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Strategies and Development Policies of Territories: International, Country, Region, City, Location Challenges

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Reflection of Business Activities by Mass Media

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Strategic Development Model in the Era of Globalization. Case Study: Purcari Wineries Public Company Limited

Mihaela BIRSAN^{1*}

Abstract

To succeed in this new era, companies must take a more nuanced approach to identifying and creating growth opportunities. Globalization involves economic and industry integration with the rest of the world, removing restrictions on imports and foreign investment. Many firms go global and orient themselves more and more internationally, making firms' search for foreign market opportunities necessary in order to survive in this era of globalization. And more important to these firms it has need to adopt strategic decisions to try to succeed in international markets.

For the company we are studying the questions are: What factors determine entrepreneurial decision-making in the process of internationalization? What kind of strategies the firms need to formulate while going international? Did the strategies implemented make the company more profitable one?

Keywords:

Globalization, growth opportunities, international strategies, business management, partnerships, performance, wine industry

1. Introduction

A number of effects of the globalization process are visible not only in macroeconomic plan but also at the microeconomic level, the current

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activity of economic agents. Globalization leads to a competitive environment in which survival involves for companies functioning in a climate that allows the addition of value to their businesses and, moreover, gives them the ability to develop.

There are some big advantages that businesses should capitalize on globalization: the opening of markets and cross-border opportunities (even for smaller enterprises), technological advancement, digital technology and electronic trade [1].

There are many critics of this process but many advantages have been confirmed in economic practice, and the business presented in this paper shows that a strategic vision outwards orientated, beyond the national borders, with a an innovative business model for this part of Europe, is unable to ensure rapid growth and improve performance.

One of the effects of globalization is the increasing internationalization of firms. Under the terms of international competition keeping competitive advantage has prompted companies to forge new strategic partnerships and to penetrate new markets of acquisitions and sales [2]. The process of internationalization of economic life has established itself as a medium of existence and operation of firm on the global market (global economic area) which means economic integration, increasing international trade and foreign investment, widening economic relations and increasing interdependencies between trade flows, financial exchange and investment on a global scale. In fact, the current global economic environment has imposed the internationalization as a key strategy for most companies [3], so in order to strengthen the competitive positions firms have integrated the international dimension in their structure and strategy by outsourcing certain organizational activities, by means of their production and promotion of their products through distribution on a multitude of markets.

We are witnessing, in the age of globalization, the birth of new types of relationships between the enterprise and its environment. New forms of collaboration between companies arise, especially in trade and industries that incorporate intensive technologies, creating, for example, licensed businesses, research agreements or services which enhance the transfer of technology. Digital technologies and electronic commerce will increase even further the cross-border opportunities even for the smallest businesses, while they manage to carry on activities on a worldwide scale, reaching buyers all over the world through the Internet [4].

Through internationalization a company does not change its nature but becomes more complex and generates greater diversity so that they need to transform their businesses and have a long-term strategic perspective to adapt adequately to the realities of a global business environment,

increasingly more interconnected, which invariably brings high levels of competition. Firms that operate on international markets remain competitive due to the fact that they learn and adapt more rapidly to changes [1].

No matter the size of the entities or the scope in which they operate, the development of businesses on an international scale tends to become a condition of existence for companies, and business strategy must respond to the demands of globalization. [5]

This involves the development of the international dimension of management, and to approach the activity and strategy of the firm through an international and global optics to ensure the management of new structures in order to utilize the diversity and also ensure the integrity of the firm. [6]

Wine is and will remain a core element in European culture and society and the emergence of vineyards in the areas around the world where the concept was virtually unknown will lead to the improvement and diversification of available varieties and will inevitably cause increasing competition.

For the wine market at the level of the European Union (EU) some data are relevant [7]:

- Europe is the largest producer of wine in the world
- most of this production is concentrated in the south (Spain, Italy, France), 80% of total European production in 2015, but in the Eastern European wine markets are growing and provide opportunities.
- between 2011 and 2015 several Eastern European markets recorded market growth, such as Romania (0.6% annually), Slovakia (4.9% annually) and Poland (0.3% annually).
- standards of living are increasing in Eastern Europe, so wine becomes more widely affordable and wine consumption increases
- and last but not least, the aging European population is presenting opportunities for new packaging solutions whereas the younger generation (millennials) presents opportunities for wines from new regions which are thoughtfully produced.

Since January 2016, the new European Union wine planting scheme allows the European wine planting area to increase by 1% annually to meet the growing global demand for wine. As a result, it is likely that European wine production will increase in the (near) future.

In this context, with an adequate strategic management, Eastern European producers have the chance to develop their businesses in a sustainable effort to increase competitiveness and performance.

2. International management context. Literature Review

Managers who act in a market economy are confronted not only with the challenges of the internal market, but also with regional and global competitive environment in which their companies must work. In a global economy, this means that managers must know how to compete within the great majority of the industries which have become increasingly global and how to develop a global vision and an organization to function effectively.

The premise of such an approach are provided by strategic thinking that are in capable of, as it suggests F Graetz [8], to seek innovation and to envision new and very different perspectives, which may lead the company to redefine its core strategies and even the industry.

Strategic thinking generates strategies and builds appropriate mechanisms for their implementation, evaluating competitive advantages, associated risks and obstacles that already exist or which may arise in the implementation process. Through these strategies, the Organization proposes a coherent and stable development, by transforming the elements of weakness and ineffectual in strengths and by transforming the threats coming from the outside environment into opportunities.

About strategic thinking and strategic management national and international literature abounds in definitions and conceptualizations.

The authors of the most-quoted treaty on strategic management in Europe, Johnson, Wittington and Scholes [9] provides an inclusive definition of the strategy considering "the direction and long-term goal of the an organization, which, operating in a changing environment, obtains an advantage by the resource and competence configuration method in order to meet the expectations of interested parties(stakeholders).

Luis Ángel Guerras-Martín et. al, [10] it's quoting Rumelt et al. [11] states that strategic management is regarded as a fundamental problem which explains the success or failure of companies, highlighting success factors.

Jeff [12] considers strategic management as the process of identifying, evaluating, and implementing strategies to achieve organizational goals. This complex process involves an analysis of the needs, problems and solutions assessment being identified as three phases [13]:

- setting goals-identifying what should be,
- performance measurement-determination of what is
- identifying discrepancies-determining differences between what is and what should be

Lynch R. [14] shows in his work that the international expansion of businesses brings in light three types of strategies:

International strategy: the vast majority of the companies objectives relate primarily to the domestic market, however, there are some targets on the work abroad and therefore there is a need for an international strategy. Competitive advantage – important in the implementation of the strategy - is developed mainly for the domestic market.

Multinational Strategy: the company is present in a number of markets beyond its country of origin, since the demand from customers and, perhaps, competition, are different in each country, it is in need of distinguishing each of the strategies for each of these markets. The competitive advantage is determined separately for each country.

Global strategy : the company treats the world as largely a market and a source of supply with some local variation. The competitive advantage is largely developed on a worldwide scale.

Generally, the wine market is made up of several, sometimes very niche, segments that are influenced by demographics, psychographics and the surroundings in which it is being consumed [15].

The complex nature of the product and of the market for wine, plus the fact that research has only relatively recently begun to understand the wine consumer behavior, has made wine one of the most difficult consumer products to market.

To think that a great wine will sell itself is one of the biggest mistakes people tend to make because you can have the best winemaker, producing the best wines at the greatest location in the world, but at the end of the day, you still have to sell the product.

The majority of research in this field highlight the close attention of research towards certain particular topics that winemakers identify as crucial for the future success of their business, in the light of the threats and opportunities that characterize the global, international or regional wine market [16].

Success is increasingly tied to the ability of the wineries to play in growing, complex and volatile markets, in which everything is constantly going faster, where the demand is extremely variable. Thus, wine companies that have the financial resources required, the process of globalization and delocalization is not a threat but an opportunity to internationalize activities, expanding into new markets, looking for "new destinations "for the wines produced, opening the company to new productive activities that can be achieved with the same structural endowment (such as wine tourism) and the establishment of the new production areas.

Different investments in company resources and different strategic choices regarding markets in which to compete can contribute to above-average company performance [17].

In Eastern Europe the wine sector is an industry in transformation, in which the great local producers rethink their market strategies and repositions portfolios. It's their answer to the many local players assault that, in recent years, have launched new ranges of wine, raising the bar of quality wines on the market and, with it, the consumers' demands.

Wine producers are faced with a complex choice therefore tied to how they can produce and sell their wine and must take into account the issues of sales volume, price sensitivity and perception of brand (all of which are elements of the marketing mix) [18].

The research conducted so far [19] suggests that in order to achieve higher than average performance, companies in mature industries seek driving costs through consolidation and development of scale economies [20], [21] or differentiation through quality and innovation [22].

Quoting Dess [23], Newton draws attention that innovative differentiation was a positive predictor of the performance of the company and Hsueh and Tu [24] have found that the innovation has had a positive influence on both profits and sales growth.

Newton, in the mentioned work demonstrates positive connection between differentiation strategies in mature, traditional wine industry financial and long-term performance in terms of profitability and growth, applying statistics.

The questions that we ask and answer by the analyses that follows are:

How can firms use international strategy to build and sustain ancompetitive advantage in an international context?

What strategies have been applied to ensure a level of performance that ensures a sustainable development of the business? What, if any, does the impacts of various strategies on financial performance?

2. Illustrative Example

An efficient business model is a combination of strategies in resource and capability use to get a competitive advantage.

This paper studies the business model of the enterprise **PURCARI WINERIES PUBLIC COMPANY LIMITED** and its evolution during time 2014-2017 and will show the extent to which the strategy of internationalization of business and growth of adjacent strategies led to the company's performance growth, measured by financial and non-financial performance indicators.

For the calculation of performance indicators there has been used data from financial statements of the company for the years 2014-2017 [25], [26], the listing particulars for the admission to trading to the Bucharest Stock Exchange (BVB) [27] reports from the Administrators and other documents [28] available both on the website of the company as well as the BVB.

The analysis was done in the classic manner of dynamic indicator tracking.

Purcari Wineries, wine Producer from Moldova, is a company operating according to the statistics [29], with over 1,000 hectares of vineyard and four production platforms in Romania and Moldova, three dedicated to wine production, and one to the production of brand, one of the most award-winning wine producer in Central and Eastern Europe, to London Decanter in the period 2015-2016. Purcari holds two of the earliest five premium brands from Romania, with a total share in this segment of 26%, according to Nielsen².

Purcari wines recorded an average score of 3.9 from 5.0 according to Vivino³, a global on-line application for evaluation of wine, based on over 13,000 reviews.

The company is a holding company by type and is registered in Cyprus, who owns three subsidiaries in the wine segment, namely Winery Purcari (Moldova), Ceptura Cellar (Romania) and Winery Bostavan (Moldova) and a subsidiary in the brandy segment, namely Winery Bardar(Moldova). The latter is held through other subsidiaries, Vinorum Holdings (Gibraltar) and West Circle (British Virgin Islands). The company has, through its minority holdings in Purcari, the Glass Container Company, the leading producer of glass packaging. The company also owns, through Ceptura Cellar minority participations in the company operating the Ecosmart Union, which activates in the field of recycling.

After a period of recession, 2006-2014, as a result of the embargo imposed by Russia in the CIS for the wines outside of CIS and conflictual situation from Ukraine, resulting in loss of over 12 million euros, the company is leaves the Russian market and directs businesses towards the European market, especially Central and Eastern Europe.

The exit from recession was made through reorientation towards the market of countries from Central and Eastern Europe through production platforms developed in Romania at Ceptura and through some major

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² **Nielsen Holdings PLC** (formerly known as **Nielsen N.V.**) is a global information, data and measurement company with headquarters in the U.K.

³ Vivino, according to Wikipedia, is an online wine loving community and a mobile application where users can buy, rate, and make reviews of wines

investments from The World Bank through the IFC fund (The International Finance Corporation, the investment division of the World Bank-2008) and Horizon Capital (2010).

The company registered an upward development pace, currently, wine produced in Moldova and Romania is sold in over 30 countries, including Japan, the United Kingdom, the U.S., China, and even some countries in Africa [30].

1.1. Market description

During the last decades, the production of wine went through a radical change in which traditional and modernity were combined. The main aspects of the new production are closely related to the characteristics of the markets, new techniques of marketing and the introduction of innovation of product and processes in order to achieve a higher quality [31].

In the world, though wine became one of the most consumed beverages [32] World wine consumption has recorded a stagnation, which has led to a downturn in international trade and determined inevitably an increase in competition on all market segments [33]. However, the European Union (EU) remains the world's largest market in regards of wine production and consumption, as well as the chief exporter and importer.

The Group Purcari operates in the market of Central and Eastern Europe (CEE), a fragmented market consisting in the main markets of the following countries: Romania, Poland, the Czech Republic, Slovakia, Ukraine and, outside of this area, in Western Europe, Scandinavia, North America, China and Africa.

The growth of wine consumption in the main markets of the CEE has exceeded overall that of beer and spirit drinks, with the exception of Slovakia and Romania (Euromonitor, 2016) outlining a lasting change towards a higher consumption of wine, but remains, as wine consumption per capita, much lower compared to the level in the countries of Western Europe, what represents an opportunity for organic growth of Group sales with the evolution of wine culture in these markets.

The Industry of production and distribution of alcoholic beverages on geographic markets on which the Group is operating is very competitive, particularly in terms of the range of products, prices, product quality, distribution capability and consumer responsiveness to changes in preferences and demand. In addition to competition from local producers and distributors the Group also faces that of the international one, on the part of multinational firms producing spirits who seek to enter the Group's main markets by introducing their own brands or by acquiring local brands.

However Purcari Wineries registers success in implementing its development strategies with sales growth on all markets.

Table 1 Sales distribution on main markets

The Market	2014	2015	2016	2017	2017/2016 (2017/2014) %	% of total market 2017
Romania	12.641.868	18.185.917	30.178.148	50.418.535	167,07(398,82)	36,32
Republic of Moldova	10.151.933	12.832.641	20.944.543	32.274.552	154,09(317,91)	23,26
Poland	6.436.290	11.419.513	14.253.654	14.532.837	101,95(225,80)	10,48
Czech and Slovakia	5.837.282	4.602.898	7.773.360	10.783.577	138,72(184,74)	7,76
Asia	3.093.438	3.221.771	6.453.743	8.035.575	124,51(259,76)	5,78
Belarus	5.407.373	6.059.522	8.060.348	6.396.576	79,36(118,29)	4,62
The Baltic States	2.446.283	4.088.024	4.961.374	5.132.156	103,44(209,80)	3,69
Ukraine	2.604.679	1.730.826	3.108.535	5.008.234	161,11(192,28)	3,61
Others	8.622.563	5.987.861	6.076.609	6.219.187	102,35(72,13)	4,48
Total lei	57.241.709	68.128.373	101.810.314	138.801.229	136,33(242,48)	100,0
Euro	12.878.934	15.326.968	22.670.863,5	30.384.892,8	134,03(235,93)	

Source: own processing after the Report and Consolidated financial statements for the financial exercise ended on 31 December 2017, p. 75-76 [34]

Each market represents a strategic business segment, operating in various areas, offers different opportunities and constraints, being exploited differently but in a profitable manner.

Sales recorded an increase of 36% compared to the previous period and 142.48% compared to 2014. The performance was driven by a strong and constant growth in Romania and Moldova, which contributes at a rate of 60% of the cumulated sales of finished products in 2017.

According to Euromonitor⁴ 2016, there is a change in consumer preferences of the wine consumption culture (especially of the premium segment), which explain, with higher increases in population wages, the favorable evolution of sales both in volume and in value.

The Group has built an extensive sales force in Romania and in the Republic of Moldova, while for export markets from ECE relies largely on coordination of activities remotely, through distributors and direct shipments from retailers.

⁴ Euromonitor International is the world's leading independent provider of strategic market research. <http://www.euromonitor.com/wine>

1.2. Strategies and results

Production strategy

In its portfolio of production the Purcari company holds four main brands, developed over time as follows:

- **Purcari** (premium and super premium) reference group brand, dating from 1827, for which the Group received in 2016, 23 medals from the Decanter, IWCS, Challenge International du Vin Bordeaux and Brussels World Competition;
- **Ceptura Cellar** (mainstream and premium) purchased in 2003, with distribution primarily in Romania;
- **Bostavan** common wine, economic plus towards premium), released in 2005;
- **Bardar** (brandy medium to premium), launched in 1929 geared towards sales of brandy, relaunched in 2015, with a changed strategy, being oriented towards the sale of bottled products. The Bardar relaunch as an aspiring and progressive brand was successful, turning it into an engine of growth for the Group.

Within the brands there is a portfolio of strong and diversified products addressed to some complementary market segments.

Table 2 Sales on brands

Brands	2014	2015	2016	2017	2017/2016 (2017/2014) %	% din piata 2017
Bostavan Wine	29.701.938	31.200.104	39.925.824	47.893.215	119,95(161,25)	34,50
Purcari Wine	12.866.218	20.061.775	32.805.252	51.932.683	158,31(403,64)	37,41
Cellar Ceptura Wine	8.380.380	9.518.325	14.675.548	21.592.083	147,12(257,65)	15,56
Bardar divine and brandy	6.293.173	7.348.169	14.403.690	17.383.248	120,68(276,22)	12,53
Total	57.241.709	68.128.373	101.810.314	138.801.229	136,33(242,48)	100,0

Source: processing after the Report and Consolidated financial statements for the financial exercise ended 31 December 2017 [34]

The Group has supported the trend of development of the premium segment with the Purcari wine and, from 2017 onwards, the entrance of Purcari, in the sparkling wines segment and by repositioning the brands

Cellar Ceptura and Bardar, extending their offers from the premium segment. The relaunch of Bardaras as an aspirational and progressive brand has been successful, turning it into an engine of growth for the group.

The group follows a strategy of development of the products and evolution towards premium products to generate sales increases above the level of the market, both in terms of volume and value.

Most of the vineyards which the company owns are young, being planted in the 2004-2005 period, and are located in micro areas favorable for wine production, located along the parallel 45, similar to the region of Bordeaux, which makes the wine obtained here to be of very good quality. Own vineyards of the Group cover over 65% of the necessary grape quantity, additional grape and bulk wine being bought from third-party suppliers.

The Group has invested heavily in upgrading its technological facilities of production and increased expenditure on the purchase of equipment for grape processing and storage capabilities in preparation for the continuation of the trend of increasing sales. Thus an excellent base of activities was created, with next-generation production facilities and sustainable cost advantage.

Quality of products is recognized by both experts and consumers.

The Group has received 14 medals at numerous international competitions in 2014, 15 medals in 2015 and 23 medals in 2016, but is also the most award winning Winery from ECE with Decanter London, 2015-2016, with a total of 16 medals.

In 2017, the Group won the gold medal at the Special Prix-Challenge International du Vin, Bordeaux, for ROSE DE PURCARI 2016 and won 88 medals at Decanter Wine Awards Asia and Decanter World Wine Awards.[35]

Distribution strategy

Purcari wineries distribute their products mainly via the off-trade channel (retail), but has created a solid presence in the on-trade channel HoReCa from Romania and Moldova, the distribution model that it plans to replicate throughout the ECE region.

In the off trade segment the Group distributes its products directly through major international chains of retail ("**IKA**"⁵): Ahold, Auchan, Biedronka, Carrefour, Eurocash, Kaufland, Lidl, Metro, Selgros, Rewe, Tesco, Berry Bros & Rudd (United Kingdom), Vinmonopolet (Norway),

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⁵ International Key Accounts - Retail chains in multinationals

etc., using a combined model for delivery of the products to retailers through direct contracts with them (Romania) and through distributors (Europe And the rest of the world). Covering traditional trade is carried out mainly through third-party distributors in each country where the Group operates [36] [37].

Marketing strategy and sales

The Group has invested significantly in reviving their own brands. All four of the Group's brands-Purcari wine cellar, Ceptura, Bostavan and Bardar-have been rethought, and market positioning and marketing communications have been improved to make them more appealing to the changing preferences of consumers.

The Group proposed to establish an emotional connection between customers and its brands and build consumer loyalty towards their own portfolio of brands, as well as to launch new products under the same brands. For this the company has commissioned a market analysis from companies of Millward Brown and Giotto, to understand consumer buying habits in the entered States and the exact positioning of the Purcari brand relative to competing brands.

Table 3 Marketing strategy/brand

Explanations	Purcari	Cellar Ceptura	Bostavan	Bardar
Competitive advantage	Reference brands	Romanian Premium and table wines	Price/ Quality Ratio	Contemporary Brandy Brand
Marketing Slogan	"Purcari, form 1827"	"With 14 days more sun"	"Taste. Love."	"Grapes, Oak, and Patience"
Target audience	35+ with higher income	30+ more traditional, middle-income	30+ with middle-income	30+ more traditional, middle-income
Sales per brand in 2017, %	37%	16%	35%	12%
Sales increase in 2017/2016, %	58%	47%	20%	21%

Source: processing after the Report and consolidated financial statements for the financial exercise ended 31 December 2017

The Group has adopted a relatively different approach in regards to marketing, based on the following principles:

1. Focus on new media communication paths, digital mass media communication paths, social networks, more than traditional ones;

2. Focus on creative marketing campaigns through which it encourages consumption of wine with orientation towards premium range, especially the consumption of Moldovan wine;

The message conveyed is that Purcari wines are an affordable luxury with an excellent price/quality ratio.

Special attention is paid to consumers in the "millennials"⁶ generation, marketing efforts focusing on meeting the preferences of this generation. For them and in order to keep up with the development of new technologies Purcari launches the world's first digital label. This is a revolutionary digital label. If until now the wines from all over the world differed by paper label design, more recently, bottles of wine-Purcari 1827 collection will highlight through Digital Label, a mini tablet that has a built-in microchip. [38]

Xplane Market Research Agency reported that Brand Purcari enjoys an above-average conversion of casual consumers into consumers who opt for its products in about 1 of 2-consumers who have tried Purcari become consumers who currently opt for these products.

Financial results

During 2014-2017 Purcari company implemented a number of strategies that have transformed it into a successful company, with real competitive advantages.

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⁶ People born between 1980-2000 (or the Y generation), according to Wikipedia https://ro.wikipedia.org/wiki/Genera%C8%9Bia_Y

Table 4 Evolution of key financial indicators

Explanations	2014	2015	2016	2017	2017/2016 (2017/2014)
Sales	59.644.226	71.249.539	106.760.242	142.254.440	133,25(238,50)
Operating result	2.229.156	11.610.855	31.699.671	36.071.619	113,80(1618,17)
Financial result	(10.202.223)	(11.409.806)	(4.725.831)	(1.613.764)	34,15(15,82)
Net result	(7.121.886)	(2.120.730)	25.078.402	33.967.645	135,44(-)
Total assets	141.751.872	140.872.753	166.956.227	230.693.671	138,17(162,74)
-fixed	97.973.455	80.845.589	76.596.673	96.220.709	125,62(98,21)
-circulating	43.778.417	60.027.164	90.359.554	134.472.962	148,82(307,16)
Total debts, of which	90.192.626	89.177.907	90.170.135	122.257.724	135,58(135,55)
-financial	58.588.147	59.307.494	58.632.179	74.222.939	126,60(126,68)
Return on sales (ROS) (%)	-	-	23,49	23,87	101,62(-)
Return on assets (ROA) (%)	1,57	8,24	18,98	15,63	82,35(995,54)
Equity	51.559.246	51.694.846	76.786.092	108.435.947	141,22(210,31)
Financial profitability	-	-	32,66	31,32	95,90(-)
Result per share	(0,12)	(1,73)	4,15	5,39	129,88(-)
Marketing and distribution expenses	5.152.486	7.401.627	9.562.730	11.100.321	116,08(215,44)
Cash and cash equivalents	547.203	1.466.304	13.267.974	21.428.215	161,50(3915,95)
Degree of indebtedness (%)	41.33	42.10	35.12	32.17	91.60(77,84)

Source: processing after the Report and consolidated financial statements for the financial exercise ended 31 December 2017 and Purcari - Prospectus for initial public offering [39]

As shown in the table 4, all financial indicators register significant growth for this period. Reported Financial indicators positioned the company above the average of the industry both in terms of profit margin as well as in terms of profitability, making it attractive for investors (table 5).

Table 5 Evolution of Purcari wineries vs. industry average

Company	Net Margin	Operational Margin	ROE	ROA
Purcari wineries	23.87	25.35	31.32	15.63
The average value of the industry	21.5	31.2	25.6	10

Source: own processing [40]

The company has demonstrated a good control of expenses for marketing, sales and general and administrative expenses. This group spending has increased by only 13% from the previous year (compared with an increase of 38% of sales), given improvements in marketing effectiveness, and complete the General and administrative disciplines.

Fixed assets recorded an increase of 26 percent compared with the previous period.

The Group has invested in the acquisition of cutting-edge facilities for thermal treatment, refrigeration, pneumatic presses and other equipment and continues to invest in the digitization process, including software for farming and monitoring the vineyards through satellite. The increase is due, in particular, to the acquisition of shares in the Group IM Glass Container Company S.A.

Current assets had increased by 49% compared to the previous period, the increase in stocks of raw materials as support for the estimated increase in sales in order to prevent a reduction in yield of grapes that is planned for 2018.

Financial debts increased by 26% compared to the previous period for the purpose of financing organic growth and expansion of facilities, the debt level of 32%, considered to be a reasonable level.

Development strategy

The Group was created through a number of acquisitions.

In 2003, founding shareholder acquired the assets, which formed the basis of the constitution of Bostavan Wineries and continued with the acquisition of the assets of Purcari (2003), Ceptura wine cellar (2003) and Bardar (2008). Every purchase was based on elements as:

- (1) identification of low-performing or non-performing assets,
- (2) the acquisition of those assets in attractive financial conditions
- (3) investments in rapid restructuring operations to ensure appropriate integration at the level of the group.

Purchases made in the period of 2004-2008 highlights the ability of management to identify the target company correctly, to purchase them and to integrate them in the structure of the Group and to harness the synergies of operational and financial nature.

The Group also focused on identifying investment with increased performance potential in order to further to optimize the effectiveness of its operations, looking to reduce production costs without compromising quality.

Such implemented projects refer to: selective use of fertilizer, energy efficiency projects or the equipping of the vehicles used for transport and for agricultural activities with GPS tracking devices.

In perspective, the group is exploring a number of high-yield projects, including investments in automatic machines for harvesting, use of capillary irrigation, installation of thermo equipment for production platform Bostavan or the release of crop management software. The company development does not stop here.

Purcari Holding is an ambitious project, and, along with the listing on the Bucharest Stock Exchange, start a new stage of development. The goal is to be the leader of the market in Central and Eastern Europe, to develop its share in the premium segment brands sales, promising growth rates to the major shareholders, in an area with good dynamic perspectives [41]. The group supports the development of the premium segment with Purcari wine and, beginning in 2017, with the expansion of Purcari wines, in the sparkling wine segment as well as the repositioning of the Ceptura Cellar and Bardar brands in the premium prices and popular segments. As of February 14, 2018, shares issued by the company have been admitted to trading on BSE, following an initial public offer ("IPO") initiated by the shareholders Victor Bostan, Horizon Capital and IFC, for 49% of company's shares.

The management message is steadfastness and growth: "Regardless of age, regardless of all, Purcari will remain Purcari," says Victor Bostan, CEO of the group.

Conclusions

The current Study confirms what previous research [42] [43] have highlighted in connection with the handling of resources, capabilities and strategies the results and modulated performance of companies.

This study analyzes the technological and managerial capabilities of the firm, its strategic positioning and the business result in the market, as well as the financial result.

The competitive advantage of the company is explained through two synergistic and compatible issues: the situation in the environment of the company and its internal characteristics. In terms of internal characteristics studies also highlighted the relationship between resources and capabilities and strategy with the business result.

In this paper the results of evolution we analyzed a company's performance evolution as a consequence of various strategies, domestic and foreign, that were applied in its own business environment. The analyzed company works in a dynamic and challenging environment, especially in the field of activity: wine industry.

The geographical positioning, in Moldova, has initially targeted towards business in Russia and the CIS States, the area in which there was over 90% of the company's activity. The Russian embargo since 2006 and the problems in the CIS markets although caused heavy losses, both financial (more than 12 million euro) and image wise have not discouraged the company to continue business, refocusing on other markets, mainly Central and Eastern Europe. Confronted with a particularly competitive market, in which alongside the regional competition the one from Western Europe is added, with famous winemaking areas: France, Italy, Spain, Portugal and the new world brands: North America and South America, s.a., the company has put in a number of strategies for production, marketing, financial and communication whose impact had spectacular results in the reported period.

The most notable event of the existence of the company listing on the stock exchange in Bucharest, considered by analysts as a highly strategic move.

As of February 14, 2018, the shares issued by the company have been admitted to trading at the Bucharest Stock Exchange, following an initial public offerings ("IPO") initiated by the shareholders of Victor Bostan, Horizon Capital and the IFC, for 49% of the shares of the company.

The information offered through the initial public offering prospectus shows a company in the process of reform, with the ambitious goal to become the "champion of the region", with a range of products in a price/quality ratio which makes the luxury of a fine wine accessible. The management team, highly performant and visionary is able to transform the Purcari Company in a regional Corporation.

The company will grow, but it is not going to lose its' entrepreneurial character, who turned it into a success, the Purcari officials state.

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