Dynamics and structure of manufacturing bread and bakery products in the Krasnoyarsk region

O V Zinina, N A Dalisova and J A Olentsova
Krasnoyarsk State Agrarian University 660049, Russia, Krasnoyarsk, pr. Mira 90

E-mail: tutor.eng@yandex.ru

Abstract. Small-scale retail and food stores located within walking distance accounted for no more than 9-15% of total sales in 2018. By the end of January 2019, the price of bread increased in all stores by an average of 5-7%. And although the policy of major retailers in the regional market is declared as restraining the growth of prices, the real increase in the cost, including for essential products, has already hurt the family budget of Russians. This problem is particularly acute today. This determines the relevance of the research. In the structure of manufacturing bread and bakery products in the Krasnoyarsk region, the largest volume of bread production (about 60%) according to the data of the federal state statistics service for the Krasnoyarsk region, the Republic of Khakassia and the Republic of Tuva falls on the city of Krasnoyarsk. The Krasnoyarsk region is characterized by a wide range of bakery products. More specifically this analysis is presented in the proposed article.

1. Introduction
A characteristic feature of the Krasnoyarsk region in Russia is the presence of a large megapolis (Krasnoyarsk) and the relative backwardness of other cities and districts in the region [1].

The main industrial potential of the region's bakery industry is concentrated in Krasnoyarsk, so the dynamics of the development of bakery enterprises in the regional center largely forms the trends in the development of the region's industry. The most common organizational and legal form is a limited liability company [2].

The following large and medium-sized bakeries operate on the territory of Krasnoyarsk: PJSC "Krasnoyarsk bread", LLC “Di Bread”, LLC bakery "O'KEY”, LLC "Komandor", LLC "Krasny Yar", LLC "YarBread" (until 2015 "Laguna-M"), LLC "Bread factory", LLC " Niva-bread».

2. Questions and purpose of the research
PJSC "Krasnoyarsk bread" has the largest volume of returns in 2018 in comparison with other bakeries in the city that sell products through retail chains and stores, despite this, the company is one of the leading enterprises for the production of bakery and confectionery products on the territory of Krasnoyarsk.

Every year, more than 400 products are delivered to the markets of the Krasnoyarsk region and neighboring regions [3]. PJSC "Krasnoyarsk bread” meets the needs of the region's population by 30% in bakery products and 27% in confectionery products.

PJSC "Krasnoyarsk bread" is the only enterprise in the region that has its own central quality laboratory, where specialists carefully monitor compliance with technological processes, examine raw
materials and the quality of finished products [4,5]. Every day, the central laboratory receives information from the laboratories of all plants on the level compliance of acidity, humidity, baking mode, and organoleptic properties of products. PJSC "Krasnoyarsk bread" unites more than 50 branded stores and pavilions in Krasnoyarsk, Achinsk, Uyar, Borodino, Nazaro and Minusinsk. However, this does not save the company from such a problem as unrealized products. Let's look at the problem in more detail.

The development of mini-bakeries in chain retailers, whose products displace PJSC "Krasnoyarsk bread" from the total sales of large chain sellers, became a factor in the failure of unrealized products of the bakery giant. According to the company itself, in 2017, about 31% of total sales were accounted for by chain retailers (Krasny Yar, Komandor, O'KEY, ROSA). Moreover, retailers claim that PJSC "Krasnoyarsk bread" is now "definitely not the leader" in the bread segment of local large retail chains. For example, products of "Krasnoyarsk bread" in the store "Komandor" in the group "bread and bakery products" occupies 8.9%.

The company "YarBread" produces products several times less than "Krasnoyarsk bread". The amount of refund decreases every year. One of the reasons for the favorable outcome may be the rebranding carried out in 2015, until that moment the company was known to Krasnoyarsk residents as "Laguna-M". Products of "YarBread" is made exclusively from natural ingredients of the highest quality. The basis of the product is natural sourdough and rye sourdough. Compliance with and exposure to all stages of production gives the bread a bright aroma and rich taste. Own fleet of the company "YarBread" daily delivers of fresh produce. There are other companies that have achieved success in this market in a relatively short period of time. The purpose of the study is to analyze the most successful enterprise - LLC “Di Bread” and identify general patterns of development of the baking industry in this region.

3. Methods of research
The “Di Bread” brand has been in existence since 2005, when a new “Di Bread” company was established on the areas of a bankrupt municipal enterprise in Divnogorsk. In a relatively short time, this brand has become known and loved by many Krasnoyarsk residents and residents of other cities of the regional center. The main activity of the organization is the production of bread and flour products of short-term storage [6].

LLC “Di Bread” provides the needs of Divnogorsk and Krasnoyarsk, as well as nearby localities, with a variety of bakery and flour products. The product presented by this company can be classified as consumer, short-term use, everyday demand.

The popularity of the bakery's products is due to its high quality, aesthetic appearance and wide assortment, which includes more than 80 items. It is also worth noting that bread is a basic commodity, which in turn ensures that demand for it is maintained at a high level [7].

The highlight of the company's production is a harmonious combination of modern technologies with traditions. The main thing you should always remember: bread requires a spiritual approach. Only a person, not a machine, can determine how good the mix is.

The company relies on a discerning buyer who understands that the cheap cannot be of high quality. At the same time, the assortment is constantly updated, "healthy bread" is produced, enriched with iodine and other useful additives [8]. And for an adequate response to fluctuations in demand, each point of sale where the company's products are sold has a sales representative assigned to control and regulate deliveries.

Although the overall income level of the population is declining, people are unlikely to give up those types of bread that they like. Rather, in order to save money, many will choose a smaller format. Therefore, the company "Di Bread" offers its customers rolls weighing 500, 400 and even 300 grams.

Economic and financial confirms that, in general, the company Bread House "Di Bread" is stable [9]. In 2014, the volume of sales increased by 0.3 tons compared to the previous year, and the growth rate was 11%. This is due to equipment upgrades. Net profit and revenue also increased in 2014, which had a positive impact on the company's operations [10]. In 2014, 10 people were employed in the production
department at the following positions: a baker, a technologist, a process engineer. In 2015, the sales volume remained the same, the number of employees decreased, and net profit increased by 30%. In 2016, the volume of products sold decreased by 5% due to fierce competition in the market and the emergence of a new format of activity – bakery-cafe-confectionery economy segment, which received a significant boost in development [11]. The number of employees in 2017 remained the same, and in 2018, 5 people were hired. 2018 year had a positive impact on the company's operations, and products were sold better than last year by 18%, so by 0.5 tons in physical terms.

Table 1. Size of the bakery enterprise LLC “Di Bread”.

| Name of indicators           | Unit             | Years  |
|------------------------------|------------------|--------|
|                              | 2014  | 2015  | 2016  | 2017  | 2018  |
| Revenue                      | thousand rubles  | 49 280 | 52 512 | 52 712 | 53 843 | 54 130  |
| Profit                       | thousand rubles  | 1 510  | 2 392  | 3 112  | 3 449  | 3 890  |
| Cost of fixed assets         | thousand rubles  | 39 780 | 42 000 | 42 200 | 40 450 | 41 000 |
| Number of personnel          | people           | 120    | 130    | 126    | 126    | 131    |
| Area of the enterprise       | m²               | 3 500  | 3 500  | 3 500  | 3 500  | 3 500  |

The most interesting is the study of the marketing environment of the enterprise, since the formation of product policy and its competitiveness depends on the conditions of the external and internal environment [12].

An enterprise cannot exist without considering the threats and advantages of an extensive macro environment.

The macro environment of marketing is formed by the factors in which the company operates. Studying the macro environment allows you to take advantage of the advantages it offers in time and effectively make decisions about the most important issues of enterprise management [13].

4. Results
So, the SWOT analysis consists in identifying factors of the internal and external environment of the organization.

Table 2. SWOT analysis of LLC “Di Bread”.

| Strengths (S) | Weaknesses (W)        |
|---------------|-----------------------|
| 1             | 2                     |
| - wide range; | - relatively high prices; |
| - non-standard types of bread | - moral and physical wear of equipment; |
| - high quality; | - shortage of personnel; |
| - strong relationships with suppliers; | - undeveloped product policy. |
| - continuous improvement of production; | |
| - availability of the company's corporate website; | |
| - the company is a partner of STS-prima; | |
| - support for the administration of Divnogorsk | |
Opportunity (O) | Threats (T)
---|---
- expanding sales markets; | - increasing competition among bakeries;
- participation in prestigious baking competitions; | - organizational and economic risks;
- assortment expansion; | - macroeconomic conditions.
- the introduction of innovative production technologies; | - reduced purchasing power;
- significant growth in demand for products; | - the possibility of a demographic crisis;
- company expansion. | - aggressive tax policy.

SWOT analysis showed that the company has both strengths, the main of which are: high quality products and non-standard types of bread [14].

Based on the analysis of competitors, it should be concluded that the company's products differ from competitors in the widest range of dietary varieties of bakery products, original appearance, which is of interest to customers [15].

5. Conclusion
The emergence of strong competitors in the market can affect the company's activities, especially the demand for goods. LLC “Di Bread” can carry out and improve its activities based on the analysis data. Consumers know the products of LLC “Di Bread” quite well, they are in constant demand in Krasnoyarsk and nearby localities, so the company has a permanent list of companies to sell products. The main sales channels of the company are retail chains and stores in Krasnoyarsk and nearby cities of the Krasnoyarsk region.

As a result of the research, companies in the baking industry can be offered:

- Participation in state tenders for providing schools with bread and bakery products.
- Refusal to produce wheat bread of the 2nd grade.

The results of the economic efficiency assessment showed that the implementation of measures will be effective, and will help make the product policy more competitive.

References
[1] Rozhkova A V 2019 The implementation capabilities of the brand commercial network on the regional market of pasta IOP Conf. Ser.: Earth Environ. Sci. 315 022085
[2] Kucherova E N 2007 Modern approach to sustainable development of the enterprise OSU Bulletin 9(73) 76-81
[3] Stepanova E V 2019 Evaluation of innovation potential in Russian clusters IOP Conf. Ser.: Earth Environ. Sci. 315 022091
[4] Andreeva I G 2009 The stability of the functioning of small businesses Economics of industry 1(44)
[5] Rotar T S 2015 Sustainable development of the enterprise: essence and method of calculation of the integral index for enterprise sustainable development Economics, statistics and Informatics-Bulletin of UMO 4 149-53
[6] Moore S. and Manring S 2009 Strategy development in small and medium sized enterprises for sustainability and increased value creation Journal of Cleaner Production 17(2) 276-82
[7] Tynchenko V V, Pavlenko A A, Bukhtoyarov V V, Tikhonenko D V, Tynchenko S V and Tsvettsykh A V 2019 Formation of initial point of initialization methods for optimization algorithms J. Phys.: Conf. Ser. 1353 012115
[8] Polukhin I V, Leonidova A I and Tsvettsykh A V 2020 Economic security indicators of agricultural export IOP Conf. Ser.: Earth Environ. Sci. 421 022019
[9] Kukartsev V V, Khramkov V V, Fedorova N V, Rozhkova A V, Tynchenko V S and Bashmur, K A 2020 Features of evaluating the effectiveness of industrial enterprise marketing activities *IOP Conf. Ser.: Mater. Sci. Eng.* **734** 012081

[10] Shaporova Z E and Tsvettsykh A V 2020 The indicator system of sustainable development in rural territories as a tool of strategic region planning *IOP Conf. Ser.: Earth Environ. Sci.* **421** 022024

[11] Stepanova E V 2020 Export orientation of agribusiness enterprises in the region *IOP Conf. Ser.: Earth Environ. Sci.* **421** 032047

[12] Shaporova Z E and Tsvettsykh A V 2019 Methodological foundations of the reference normalized model of an agricultural holding financial stability *IOP Conf. Ser.: Earth Environ. Sci.* **315** 022069

[13] Rozhkova A V, Dalisova N A, Stepanova E V and Karaseva M V 2020 Export potential development of wild plants *IOP Conf. Ser.: Earth Environ. Sci.* **421** 082020

[14] Shaporova Z E and Tsvettsykh A V 2019 Model of the agricultural engineering enterprise innovation program development *IOP Conf. Ser.: Mater. Sci. Eng.* **537** 042063

[15] Rozhkova A V and Karaseva M V 2020 Regional structural export diversification *IOP Conf. Ser.: Earth Environ. Sci.* **421** 032015