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Development of Ways to Adapt Agricultural Enterprises to Changes in the Marketing Competitive Environment

Abstract

The purpose of the article is the generalisation of research methods in the marketing information system of the environment, the practical implementation of the procedure of researching the competitive environment of an agricultural enterprise, and the development of ways of adapting agricultural enterprises to changes in the competitive marketing environment. The main *methods of marketing research* based on information analysis and forecasting are summarized. *Results.* The article summarises research methods in the marketing information system of the environment, presents the procedure for researching the competitive environment of an agricultural enterprise, and suggests ways of adapting agricultural enterprises to changes in the marketing competitive environment. *Practical results.* The need for adaptation of agricultural enterprises to dynamic changes occurring in the socio-economic environment is established, with specific measures of organisation of work on the formation and promotion of sales of the marketing structure of the enterprise and ways of adaptation of agricultural enterprises to changes in the marketing competitive environment. *Value/originality.* The prerequisites for the formation of competitive factors of companies are constantly changing. Within the framework of this research, the main types of such changes have been summarised and tasks have been identified that will help companies adapt to the competitive marketing environment.

Keywords

marketing research, marketing activities, agricultural enterprises, marketing information, information system, competitive environment, environmental factors, agricultural products, consumers

JEL: M30, M11, M31, P23



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1 Introduction

In today's reality, the marketing environment is characterised by diversity, complexity and lack of control, but this does not mean that agribusiness can only passively perceive changes. Today's changes are of such importance that they create a new format of activity of agricultural enterprises and markets along the food and raw material chains. On this basis, the criteria of competition set new conditions for development. In practice, the adoption of the consumer concept in commodity policy (the demand-driven model) and the shift of attention to the final segments of food processing

and distribution create a new and tougher competitive environment for both agricultural and food processing enterprises.

In the extremely difficult conditions of the war in Ukraine, the process of systemic social transformation in the agricultural sector has begun, which should create the conditions for balanced and comprehensive development of enterprises. The existence and development of enterprises cannot be separated from the marketing environment, which is an important factor in the formation of marketing strategies and the making of marketing decisions in the enterprise. Today's conditions encourage entrepreneurs to constantly monitor the level of competitiveness of the

enterprise and to be able to adapt to the conditions of the marketing environment.

The adaptation of agricultural enterprises to the competitive marketing environment is of particular importance as a scientific basis for the processes of reducing market uncertainty in the face of increasing business risks.

In today's uncertain, dynamic and risky environment, effective marketing decisions, especially strategic ones, require a clear mechanism for evaluating, analysing and forecasting the marketing environment and its changing trends, both as a whole and in its individual components.

It should be noted that there is insufficient work on the way to researching the marketing environment and increasing the interest of practitioners in the relevance of this issue and the need to address it.

2 Marketing Research of Marketing Environment Factors

The formation of agribusiness in modern realities occupies a key place in the structural and economic policy of the country, which leads to the formation of new views on traditional approaches to their technical and economic efficiency in the management and marketing system. In turn, the problem of organising marketing research has many variable solutions, and therefore the provision of a scientific approach to this problem plays an important role in the modern conditions of conducting agribusiness. To run a business effectively, a manager must be able to think strategically and develop a strategy correctly. This requires careful analysis of the external environment in order to know when to make changes, as a properly constructed research system can determine the company's competitive advantages.

It is appropriate for the enterprise to conduct marketing research in terms of factors of the competitive environment and the general environment of the functioning of the enterprise (Bilovol, 2018). Receiving relevant and timely information on all environmental indicators allows enterprises to work smoothly in the competitive struggle, occupying a stable and advantageous position for survival and profit.

The marketing environment of the company can be defined as a set of its active elements that operate outside the company and influence its ability to work effectively, establish and maintain relationships of successful interaction with target customers (Lopashchuk & Danyliuk, 2016). Speaking of the classical division of the environment, it can be external and internal, and the hierarchical division includes macro-, micro-, and competitive environments. It is in a competitive environment that agricultural enterprises operate in the market, maintain competitive positions and gain competitive

advantages. The competitiveness of an enterprise can be defined as the level of its potential that ensures the ability to maintain or expand its market share in a competitive environment. In this context, the following key principles can be identified:

1. Careful consideration of needs, demand dynamics and market conditions when making decisions. This principle determines the awareness of the market situation in terms of the existing and projected value of demand, the activity of competitors in the market, the behaviour of consumers in the market and their attitude towards the products of the organisation and its competitors. At the same time, consumers are often unable to decide on their preferences. The real task of marketing is to understand and sometimes reveal the needs and desires of consumers.

2. Creating the conditions for maximum adaptation of production to market requirements for the structure of demand, based not on immediate profit but on a long-term perspective.

3. To inform consumers about the company's products and to influence their awareness using all available means and methods of promotion in order to persuade them to buy this particular product.

It is worth noting that needs are transformed into desires, but taking into account financial capabilities, they form the market demand for specific products; the exchange is carried out between the producer and the consumer, formalized in the form of a certain agreement. Therefore, it is necessary that needs are satisfied through marketing activities. On the other hand, marketing is a management philosophy that solves the problems of consumers by effectively satisfying their needs, which leads to the success of the organisation and benefits the society.

The influence of the market environment on the activities of agricultural enterprises is mainly reflected in two aspects: providing market opportunities or creating threats. How to recognise and use the opportunities and how to avoid the environmental threats to the enterprise are the central questions that attract the attention of the enterprise management. The answers to these questions can be found by analysing the environmental factors, their characteristics and the marketing activities of agribusiness. It is obvious to us that the composition and changes in the organisation's environment are related to a rather large number of influencing factors. Unlike the enterprise, the marketing environment is not always controlled by the subjective will of the head of the enterprise, especially the macro-environment.

Below is a schematic classification of factors in terms of classical and non-classical approaches (Figure 1).

Understanding the external factors that affect a company's ability to compete is key to staying ahead of the competition, while analysing the competitive environment helps managers identify key elements

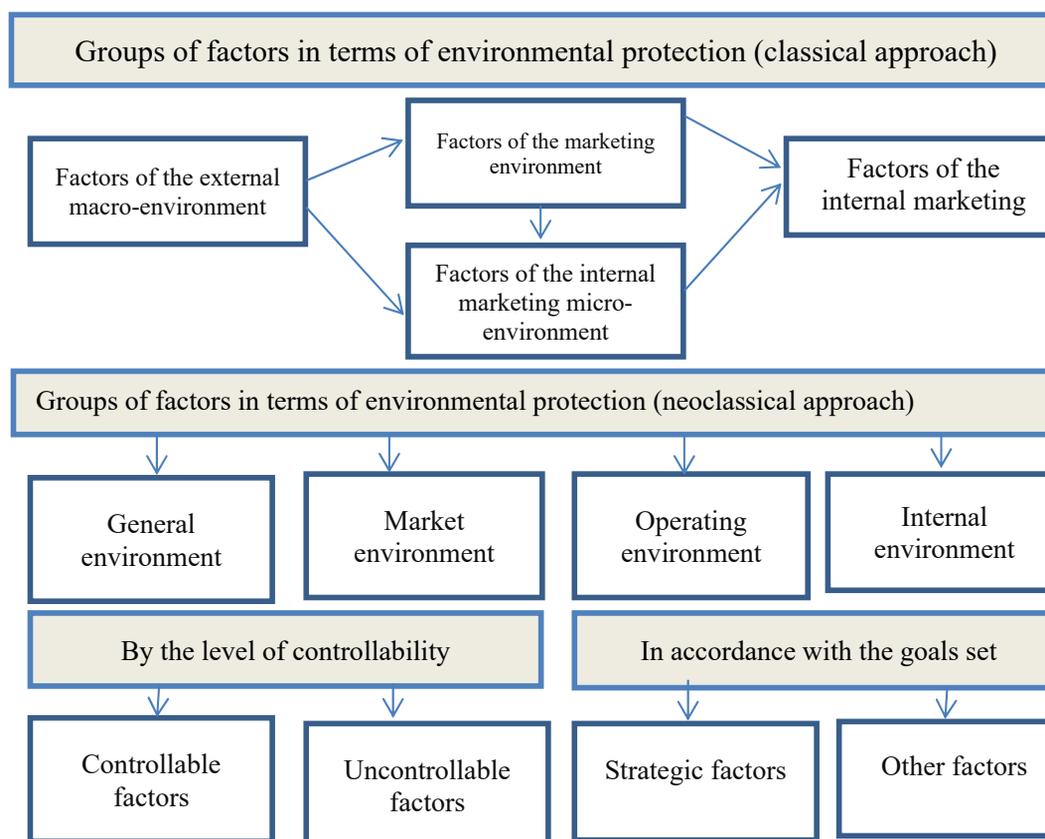


FIGURE 1 Distribution of environmental factors in the context of different approaches and features

Source: summarised by the authors

of the competitive environment and understand the market and industry.

The mechanism of influence of certain factors on the activity of enterprises is determined by their economic content (Bahorka, Kadyrus & Yurchenko, 2022).

The basis of marketing support is marketing research and marketing analysis of the enterprise, which is a wide field of activity that includes systematic collection, processing and analysis of information for the purpose of making marketing decisions and reducing the level of risk and uncertainty of the made decisions (Bahorka, Kadyrus & Myronova, 2022).

Marketing research is a continuous and objective study of a subject or problem in order to obtain the necessary information. It can be considered as either primarily basic or applied (Zhytnyk, 2011).

In order to solve the company's marketing problems, it is necessary to study in detail the current market opportunities on the basis of reliable marketing information. Marketing information is objective (statistical data, company reports, etc.) and subjective (estimates, opinions, rumours) and is necessary for analysing the marketing environment (market, product, consumer), making marketing decisions and developing marketing plans (Sokhetska, 2020).

Diagnosis of the marketing competitive environment of companies is carried out in the

following stages: monitoring of the main factors of the company's macro-environment, research of the company's micro-environment, analysis of the company's internal environment.

After identifying potential relevant changes, it is necessary to establish their significance, nature of influence, size, and trend, which, in turn, requires market research (Table 1).

I. Lilyk notes that "a problematic issue in the study of the marketing competitive environment is the insufficiency of methodological recommendations for the organisation and conduct of the study of the external and internal environment of the enterprise" (Lilyk, 2018). This approach makes it possible to conduct a study of the components of the micro- and macro-environment in relation to each other, which allows not only to reveal their impact on the enterprise, but also to establish the influence of the factors of the macro-environment on the components of the micro-environment: suppliers, consumers, competitors, intermediaries, etc.

The process of researching the marketing environment is cyclical and continuous, which makes it possible to flexibly adapt to changes and adjust marketing decisions.

In today's economy, the rapid changes in consumer needs and demands caused by external factors require timely management decisions.

TABLE 1 The main methods of marketing research based on information analysis and forecasting

Method	Essence
SWOT analysis	SWOT analysis is a tool that helps to assess the strengths, weaknesses, opportunities and threats of any organisation. It can help to provide insight into past situations and identify possible implications for existing or potential problems.
PEST analysis	It is used to analyze the political, economic, socio-cultural, technological, environmental, and legal factors that affect the company and its environment.
Porter's Five Forces	It is a method that identifies and analyzes the main competitive forces shaping an industry. It includes five elements: competitive rivalry, new entrants, buyer power, supplier power, and the threat of substitutes.
Delphi method	It involves an individual survey of a certain group of experts on trends in the development of a certain phenomenon. The answers are analyzed, combined and summarized. The results of the generalization are returned to the respondents. The process is repeated until a consensus is reached among the experts (or the answers are stabilized).
Extrapolation method	It does not indicate the reasons for the change in the factor, but determines its trend, taking into account current factors. This method is effective when it is necessary to investigate the nature of the change.
Cross-impact matrix	Clarifies the relationship between changes and their importance. Changes are located in both directions of the matrix. This ensures that all factors have the same starting position. The events are placed in chronological order, and each cell (except the diagonal) is examined to determine the extent to which the predicted factor: changes the probability of another factor occurring; strengthens or weakens the effect of another factor; accelerates or delays the occurrence of another event.
Scenario method	It is "a picture of the future that includes events and conditions that outline the situation. As a rule, several scenarios are developed, for which appropriate strategies are formulated. The use of this method requires determining the number of scenarios to be projected, who will develop them, what the priorities should be, and how much time should be allocated for their development."
Based on the modeling results, appropriate changes are made to the model	When there is a connection between the causes and consequences of events, econometric models are developed for forecasting economic changes. In the event of a change in the conditions and state of the factors, appropriate changes are made to the model.

Source: summarised by the authors

3 Main Directions of Adaptation of Agricultural Enterprises to Changes in the Marketing Environment

The need for adequate anti-crisis management in unstable market conditions requires the use of modern approaches to the formation of appropriate strategies for exiting the crisis. In addition to traditional management tools and techniques, marketing tools are becoming more and more popular. They ensure the achievement of the set goal not at the expense of high financial costs, but with the help of non-standard creative approaches. The newest types of marketing communication are associated with the sales promotion tool. They share common characteristics: short-term actions, presence of an attractive offer, persuasion of buyers.

Sales promotion is based on planned, temporary incentive programmes to increase sales. As for advertising, it is no longer of interest to consumers and can often have the opposite effect – the result of an ill-conceived advertising policy that simply imposes products on customers who either ignore them or buy them haphazardly.

In modern conditions, the decisive criterion for production at an agricultural enterprise is competitiveness, in terms of the acceptability of the supply, i.e., in the broader context of agribusiness. The prerequisites for the formation of enterprise

competitiveness factors are constantly changing. This study summarises the main types of such changes and identifies tasks that will help enterprises adapt to the marketing competitive environment (Table 3).

Using their advantages, agricultural producers can solve more global problems, in particular: strengthening their position on the market by increasing their turnover; taking a leading position in terms of product quality; monitoring consumer demands regarding the range of products; creating conditions for diversification of the enterprise's activities; introducing flexible changes in price policy, which will increase the demand for goods; attracting highly qualified specialists to work; attracting more customers; strengthening the resource potential.

4 Conclusions

The results of the study give rise to the following conclusions. Marketing activities should be carried out taking into account dynamic changes in the market environment, and in the long term – according to an adjusted marketing strategy.

Conducting marketing research helps to inform marketers about markets, consumers, competitors, and all elements of the external marketing environment. It reduces the level of uncertainty and applies to all elements of marketing that affect the sale of products in a given market. All the information obtained in

TABLE 2 Recommended measures for the organization of work on the formation and promotion of the marketing structure of the enterprise

Field of activity	System of measures
Creating a platform for entering the market	<ol style="list-style-type: none"> 1. Creating a mini-programme for product advertising: placing logos, advertising slogans, images and product descriptions on packaging, bottles, glasses and other types of containers; producing thematic guides, brochures, leaflets, booklets; producing extended thematic catalogues of goods and services, annotated prices, allowing the consumer (buyer) to compare the relevant domestic and imported goods on the local or regional market (Ukraine), the price from the manufacturer and the price in the chain of stores; the opportunity to get acquainted with the product priorities of a given manufacturer: raw materials, information about the manufacturer, etc. 2. Systematic presentation of goods at agricultural fairs, fairs organised by producers; regional fairs (district, regional, all-Ukrainian), seasonal fairs, calendar public and religious holidays. Presentation of products at review exhibitions, exhibitions-festivals, exhibitions-contests.
Motivation to sell goods and provide services	<ol style="list-style-type: none"> 1. Development and formation of the company's information website, which provides systematic data on wholesale buyers, competitors, suppliers, retail network, which will ensure long-term programming and planning, creation of databases (contracts, deliveries, volumes, capacities), as well as development of effective strategies. 2. Study and monitoring of platforms for selling products, including: localisation of data on sales volumes, areas for improving product and packaging quality; organisation of social cases among consumers to justify the choice of product, purchase frequency, attractiveness and priority of purchase, which will allow to promptly distribute not only the volume of supplies, but also regulate their list. 3. Formation of the concept of the marketing service: presentation of the company, rating in markets of different levels and directions, proposals for strengthening positions in them, stabilisation in new promising markets, withdrawal from depressed markets; creation of a network of branded outlets (shops, retail outlets) with extensive forms of product advertising.

Source: summarised by the authors

TABLE 3 Ways to adapt agricultural enterprises to changes in the marketing competitive environment

Scale of changes	Contents of changes	Directions of marketing activity
Market pace, dynamics of changes	Reduced planning time; taking into account seasonality and volatility of consumer tastes.	Strengthening aggressive competitive strategy; accelerating the pace of new product development; product differentiation; improving the reliability of market forecasts; optimising pricing and communication policies.
Technologies	Increasing the flexibility and efficiency of production systems; developing new materials; expanding automation capabilities; and increasing the importance of product quality.	Transition to STP marketing strategy; transition from one-off marketing agreements to a long-term perspective of marketing relationships; in-depth focus on priority consumer needs.
Market maturity	Strategy of intensive and integrated growth; elimination of surpluses; competitive strategy of the leader.	Developing new products/services; accessing new segments in existing markets and entering new markets.
Customer behaviour	Requirements to improve product quality; deepen consumer awareness; focus on purchasing power; reduce predictability of behaviour.	Search for information about new consumer needs and modify marketing strategies accordingly; develop assortment policy and distribution system.
Globalisation of marketing	Increased competition; decreased profitability; market expansion; deepening of consumer choice alternatives; and growing diversity of consumer needs.	Renewal and restructuring of the production system; development of a diversified business, focus on customer satisfaction; increased aggressiveness of marketing activities.

Source: summarised by the authors

the process of marketing research must be processed, stored and systematised. It is necessary to develop databases that store information on the impact of the marketing competitive environment on the company's activities.

The need for agricultural enterprises to adapt to dynamic changes in the socio-economic environment has been recognised. Marketing planning must take this into account on the basis of the life cycle of various

products and markets, since certain changes occur at different stages, to which the management of the enterprise must respond promptly. The basis for the adaptation of agricultural enterprises to environmental factors should be a more flexible pricing policy, material and technical components, quality indicators of agricultural products, sales promotion measures, which will become the basis for the formation of competitive advantages in the market.

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