

SELECTION AND IMPLEMENTATION ALTERNATIVES FOR THE MARKETING STRATEGY OF ENTERPRISE MANAGEMENT

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Abstract. The *purpose of the article* is to justify modern approaches to the choice of marketing strategies and to develop practical recommendations for their implementation and management in the activities of agricultural enterprises. The *methodological basis* of the study was a synthesis of the results of applied research in economics, scientific works of domestic and foreign scientists, which highlighted the basic theories of competitive advantage, competitiveness and marketing management. *Results.* The article examines the essence of the peculiarities of the system of strategic management of marketing activities of agricultural enterprises, provides a description of marketing strategies for managing the development of the enterprise, outlines methodical approaches to assessing the level of potential of marketing strategies in the activities of agricultural enterprises. The paper formulates the key objectives of marketing activities and allocates the tasks that are key in developing a marketing strategy. Thus, having analysed most of the classifications of marketing strategies, it can be concluded that strategies are developed for each individual enterprise depending on the mission of the enterprise, tactical and strategic development goals. It has been established that when choosing a marketing strategy it is necessary to concentrate efforts on the set goals, main features of the marketing strategy, such as: long-term orientation, based on the results of strategic marketing analysis, certain subordination in the hierarchy of corporate strategies, determined market orientation of activity (in relation to consumers and competitors). In addition, the company's marketing strategy determines its strengths, which allow it to win in competition. *Practical results.* The publication identifies specific features of marketing management of formation and implementation of strategies of innovative development of agricultural enterprises. The main factors of the external and internal environment that determine the adaptation of marketing activities and the management system of agricultural enterprises to their changes are noted. The proposed system of the competitive strategy of the enterprise, which includes a separate set of strategies: the ability to form competitive advantages, the application of the competitive strategy and the effective use of the competitive strategy of the enterprise. *Value/Originality.* The article systemises main types of marketing strategies, competitive strategies and strategies of innovation development. The competitive approach is based on the strategy and tactics of counteracting competitors. Within this approach, two ways of achieving competitive advantages can be used: the marketing strategy of the leader and the strategy of sustainable development of the competitive environment.

Key words: marketing strategy, agricultural enterprises, environmental factors, competitive marketing strategies, marketing management.

JEL Classification: M30, M11, M31, P23

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1. Introduction

Agriculture is one of the most important and promising branches of the national economy, contributing to the development of the economy, ensuring the well-being of the population, providing high-quality and ecologically clean food products, strengthening the position of the country in terms of economic and food security indicators, determining its export potential, creating and opening new markets and creating additional jobs.

At present, the agricultural market has a rather limited range of products, so it is extremely important for agricultural enterprises to find ways to improve the competitiveness of products in order to increase profitability, create a positive image, promote and attract investor funds. Investing investors' funds will provide an opportunity to expand production areas, purchase new technical equipment and other important components for the development of agriculture as a whole. It is obvious that the determination of the potential of agricultural enterprises is formed on the basis of the factors and specifications of the agricultural sphere of management and the uniqueness of such an important resource as land, taking into account such determinants of management in the agricultural sphere as indicators of financial and economic stability of the enterprise, indicators of organisational-management and production-operational systems management, marketing strategies of innovative development (Dobrovolska, Sonntag, Masiuk, Bahorka, Yurchenko, 2023).

The operation of agricultural enterprises in market conditions objectively requires strategic orientation and perspectives of adaptation to the constant changes in the internal and external competitive environment, gaining advantages in the production of quality and affordable goods, as well as studies, operational analysis and marketing support.

The modern stage of development of market relations requires the orientation of the marketing strategy of enterprises to the needs of consumers. At the same time, each enterprise needs its own marketing strategy, which, on the one hand, would allow it to neutralise threats and weaknesses, and, on the other hand, to realise all its opportunities and advantages (Bahorka, 2014).

The success of the operation of agricultural enterprises depends to a large extent on the

implementation of an effective marketing strategy in the strategic management system, which provides real financial independence of economic entities, guarantees the payback of production costs of these entities and the competitiveness of the enterprise's products. The implementation of an effective mechanism for the formation of competitive marketing strategies of agricultural enterprises will ensure high economic efficiency of the work of agricultural enterprises and the opportunity to occupy stable leading and competitive positions on the market of agricultural products in the long term, taking into account their strategic potential. This is the reason for conducting these studies.

2. Modern Approaches to the Selection of Marketing Strategies

The main task of agricultural enterprises in the market economy is to increase competitiveness and efficiency of activity, which is a prerequisite for their strategic development. This is possible under the following conditions: rapid adaptation of agricultural producers to changes in the external environment, timely identification and support of their own competitive advantages, implementation of an innovative development model, optimisation of the provision of investments and their rational distribution among types of activity.

For the functioning of agricultural production, the marketing strategy is the most important functional strategy, the chain that connects the industry with the external environment and considers the function of marketing as the fundamental basis of its activity (Bahorka, 2015).

Strategic marketing activities, by their very nature, are aimed at determining the highest level of competitiveness of the enterprise in certain market segments in the long term. A detailed and objective analysis of the factors of the internal and external marketing environment is the basis and main feature of the formation of the marketing strategy of agricultural enterprises.

At the same time, the analysis of the internal state of the enterprise does not always reliably indicate the performance of the analysis of all the necessary information, taking into account all the factors that do not sufficiently objectively determine the state of the marketing activity of the enterprise, therefore there is a need to develop a portfolio of marketing instrumental strategies

for the future. At the same time, the implementation and execution of marketing activities takes place in the market space and in a changing market environment, the state of which is constantly influenced by a number of multidirectional factors, which in most cases are independent of the actions of a particular company. Thus, in these conditions, strategic marketing decisions may be made on the basis of incomplete, inaccurate and somewhat contradictory information, i.e., there are risks that must be properly assessed and taken into account in the company's activities.

According to the authors, the main objectives of marketing activities include the following:

- To ensure the survival of an agricultural enterprise in a highly competitive market, taking into account inflation factors (to actively participate in the development of a SWOT matrix based on SWOT analysis and in identifying possible areas of smart specialisation in the context of the development of the region's development strategy for the period up to 2027, in state development programmes and the production of goods and services subsidised from the state budget);
- the ability to quickly adapt to marketing activities, taking into account changing external and internal business conditions (to constantly search for consumers of agricultural products;
- to select optimal market niches and effective segments, to identify factors that reduce the cost of production, to ensure active development of commercial activities, including leasing property, buying and selling goods from other producers).

Adaptation of marketing activities and the entire management system of agricultural enterprises should take into account changes in factors of the changing external and internal economic environment, which is possible in conditions of using elements of aggressive marketing, increasing the pace of introduction of the latest technologies and expansion of the product range; improving the quality of providing reliable market forecasts; using fragments of a micro-segmentation development strategy in the company's activities, replacing one-time transactions by long-term relationships in the field of marketing; providing information on new needs, tastes and preferences. It should be noted that the choice of the presented directions depends on the changes taking place in the market economy.

In authors' opinion, agricultural enterprises can increase production volumes both by expanding their product lines and by introducing the latest products into the production process by industry and specialisation, and the marketing strategy should be chosen taking into account the components of the overall strategy and mission of the enterprise, with economic, environmental and social aspects of development being important.

After identifying the factors that have the maximum impact on the response (sales revenue) using fractional factor analysis, the criteria for the selected strategies (factors) will be compared using hierarchy analysis, which provides a useful methodology for examining the different criteria for each significant factor or strategy and selecting the best alternative strategy (Anas Al-Dawalibi, Ibrahim H. Al-Dali, Bandar A. Alkhayyal, 2020).

The economic development of agrarian business entities determines the level of economic efficiency of economic activity, which ensures expanded reproduction and also contributes to increasing the level of competitiveness of the company's products (Hrynevetska, 2015). The solution of the problem of increasing the economic efficiency of the activities of commodity producing enterprises in the market of agricultural products involves the implementation of organisational and economic changes in two directions, namely: in the direction of reducing the costs of production and sale of products of agricultural enterprises and their associations, and in the direction of increasing the economic results of sales activities due to the sale of products at higher prices, in rational batches, in justified conditions and through developed channels of market distribution. If it comes to the reserves for increasing competitiveness and efficiency, they outline the level of cost reduction for the production of finished goods by agricultural enterprises, with costs being quite easy to mobilise but quickly exhausted when using the latest and most advanced agricultural technologies.

In turn, increasing the efficiency of production and sales of agricultural enterprises' products through the use of marketing and sales tools has a much greater potential for stabilising the development of agricultural production units in view of the creation of competitive structures of target markets for agricultural enterprises'

Table 1

Typology of marketing strategies of agricultural enterprises

Strategy types	Strategy categories	
	Development strategies	Adaptive strategies
Intensive growth strategy	+	-
Integrative growth strategy	-	+
Diversification strategy	+	-
Price leadership strategy	+	-
Diversification strategy	-	+
Concentration strategy	+	-
Product specialisation strategy	-	+
Segment specialisation strategy	-	+
Segment concentration strategy	+	-
Selective specialisation strategy	-	+
Outreach strategy	+	-

Source: systematised by the authors on the basis of (Zhelikhovska, 2009)

products, existing trends of deepening integration processes in agro-industrial production and the possibility of redistribution of economic interests and, consequently, incomes of market participants of agricultural enterprises' products.

It is suggested that a strategy should be developed not only for a specific industry or region as a whole, but also directly for divisions and functional departments of the company. As agribusiness practice shows, a successful and effective strategy cannot be copied from competitors and there is no one size fits all strategy. To manage effectively, agribusiness professionals develop and implement their own business development strategy, which requires creative thinking and an individual approach to consumers, taking into account their needs and preferences.

The choice of a correctly formulated and well thought-out competitive marketing strategy contributes to the optimal, most efficient and rational way of developing the enterprise, provides the most productive means of achieving the goal and the most promising types of entrepreneurial activity, creates a high demand for agricultural products and services for enterprises of the agricultural sector of the economy, provides a profitable and often unique position on the market of goods and services.

Each enterprise is engaged in the development of its own marketing strategy for development, achieving a certain goal and taking into account the peculiarities of the functioning of the agricultural market, assessing its own capabilities,

taking into account the production potential and available resource capabilities of the enterprise, showing its individuality and uniqueness, ensuring successful competition (rivalry) with other enterprises agrarian sector of the economy. The chosen marketing strategy usually helps the agricultural enterprise to achieve the desired result, but it does not always guarantee it, because in a competitive marketing environment there are a significant number of uncontrolled factors that affect the enterprise's activity and it is not always possible to predict them in advance. For this reason, a strategy is chosen from a set of alternative strategies in accordance with the tasks set and the technical and technological capabilities of the enterprise.

3. Suggestions for the Use of Marketing Strategies by Agribusiness Enterprises

The authors propose a conceptual approach to forming strategies for sustainable development of enterprises in the agrarian sector of the economy, as presented in Figure 1. The approach combines sustainable economic development, socially oriented development, and environmentally safe development. The former generates economic benefits from enterprise operations, while the latter two aim to satisfy consumer needs and preferences, find optimal market segments, and form and reproduce the resource potential of agrarian enterprises while ensuring the production of environmentally safe products.

Thus, the components of the strategy of sustainable development of agricultural enterprises include elements of economic, ecological and social development, which are determined by separate appropriate mechanisms of enterprise regulation. The constituent mechanisms of economic development of the enterprise include the balance and management of the economic laws of development, the correct direction of development of the production potential of the enterprise, the possibility of optimisation of production and distribution relations. As for the mechanisms of ecological development, they include resource-saving technologies and their effective use; ensuring waste-free production. Mechanisms of social development contribute to solving such problems as full employment and joint responsibility; providing a high level of well-being and adequate quality of life of the population.

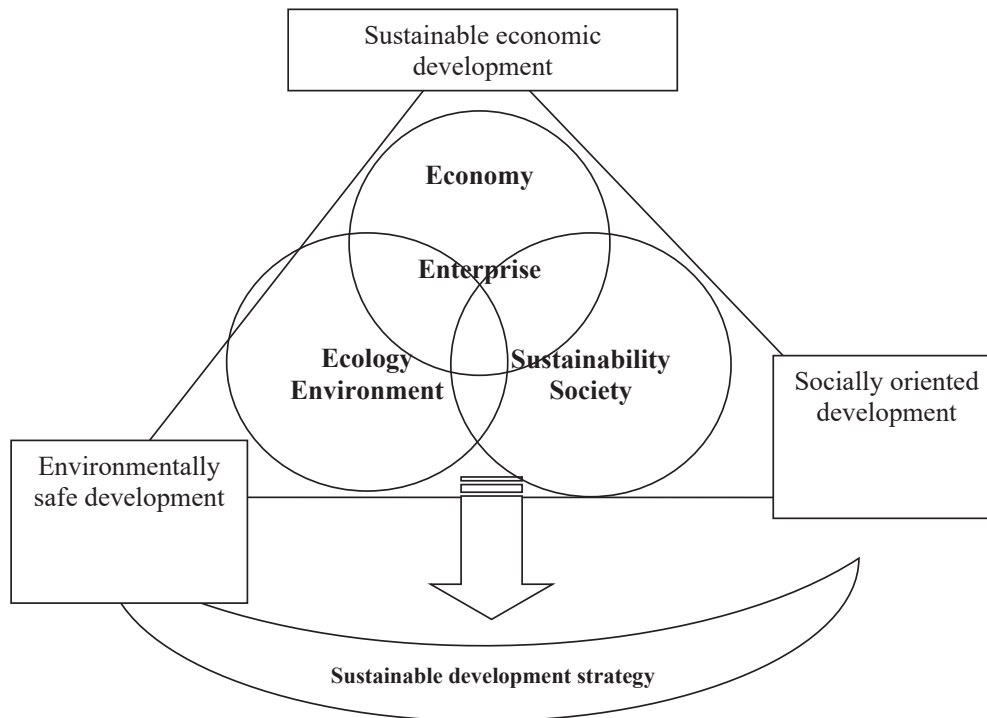


Figure 1. Model of sustainable development strategy formation for agricultural enterprises

Source: systematised by the authors

The modern stage of development of the business environment of enterprises in the agricultural sector is characterised by the increase in the complexity of processes and effective use of equipment in the production of products, ensuring the mobility and uncertainty of certain processes (application of elements of the latest information technologies, use of techniques of individualisation and dynamics of consumer behaviour, their tastes and preferences), presence and strengthening of international competition in the market of agro-industrial products, observance of high standards of product quality, taking into account product certification and quality service. All these conditions confirm the possibility and necessity of applying the marketing concept of sustainable development of enterprises in the agrarian sector of the economy to the practical activities of Ukrainian domestic enterprises.

The main components of the modern model of sustainable development today are social and entrepreneurial responsibility towards the buyers of products, production of environmentally friendly and safe products, timely information of consumers about new types of products and management of the latest technologies, ensuring the corporate system, timely market

regulation, identification of resource allocation and the presence of intellectualisation. The above mentioned components are not only static, but are considered as a dynamic mechanism of regulation and functioning of the regional and national economy, thanks to which the content and components of the modern model of business development are formed.

The strategy of marketing activities should ensure the effective use of production and economic potential at a sufficiently high level, which will contribute to achieving success in foreign markets and establishing international market relations.

The most common product-market level performance measure in this sample of empirical studies is market share, which is much more common than product-based (e.g., unit sales) or brand-based (e.g., trade margin) measures. This may be due to the relative ease of access to the data required to calculate a firm's dollar market share (Katsikeas, Morgan, Leonidou, Hult, 2016).

The following priorities are characteristic of a competitive marketing strategy: first of all, the marketing strategy of any enterprise is accompanied by the formation of long-term partnerships, while the focus of an agricultural

enterprise on short-term profitability indicators will only contribute to the adoption of short-term decisions, which, as a rule, complicates the conduct of business and is not an effective means of functioning of the enterprise (Shchurko, 2018). The marketing strategy for the development of an agricultural enterprise foresees the existing prospects for the next 5-10 years and opens long-term prospects for the development of the enterprise, which provides profit for a certain period of the perspective and is not characterised by short-term profit.

Furthermore, a well-chosen competitive marketing strategy for the development of the company's activities will ensure the development of the company's long-term marketing goals and will contribute to conducting research on the marketing environment, which will be the basis for writing an effective business plan of the company, taking into account the elements of marketing strategic analysis.

The process of strategic marketing planning is also impossible without the implementation of

an effective marketing strategy that is consistent with tactical goals and objectives, combined with the general corporate strategy of the enterprise and the functional strategies of the enterprise. The basis of a competitive marketing strategy is the construction and selection of the right vector of market actions for the development and further functioning of the enterprise and, above all, the ability to provide and solve basic strategic tasks.

Figure 2 shows the leader's marketing strategies.

In authors' opinion, among the competitive marketing strategies, the marketing strategies of the product market leader, who has the largest market share in a given sales market and occupies a significant market segment, occupy an important position. If one speaks about the strategy of expanding the market capacity, then the implementation of this strategy is accompanied by an increase in the volume of product consumption by consumers under the condition of expanding the assortment and the possibility of occupying leading positions in the market.

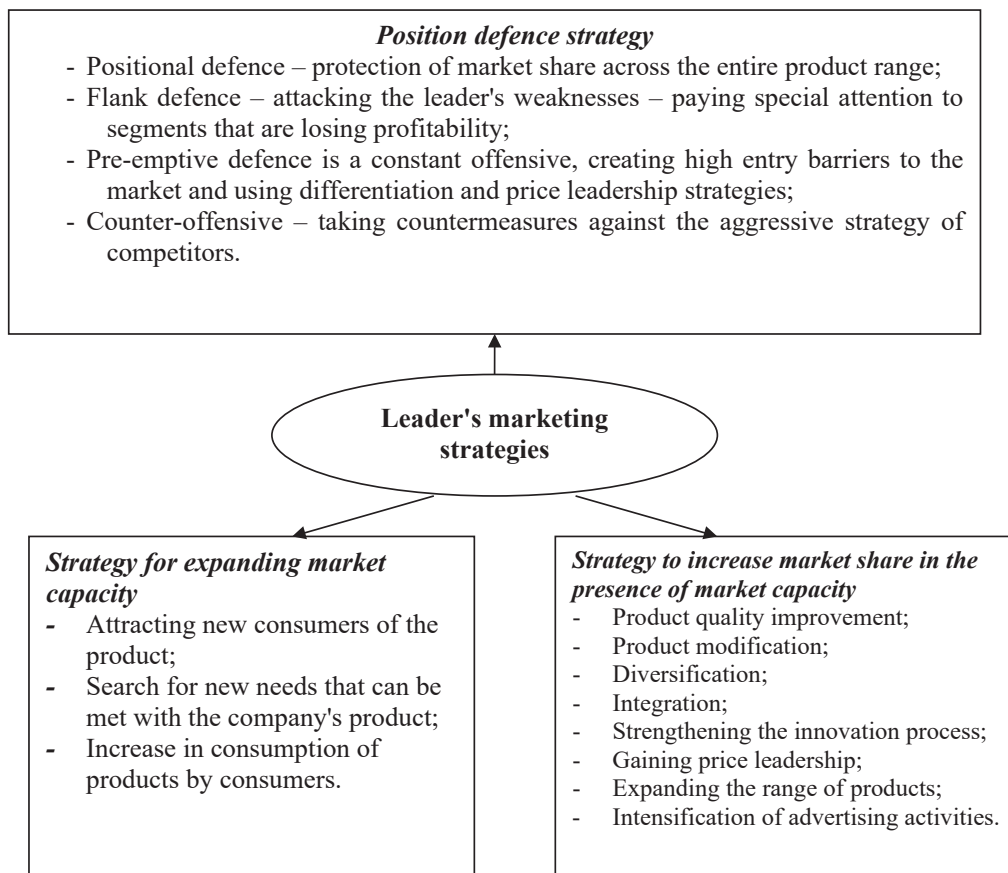


Figure 2. Leader's marketing strategies

Source: systematised and developed by the authors

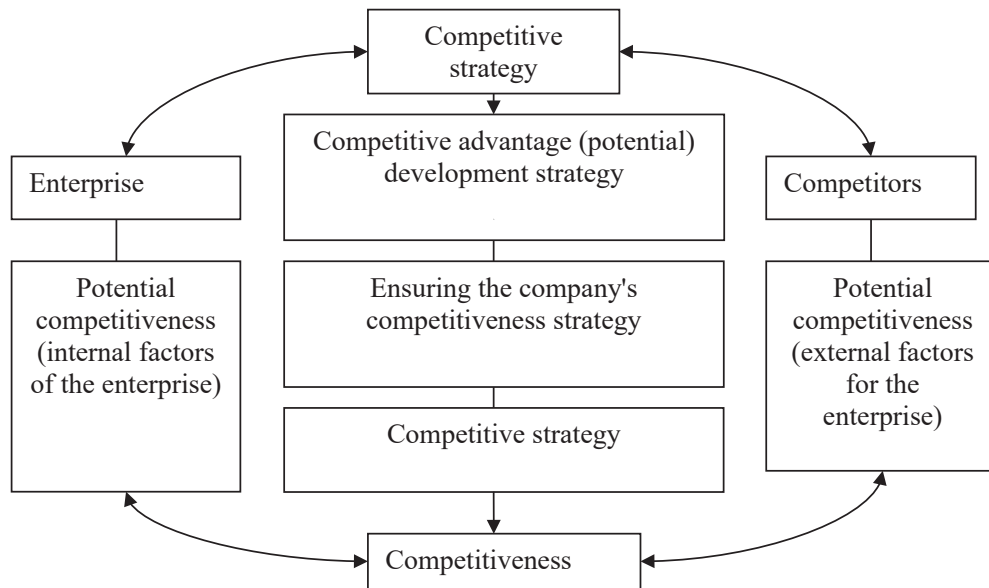


Figure 3. System of optimal competitive strategy

Source: systematised and developed by the authors

The proposed system of the company's competitive strategy, which includes a separate set of strategies: the ability to form competitive advantages, the application of the competitive strategy and the effective use of the company's competitive strategy (Figure 3).

It should be noted that this competitive strategy is a specific element of the competitive struggle, which studies the company and its competitors, identifies existing competitive advantages, takes into account market success factors and the company's competitiveness potential, and forms competition in the market of goods and services.

It should be noted that the formation of a competitive strategy is accompanied by public expectations, among the factors of influence is government policy, which is represented by the general factors of management of enterprises of the agro-industrial complex, which have an impact on the conduct of economic activities of agricultural enterprises, taking into account the organizational and economic mechanism of the state and regional levels: considerable attention is paid to legislative and regulatory acts; an important role is given to financial, credit and tax policy, issues related to the regulation of the food market through quotas are actively resolved.

Thus, after analysing most classifications of marketing strategies, it can be concluded that

strategies are developed for each individual company depending on the corporate mission, tactical and strategic development goals.

4. Conclusions

Based on the results of the study, the following conclusions can be drawn.

The success of the functioning of enterprises in the agricultural sector of the economy depends to a large extent on the implementation of effective management activities that ensure the real financial independence of economic entities, guarantee the repayment of the production costs of these entities and increase the competitiveness of the products of the farm under study. High economic efficiency of agricultural enterprises and their ability to occupy stable leading and competitive positions on the market of agricultural products in the long term, taking into account their strategic and marketing potential, will ensure the implementation of an effective mechanism for the formation of competitive marketing strategies of agricultural enterprises.

A competitive approach is based on strategy and tactics to counter competitors. Within this approach, there are two ways to achieve competitive advantage: the marketing strategy of the leader and the strategy of sustainable development of the competitive environment.

It has been established that when choosing a marketing strategy it is necessary to concentrate efforts on the set goals, main features of the marketing strategy, such as: long-term orientation, based on the results of strategic marketing analysis, certain subordination

in the hierarchy of corporate strategies, determined market orientation of activity (in relation to consumers and competitors). In addition, the company's marketing strategy determines its strengths, which allow it to win in competition.

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