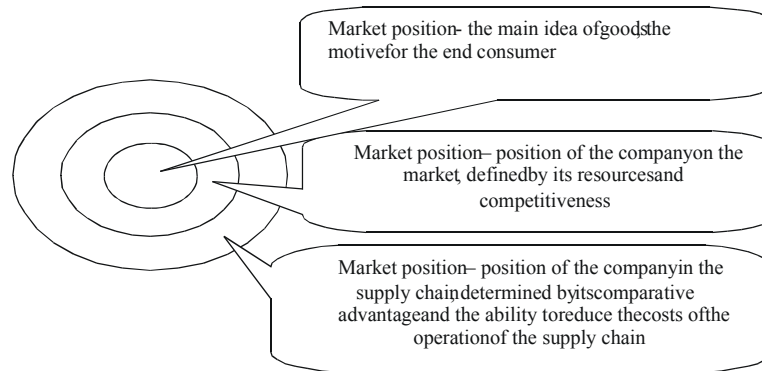
- Estimation of the average index of the market position (IMP) of the "j" manufacturer:

Table 1: Indexes of market positions of enterprises (author)

Subject interested in modification of market position				
Partners in the supply chain				
Index of market position	Supplier	Intermediary in sale	Competitor	end Consumer
Production volume	+	+	+	
Production capacity	+	+	+	
Volume of profit	+	+		
Market share		+	+	
Level of profitability of production	+	+		
Planned production capacity	+	+	+	
Total amount of planned investments	+	+	+	
Average salary of employees			+	
Number of new goods in assortment			+	+
Price		+	+	+
Time of existence in the market	+	+	+	+
Liquidity ratio	+	+		

Table 2: Calculation of the average rating of MPC food industry for economic measures

Market position indexes	OOO "BEZIRK-Belgrankorm"		ZAO "Belajaptiza"		ZAO "Priorskolye"	
	Value	$I_{Ai}$	Value	$I_{Ai}$	Value	$I_{Ai}$
The index definition of the market position of the company in terms of the partners in the supply chain (IMPsc)						
Production volume, thousand tons	98	0,37	66	0	152	1
Production capacity, thousand tons	116,5	0,24	77	0	240	1
Volume of profit, million rub.	1000	0,86	384,5	0	1100	1
Market share of the Belgorod region (primary market), %	25	0,21	17	0	56	1
Level of profitability of production, %	16,2	0	17,1	0,41	18,4	1
Planned production capacity, thousand tons	125	0,10	100	0	340	1
Total amount of planned investments	5,8	0,03	5,2	0	23,4	1
Average price per kg. products, rub.	94	0,4	92	1	97	0
Time of existence in the market, years	12	1	7	0,17	6	0
Liquidity ratio	1,8	0,17	1,7	0	2,3	1
average IMP ( $opt \rightarrow 1$ )		0,34		0,16		0,8
The index definition of the market position of the company in terms of the competitors (IMPc)						
Production volume, thousand tons	98	0,37	66	0	152	1
Production capacity, thousand tons	116,5	0,24	77	0	240	1
Market share of the Belgorod region (primary market), %	25	0,21	17	0	56	1
Planned production capacity, thousand tons	125	0,10	100	0	340	1
Total amount of planned investments	5,8	0,03	5,2	0	23,4	1
Average price per kg. products, rub.	94	0,4	92	1	97	0
Время присутствия на рынке, лет	12	1	7	0,17	6	0
Average IMPc ( $opt \rightarrow 1$ )		0,34		0,17		0,71
The index definition of the market position of the company in terms of the end consumer (IMPec)						
The number of new commodity items in assortment for the year, pcs	12	1	9	0	11	0,67
Average price per kg. products, rub.	109	0,73	101	1	112	0
Time of existence in the market, years	12	1	7	0,17	6	0
Range in retail of assortment positions	6	0,5	4	0	8	1
Average IMPec ( $opt \rightarrow 1$ )		0,81		0,29		0,42
Total IMP		0,51		0,21		0,64



Pic. 2: Three levels of market position of the company according to the integral paradigm (author)

$$IMP = \frac{\sum I_{A_i}}{n} \quad (2)$$

The main part. According to the analysis of the food industry development, the main sources of value added in gross regional product of the Belgorod region are meat products, animal and vegetable oils and sugar. So it is proposed to carry out testing of the developed method on the example of one of these sub-sectors: of the meat industry, engaged in the production of poultry meat. The main competitors in the production of poultry meat are: OOO "Agroholding" BEZIRK-Belgrankorm ("Jasni Zori"), ZAO "Belajaptiza", ZAO "Priorskolye". In fact, all these companies are vertically integrated structures that coordinate much part of the supply chain of products to end consumers. They occupy positions of focal companies in their supply chains and a total industry value chain. Calculation of the IMP for competing companies (Table 2) showed that in most economic indexes ZAO "Priorskolye" holds the leading position, while OOO "Jasni Zori" takes the challenger position and ZAO "Belajaptiza" is a follower.

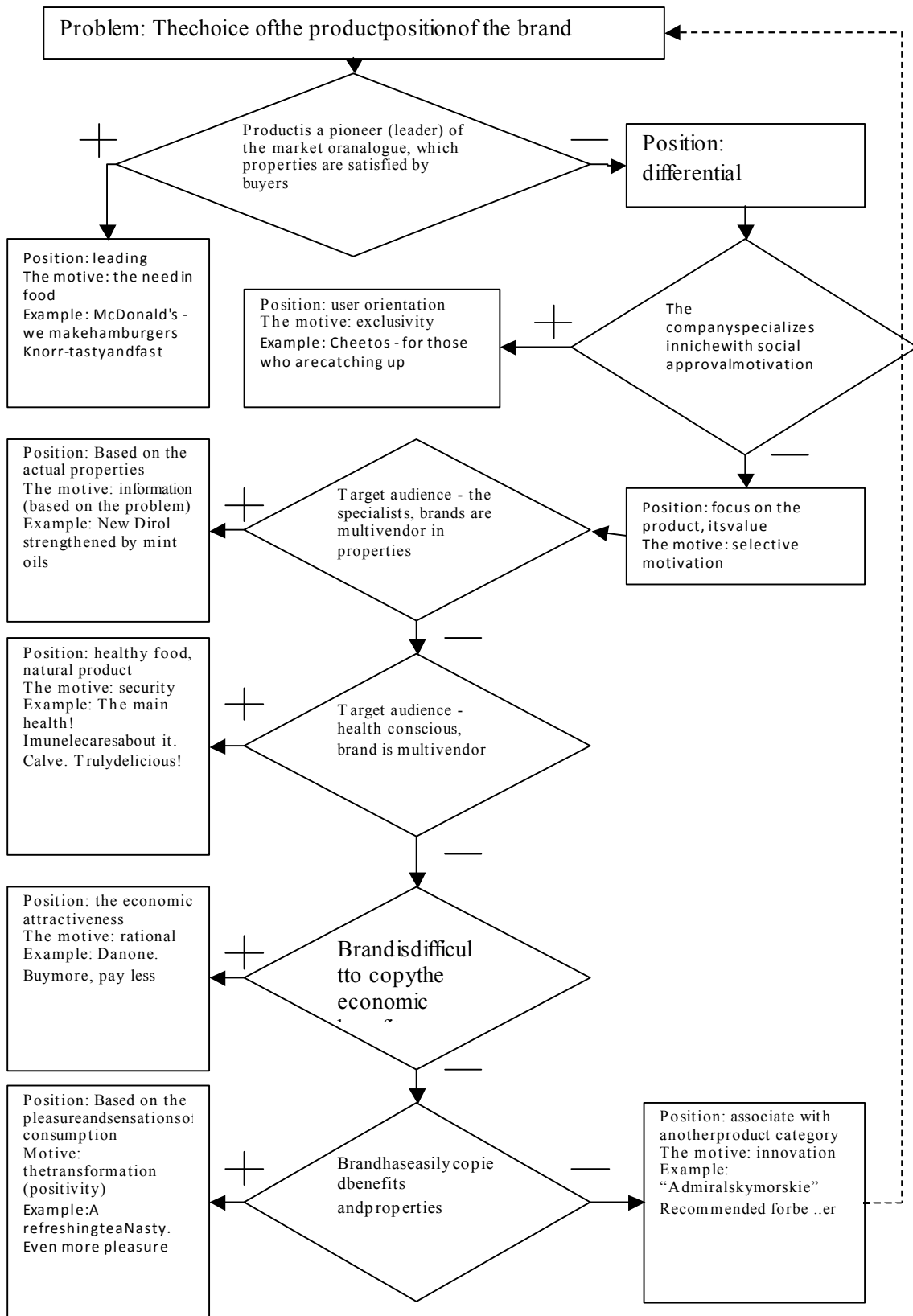
Position of enterprises which are in the local market can be considered sustainable. However, for the realization of the growth strategy and access to regional markets where the level of competition is higher than the local market, it is necessary to develop the key factors of positioning (KFP), which form the basis of market position. In an increasingly competitive environment it is not enough for food producers to carry out the positioning of the line "price-quality". It is necessary to set product line outside of these characteristics. Firstly because price and quality of the products of one category are aligned by applying standardized technologies for production and sales. Secondly because competitive factors of positioning production reflect the underlying reasons that govern customers in selecting the individual brands of goods. An analysis of the literature on product positioning

and a study of the Russian consumer market, allowed to develop a control algorithm of positioning of goods in the food industry (Pic. 2).

This algorithm is based on a kind of hierarchy of additional (non-major requirement in the product) motifs, which is peculiar to the market of food products: a) Information motive related to the fact that the product is solving a certain problem, b) the motive of safety for health, c) rationality, d) transformation motive associated with the improvement of living conditions, e) innovation. In general, this hierarchy reflects the level of needs that Maslow proposed in his "pyramid": from the physiological problems to self-realization.

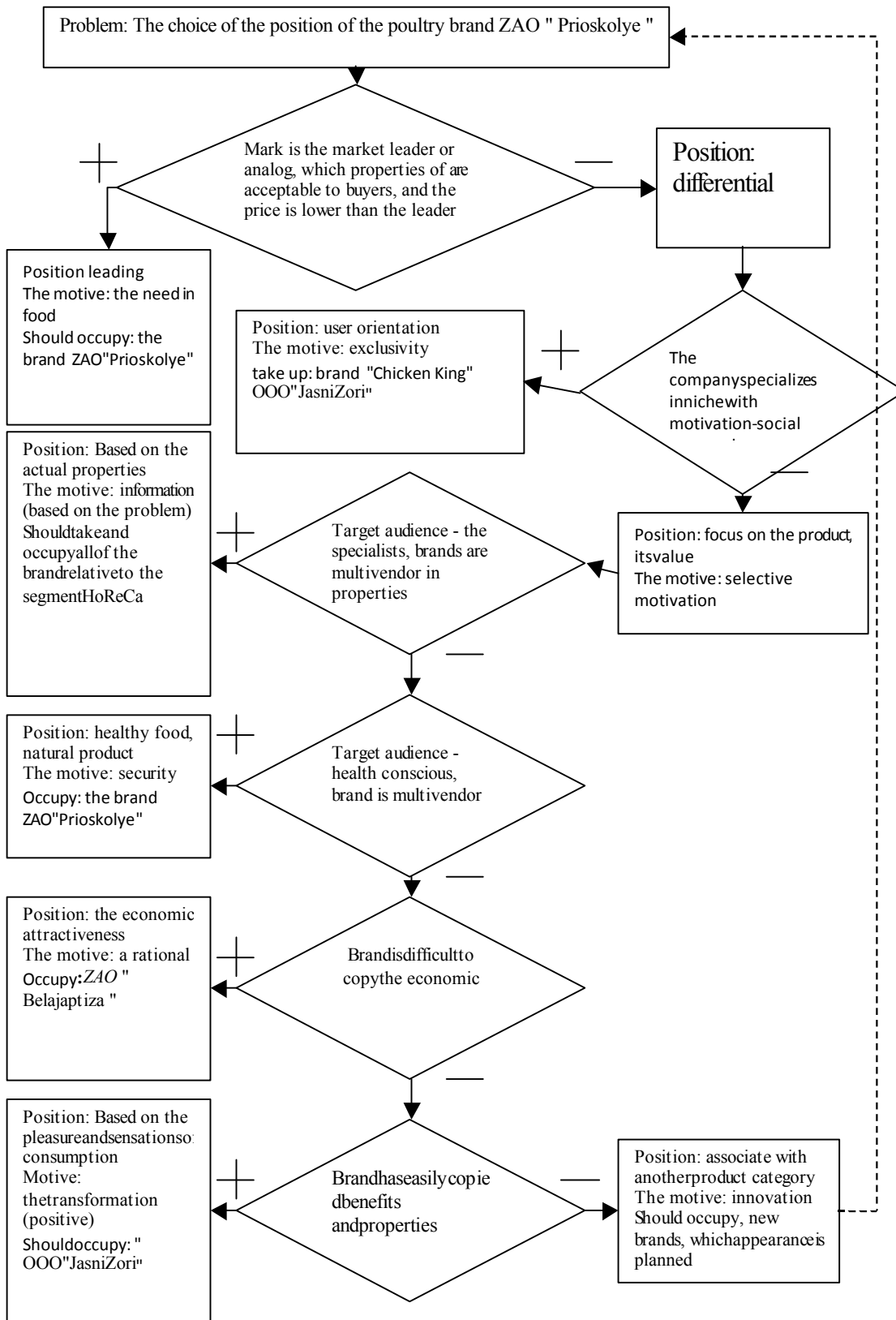
Business can use some motivation to reinforce the uniqueness of promoted properties. However, the key here is chosen according to the hierarchy. The sequence of decisions taken in accordance with the algorithm is based on the finding conditions that reflect the main characteristics of the product and the competitive situation and needs, built with the hierarchy:

- Decision of the leadership position of the brand characteristics of the goods. If the brand is the leader, a model for the category, its position should reflect the main theme, built on the basis requirements for this product. Trade mark is a leading, if it takes the largest share of the market, or if it is a market "pioneer" and creator of the product category. However, competing analog brand may be a leader, if the buyer evaluates its properties as acceptable and the price is lower than the brand leader. If the brand goods is not a leading position, its positioning is performed by a separate "unique", but secondary signs. In other words, it takes a differentiated position, which involves specialization in any one of the important characteristics of the consumers, with presence can justify higher prices.



Pic. 2: The selection algorithm of KFP product (brand) in enterprise





Pic. 3: Analysis of the KFP markspoultry market in the Belgorod region

- The decision on a differentiated position emphasizing product feature characteristics of the consumer segment. If the enterprise specializes in a particular group of consumers, for which the properties of the promoted product are exactly consistent with the needs, or if the product is characterized by conspicuous consumption and consumers are guided in choosing social approval, the position of product oriented to the user and it emphasizes the fact for whom the product is intended. If the company does not have its well-defined niches and if the product does not belong to the premium class, the position is oriented strictly of product properties. The particular properties of the product group is the following steps of the algorithm.
- The decision about product properties, accentuated in the position of the goods. This decision is multivariate and the choice of properties of the product are subject to a number of parameters:

If the target consumers are professionals and brands of competing products are multivendor in properties, the position is based on the actual product characteristics, and the primary motivation for the acquisition of information becomes the motif associated with the presence of the consumer problem, which solution is associated with the acquisition of goods. If the goods and the audience does not satisfy by these properties, it moves to another embodiment

- If the motivation of consumers associated with taking care of your health and the competing brands are not multivendor, the position of product focus on naturalness and healthy. Otherwise, a transition to the next selection;
- If the benefit of the brand is difficult to copy, the position is based on the economic attractiveness, taking into consideration the rational motivation of consumers. When there is no objective benefit, you select the latter option among the possible in this product category;
- If the brand has easily copied benefits and features, its position is based on the hedonic motivations, this assumes that its consumption is initially positive attitude transforms shopping into another positive form.
- The decision to move into another product category. This decision is made when variants of distinctive position are not found among the listed. The desire to acquire a clear (preferably leading) position in the food industry of ten leads to the

creation of new product categories (yogurt) and subcategories (frozen dessert). In fact, the latter position in the above algorithm is a logical transition to a new spiral of product positions, since it implies the creation of a "new" (in the sense of (not necessarily in content) of the goods.

At each stage of item selection it is considered the possibility of the enterprise for the production of its respective product that can compete with analogs. It's considered that all differentiated positions relatively closer to each other than leading. At the same time it is better to use unoccupied competitor position even if it is lower at the present hierarchy. So often the food industry placed individual brands of its products in other product categories. For example, beer touted as a drink, thirst-quenching, along with mineral water and tea. Such examples in the sector in question can be found often and that involves the use of key motivations of consumers in promoting the food industry. Therefore, in our opinion, the formation of the MPC must take into account the humanist values. In other words, for MPC estimation, in addition to the basic indexes, it is necessary to use a group of indexes of social evaluation.

## CONCLUSION

In practice presented methodological approaches allow to quantify not only the market position of the food industry, but also to determine the degree of optimality used for positioning of factors. So, as a result of testing the methodology is determined that the position of poultry brand on the market of the Belgorod region, blurred. The leader in market share ZAO "Priorskolye" should occupy center line position in the Belgorod region, which will be supported by even more if it will be possible to reduce the prices.

However, at present this brand has differentiated position which emphasizes the safety, naturalness of the product, highlighting by green color in its trademark (Pic. 3). This indicates the orientation of distribution policy, to a greater extent in regional markets rather than local sale. According to the analysis, the position of the brand "Jasni Zori" is also blurred, while its KFP index can be a transformational motive. According to the scheme, the basic KFP-oriented end-user to "Priorskolye" may become a basic motif that the company may choose, as a market leader. However, the motive of security as the foundation of enterprise position is also acceptable.

**Inferences:** The main conclusions of this study are:

- The positioning of the enterprise is a process of action planning to conquer the interesting and valuable market positions. Our analysis shows that between the definitions of "competitive position", "market position", "position of the enterprise market," there is no significant difference.
- Food industry is characterized by a high level of competition and variety of consumer preferences, which exacerbates the problem of improving the market position of producers.
- Analysis of the development ideas of positioning has allowed us to formulate three paradigms of positioning: instrumental, resource-market, integrated. Food industry in the Belgorod region, as well as for other industries, is characterized by the integration processes that lead to the creation of holding companies. From the point of view of the formation of MPC, this leads to the need for more careful coordination of interests of the various structures that make up the supply chain. Analysis showed that the tools and methods of market positions used haphazardly and fragmentary. It is therefore proposed to base the methodology on three components – the position in the supply chain in relation to sales intermediaries and suppliers, the position relative to its competitors, the company's position in terms of end-users.
- The research work describes the economic indexes of the market position in the food industry. In addition to economic indexes for management of enterprises it is important to consider other quantitative assessments that determine the choice of KFP and advantageous aspects of the offer of the enterprise from the point of view of suppliers, competitors by sales, consumers.
- Positioning the food industry on the market relative to the competitor with the emerging trend towards the integration of all processes for the purchase and sale led to the need to develop a matrix of "price-assortiment" to determine the position of the company relative to its competitors.

The main problem of the company positioning is reducing costs of production and delivery of products, which level of the food industry depends on the number of product characteristics, in particular, such as the density of products, the price per unit of weight of the

goods, food risks, the stage of product life cycle. In the research work we have established the theoretical dependence between costs and these variables.

Thanks. This article was prepared with the financial support of the Ministry of Education of Russia within the framework of the Federal Target Program "Research and scientific-pedagogical personnel of innovative Russia" for 2009 - 2013 years (the agreement No 14.B37.21.0700 on August 24, 2012).

## REFERENCES

1. Ries, A. and J. Trout, 2000. *Positioning: The Battle for Your Mind*. McGraw Hill, New York, pp: 213.
2. Kotler, P. and G. Armstrong, 2011. *Principles of Marketing*. Prentice Hall, pp: 744.
3. Azoev, G.L., 2000. The competitive advantages of the company / GL Azoev, AP Chelenkov. Moscow: Novosti, 255. ISBN 5-88149-045-2.
4. Porter, M., 1998 *Competitive Advantage*, The Free Press, pp: 580.
5. Ansoff, I., 1962. *Corporate Strategy*. McGraw Hill, New York, pp: 208.
6. Glagolev, S.N., 2012. Cognitization demand management as a reaction to the corporation to the new economic conditions / S. Glagolev, M.S. Starikova // *Bulletin of the Belgorod Shukhov State Technological University*, 3: S. 99-102.
7. About results of social-economic development of the Russian Federation in 2012 [text]. Moscow: Russian Ministry of Economic Development, 2013 -224s.
8. Logatchev, K.I., 2012. Optimization of the structure of expenses for promotion of industrial products corporation / K.I. Logatchev, M.S. Starikova // *Bulletin of the Belgorod Shukhov State Technological University*, 3: S.130-132.
9. Rudychev, A.A., 2012. Management of competitiveness of firms: a manual / A.A. Rudychev, E.D. Schetinina, V.V. Vybornova, E.A. Nikitina. –Belgorod: Belgorod State Shukhov Technological University.
10. Bennett, A.G., 2009. *The Big Book of Marketing: Lessons and Best Practices From the World's Greatest Companies*. The McGraw-Hill Companies, pp: 480.