

ORGANISATION OF MARKETING ACTIVITIES IN AGRICULTURAL ENTERPRISES

Inna Tomashuk¹, Olena Dzhedzhula², Olena Koval³

Abstract. The *aim* of the article is to identify the characteristics of the introduction and development of marketing activities in agricultural enterprises in order to increase the efficiency of their activities. *Methodology.* The theoretical and methodological basis of the study is a systematic approach to the study of economic phenomena and processes related to the marketing activities of agricultural enterprises. In formulating theoretical generalisations and formulating conclusions and proposals, the paper uses historical, abstract and logical, and monographic methods. Forecasting of indicators characterising the marketing potential of enterprise in the context of increasing labour productivity at enterprises, market parameters and substantiation of the choice of marketing strategy of agricultural producers is carried out using the methods of extrapolation and economic forecasting. The article uses general scientific and special research methods: abstraction and comparison, analysis and synthesis, graphical methods, deduction, economic and mathematical modelling, observation and comparison, and the logical method. The *results* of the study show that marketing instruments include methods of its implementation, i.e., advertising, sales, customer service, pricing policy, study of needs and demand, communication with consumers and the public. Calculation of a comprehensive indicator of efficiency of marketing activity of enterprises is an important direction of assessment of the status and level of development of the marketing complex at enterprise. The indicator makes it possible to promptly identify and eliminate deviations in achieving goals and fulfilling tasks, which affects the overall performance of the enterprise. The results of the study are presented in the form of tables, graphs, diagrams, and charts. *Practical implications.* Since the marketing activity of an agricultural enterprise is multifaceted, it is necessary to evaluate its effectiveness in the following areas: efficiency of implementation of marketing functions, implementation of the marketing complex and use of marketing resources. In order to assess the level of efficiency of marketing activities, it is necessary to analyse both strategic and tactical aspects of the agricultural enterprise. *Value/originality.* An important component of ensuring marketing activities in the agricultural market is the communication policy of the enterprise. A modern system for assessing the effectiveness of marketing activities should take into account the possibility of disseminating information via the Internet, which is an indispensable tool for obtaining up-to-date marketing information.

Keywords: marketing, strategy, agricultural enterprises, management, needs, consumers, technologies, potential, planning.

JEL Classification: M31, Q12, Q13, O18

1. Introduction

The development of organisational and economic mechanisms for the adaptation of agricultural enterprises to market conditions of operation requires

changes in the construction of organisational structures in order to promote the development of object markets for products. At the same time, the organisational structures of marketing management

¹ Vinnytsia National Agrarian University, Ukraine (*corresponding author*)

E-mail: Tomashuk.inna@ukr.net

ORCID: <https://orcid.org/0000-0001-6847-3136>

ResearcherID: I-5387-2018

² Vinnytsia National Agrarian University, Ukraine

E-mail: dzhedzhulao@ukr.net

ORCID: <https://orcid.org/0000-0001-7004-1500>

ResearcherID: L-8833-2018

³ Vinnytsia National Agrarian University, Ukraine

E-mail: mab73737@gmail.com

ORCID: <https://orcid.org/0000-0002-5827-6945>

ResearcherID: GRO-1058-2022



gain special importance. The solution of the problem of principles and approaches to their construction in the enterprise is purely individual and should take into account the whole spectrum of the specifics of the activity (Lahodiienko, 2014). In addition, insufficient development of the information component and infrastructure of the agricultural market significantly complicates the work of domestic marketers, which does not allow for a significant increase in the level of development of agricultural marketing.

Marketing is an activity that includes a whole range of activities: communication, supply, exchange, service provision, relations with customers, intermediaries, partners. Marketing as a management function is expressed in the fact that marketing activity is analysed and planned like any other management decisions and is also oriented towards applied activity (Bahorka, Kadyrus, 2022). As a business philosophy, marketing organically complements the thinking of entrepreneurs and managers, as well as all employees of sales departments, in order to identify and satisfy consumer needs as effectively as possible.

The purpose of the article is to determine the features of introduction and development of marketing activities in agricultural enterprises in order to increase the efficiency of their activities. In order to achieve this goal, the following tasks have been solved: the organisational and economic principles of marketing activities of agricultural enterprises have been summarised; the system of indicators for evaluating the level of effectiveness of marketing activities of agricultural enterprises has been defined; the organisational and economic directions for the formation of the strategy of marketing activities of enterprises on the market of agricultural products have been established; the scheme of the relationship of strategic planning and management in terms of marketing orientation has been proposed.

The theoretical and methodological basis of the research is a systematic approach to the study of economic phenomena and processes related to the marketing activities of agricultural enterprises. Historical, abstract-logical and monographic methods have been used to formulate theoretical generalisations, conclusions and proposals. Forecasting of indicators characterising the marketing potential of the enterprise in terms of increase of labour productivity in the enterprise, market parameters and justification of the choice of marketing strategy of enterprises producing agricultural products was carried out using methods of extrapolation and economic forecasting. The work uses general scientific and specific research methods: abstraction and comparison, analysis and synthesis, graphic methods, deduction, the method of economic-mathematical modelling, observation and comparison, logical method.

This is a study of the most important aspects of marketing activities of agricultural enterprises on the market, which includes taking into account the need for goods and services, the state of demand, the situation on the market in relation to the existing and potential requirements of buyers. The paper emphasizes that the marketing activity should ensure the competitive position of the subjects of the marketing system on the market of goods and services, taking into account the state of the internal and external environment. It is pointed out that it is a process related to the implementation of actions aimed at achieving marketing goals, which involves the use of certain technologies, means and methods.

2. The Role of Marketing in the Success of Agricultural Enterprises

Agricultural marketing is characterised by certain features, in particular that a type of product is produced by many producers, each of whom occupies a small share of the market. At the same time, when implementing marketing measures, it is necessary to take into account all conditions related to the scale of production: the possibility of influencing the market (increasing supply) and the ability to cover costs, as well as with the functioning, i.e., adaptability to the market and the probability of risk in the production of products (Vakulenko, Oliinyk, Cherneha, 2019). It follows that agricultural marketing is primarily concerned with the producer of the final product. For each agricultural enterprise, it is important to choose a marketing strategy that will maximise the producer's profit.

Marketing in agricultural enterprises plays an important role in achieving success in the market. The basic principles of marketing for agricultural enterprises help to solve the problems of promoting products, attracting customers and increasing profits, among other things:

- Marketing research, where agricultural enterprises need to have a good understanding of their market, target audience, competitors and consumer needs. Research helps to understand trends, product demand and optimal strategies;
- segmentation and targeting, i.e., dividing the market into segments, helps to identify groups of consumers with similar needs and characteristics. Selecting a target audience allows marketing efforts to be tailored to reach them most effectively;
- a unique selling proposition, where agricultural enterprises need to identify how exactly their products differ from those of their competitors. It can be product quality, cultivation methods, environmental friendliness or other advantages (Sydoruk, Sava, Korzhenivska, Zdyrko, Khaietska, 2021);

- product strategy, i.e., it is important to develop products that meet the needs of the target audience. This may include the development of new varieties, improved cultivation techniques, improved quality, etc. Pricing, where setting the right pricing policy is important to achieve a balance between competitiveness and profitability. Sales and distribution, i.e., it is important to choose the optimal sales channels that will allow the products to reach the target audience. This may include sales through wholesalers, retailers, farmers' markets, etc.;
- promotion, where advertising, PR activities, participation in exhibitions and other marketing services help to talk about products and attract the attention of the target audience. Communication with customers, where it is important to maintain interaction with consumers, listen to their wishes and feedback, and also answer their questions. Analysis and optimisation, where regular analysis of

the results of marketing activities helps to identify effective and ineffective strategies. Based on the analysis, adjustments can be made to improve results;

- sustainability and ethics, i.e., maintaining consumer trust and adherence to high ethical standards, are important components of agricultural marketing success.

Taking these principles into account, farms can develop an effective marketing strategy that will contribute to their development and increase their competitiveness in the market. The relationship between strategic planning and management in terms of marketing direction is illustrated in Figure 1.

The organisation of marketing activities at enterprises involves:

- Creation of a marketing management structure;
- selection of specialists, definition of their rights, duties and responsibilities;

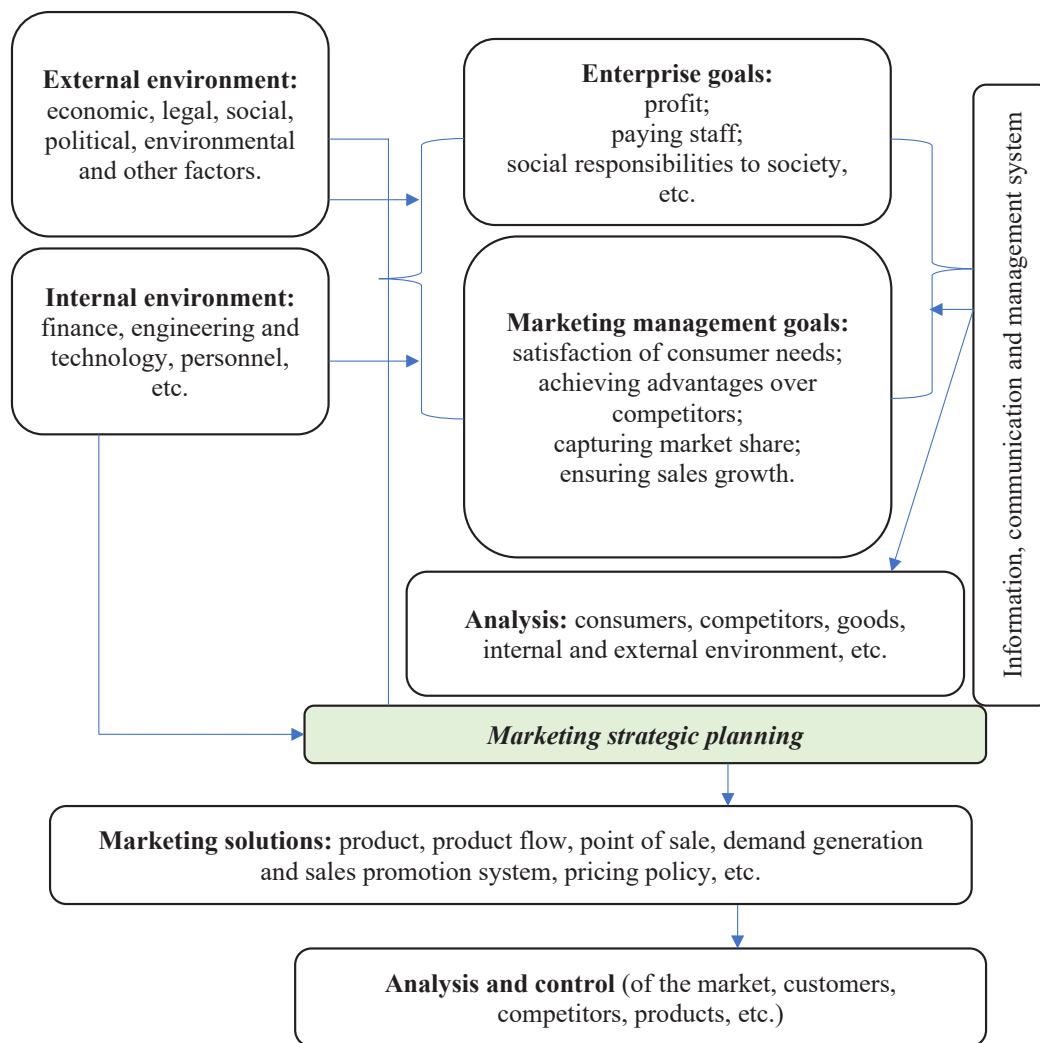


Figure 1. Scheme of the relationship between strategic planning and management in terms of marketing direction

Source: formed on the basis of research results

– establishment of relations between the marketing department and other departments of a particular enterprise.

The structure of marketing management of agricultural enterprises can be built according to one of three criteria: functional, functional-commodity or functional-market.

3. Marketing Strategy Development

Determining the place of strategic marketing in the process of enterprise management, it is necessary to note that the basic business strategy of the enterprise is developed on the basis of the corporate mission and established goals of the enterprise. Various researchers in their works consider the process of developing a marketing strategy in different ways.

The development of a marketing strategy begins with the study of the external environment in which the entrepreneurial activity will be carried out. It is necessary to precisely define the market or a separate segment of it that it is planned to enter, and within the established market space to identify the part of it where marketing activity will be carried out (Tarasiuk, 2019). Such an area of the company's activity within a certain target market or separate segment is called a strategic business zone (SBZ). The purpose of SBZ analysis is to assess development prospects from the point of view of growth, stability, market capacity, technological prospects, profit rates (Lahodiienko, 2014; Ilin, Nazarenko, Suprunova, Tomashuk, Shevchenko, 2020).

The main objectives of the marketing strategy are:

- To attract more customers and increase the number of orders in order to increase product sales;
- to offer goods or products at more attractive offers for the target audience;
- to ensure the growth of the agricultural enterprise's profit;

– to cover the widest possible market segment with its products, goods or services;

– to take a leading position in the chosen segment (Ilchenko, 2021).

In order to determine the strategy for the development of an agricultural enterprise, it is necessary to analyse the components and resources of its marketing potential in order to identify bottlenecks and provide measures that will strengthen the competitiveness of the producer and choose the most optimal type of strategy, according to which, due to competitive advantages, it will be able to maintain or even increase its presence in the market (Mazur, Tomashuk, 2019).

Marketing potential is the ability of an enterprise to achieve the planned marketing results and advantages in the competition for the target consumer. Its fullest use is a strategic objective of the enterprise.

A systemic approach to assessing marketing potential involves consideration of all elements of the marketing system at the enterprise level, taking into account its components: marketing information and analytical subsystem; marketing technologies, methods, tools and innovations; personnel, organisational structure, corporate culture; time resources; material and technical resources; financial component (Bolila, Kyrychenko, 2021).

Marketing information support is becoming increasingly important in the formation of marketing potential in the context of growing informatisation and the role of information technology and knowledge in socio-economic relations. Managers and marketers in their activities should use all the necessary knowledge and competencies to use digital know-how in building a company's marketing strategy (Table 1).

Thanks to the Internet, the marketing strategy in the context of digitalisation is gaining more influence on the success of agricultural enterprises and

Table 1

Content of recommended strategies for agricultural enterprises by components of the marketing complex in the context of digitalisation

Nº	Strategic guidelines	Suggested strategies
1	Commodity policy	Strategy of concentration on target domestic and foreign agricultural markets. Outsourcing strategy (transport and logistics support).
2	Pricing policy	The strategy is to set high and medium prices depending on the segment and product. Average prices are set for winter wheat and barley, and high prices for rapeseed and sunflower hybrids. Strategy for building customer loyalty (discounts on orders based on recommendations from previous customers).
3	Sales policy	Strategy of forming its own sales network (distributors, sales agents, and so forth). Online sales network – own website and online platforms for selling agricultural products.
4	Communication policy	The strategy of creating a positive public opinion about the company through charity. The strategy for informing about the company and its products includes its own website and promotion on social media.

Source: formed on the basis of research results

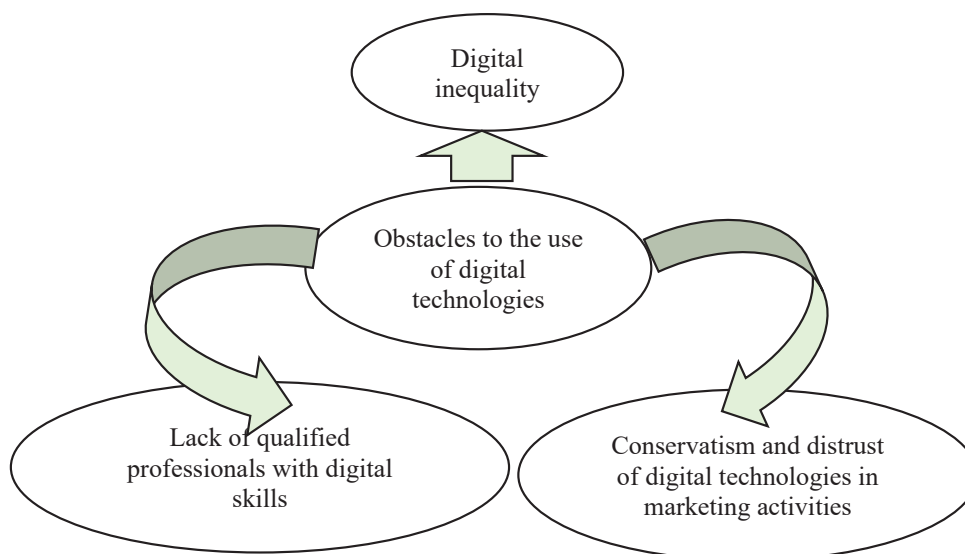


Figure 2. Obstacles to the use of digital technologies in building a marketing strategy for agricultural enterprises

Source: formed on the basis of research results

ensuring their sustainable development. Figure 2 shows the obstacles to the use of digital technologies in building a marketing strategy for agricultural enterprises.

In the age of digitalisation, information is becoming a key tool for generating competitive advantage. The implementation of digital tools in marketing activities brings a number of advantages for agricultural businesses. In particular, it improves the quality of services, improves communication with consumers (speed, availability, accuracy of communication), improves the company's image, optimises prices, makes the company's internal and external processes transparent, and increases customer loyalty to the company (Ilchenko, 2021).

4. Analysis of the Condition of Marketing Potential Management

In order to diagnose the state of management of the marketing potential of farms in Vinnytsia Oblast,

a questionnaire and survey of representatives of the category of administrative and managerial personnel were conducted. In the process of processing the survey results, an expert assessment of the aggregate potential of marketing resources of farms in this region was determined (Table 2).

Diagnostics of marketing efforts and assessment of the level of use of their collective potential make it possible to identify negative and positive aspects of marketing activities of farms and develop measures to improve their management (Table 3).

In order to achieve success and increase the degree of market presence of the majority of enterprises in the Vinnytsia region, it is necessary to reorient their activities towards managerial marketing. It is necessary to develop a marketing system for individual enterprises, to resort to a logical sequence of actions to adjust the activities of enterprises in the direction of implementation of their strategies, to ensure the achievement of strategic and tactical goals, and to create conditions for successful competition of

Table 2
The level of use of the aggregate potential of marketing resources of farms in Vinnytsia region

Nº	Type of resource component of marketing potential	Validity	Usage level	Weighted level, %
1	Personnel component of marketing potential	0,18	11,25	2,03
2	Material component of marketing potential	0,17	31,0	5,27
3	Financial component of marketing potential	0,17	38,5	6,55
4	Information component of marketing potential	0,17	17,25	2,93
5	Innovative component of marketing potential	0,16	20,0	3,2
6	Time resource of marketing potential	0,15	41,0	6,15
X	X	1,00	X	26,13

Source: formed on the basis of research results

Table 3

Assessment of the level of use of the aggregate potential of marketing efforts of farms in Vinnytsia Oblast

N ^o	Type of potential	Validity	Usage level	Weighted level, %
1	Marketing information system	0,14	32,5	4,55
2	Marketing research management	0,11	17,25	1,9
3	Planning of marketing activities	0,13	41,0	5,33
4	STP – marketing	0,09	20,0	1,8
5	Commercial potential	0,09	51,75	4,44
6	Price potential	0,08	44,5	3,58
7	Sales potential	0,08	44,0	3,52
8	Communication potential	0,1	38	3,8
9	Risk management	0,08	23,75	1,9
10	Marketing control	0,1	40,75	4,06
	In total	1,00	X	34,88

Source: formed on the basis of research results

enterprises in the market through effective management of competitiveness of the marketing potential of the enterprise and use of key corporate competencies (Tomashuk, 2023; Portovaras, Harbar, Sokurenko, Samoilyk, 2020). The basis of the formation of competitiveness of enterprises is the system of management of competitiveness of marketing potential, which combines the organisation of marketing activities, assessment of competitiveness of marketing potential and programming of competitiveness (Table 4) (Bolila, Kyrychenko, 2021).

The level of efficiency of the enterprise's marketing activities can be determined by monitoring marketing indicators (Table 5).

On the basis of the study, it is proposed to use a formula for determining a comprehensive indicator of marketing efficiency:

$$E = a \times e_a + b \times e_b + c \times e_c + \dots + n \times e_n, \quad (1)$$

where a, b, c... partial performance indicators;

e_a, e_b, e_c... – weighting coefficients of the relevant performance indicators. To determine the weighting factors, it is proposed to use the adaptive assessment method. This method is used in cases where the

significance of indicators changes over time and, accordingly, there is a need to reduce or increase their weighting:

- For a long time, the indicator is stable and its value practically does not change – the value of the weighting factor may be proportional to the rate of its change;
- when analysing economic security indicators, a number of indicators may reach the threshold value – it is advisable to reduce the value of its weighting coefficient, while increasing the weight of indicators that have not reached the required threshold value;
- the indicator may lose its economic significance for various economic, political and social reasons.

When using the adaptive valuation method, it should be remembered that the weights should change in the same way for all economic systems under comparison, and their sum should be equal to one.

The highest rating of the effectiveness of marketing activities is given to the company that received the maximum value of the comprehensive indicator of the effectiveness of marketing activities (Soboliev-Tereshchenko, Antonova, 2019).

Table 4

Indicators of the marketing performance evaluation system

Components	Main goals	Indexes
Finances	Availability of financial resources	Amount of expenses for marketing activities, thousand UAH.
		Investments in production, thousand UAH
	Expected financial results	Revenue growth rate, %.
		Net income growth rate, %.
Consumers (customers)	Product type	Number of consumer requests
	Market share	Increase the company's market share
Internal processes	Optimisation of technological processes	Reduction in material consumption of products
	Increasing the level of financial stability	Increase in the share of equity in the capital structure
External processes	Risk level of the product market	Total volume of unsold products (losses incurred) by all existing market participants
	Level of profitability of the product market	Average profit margin for the respective product type in the specified region

Source: (Dashevskaya, 2015)

Table 5

Partial indicators of the effectiveness of marketing activities

Indicator	Calculation method
a. Share of sales expenses in total expenses	$SSctc = Se / Ge$, where Se – Selling expenses, UAH; Ge – General expenses of the enterprise, UAH.
b. Return on cost of sales ratio	$CSpr = Gp / Se$, where Gp – Gross profit from sales, UAH; Se – Selling expenses, UAH.
c. Share of promotion expenses in total expenses	$SPctc = Ep / Ge$, where Ep – Expenditure on advertising activities, UAH; Ge – General expenses of the enterprise, UAH.
d. Profitability level of promotional activities	$Rrp = NP / Cpp$, where NP – Net profit, UAH; Cpp – Expenditure on product promotion, UAH.
e. Growth rate of total product sales	$\Delta GRTVc = \Delta VSBc1 / \Delta VSPc0 - 1$, where $\Delta VSBc1$ – Sales in the base year, UAH; $\Delta VSPc0$ – Sales volume for the previous year, UAH
f. Sales profitability	$Ps = NP / IS$, where NP – Net profit, UAH; IS – Net sales revenue, UAH
g. Product profitability	$Pp = NP / C$, where NP – Net profit, UAH; C – Cost of goods sold, UAH
h. Turnover index	$Ir = TC1 / TB0$, where TC ₁ – Current period turnover, UAH; TB ₀ – base period turnover, UAH.
k. Cost recovery ratio	$CRr = TE / (C + AC)$, where TE – Enterprise turnover, UAH; C – Cost of goods sold, UAH; AC – the amount of circulation costs, UAH.
n. Level of trade margin in retail price	$LTMp = Tmi / RPi * 100\%$, where Tmi is the trade margin for the i-th product sold, UAH; RPi is the retail price of the i-th item sold, UAH.

Source: (Soboliev-Tereshchenko, Antonova, 2019)

The main tool of influence of the marketing service of an agricultural enterprise on the environment, in particular on the target market, is the marketing complex, which includes innovative activities of the agricultural enterprise, planning of production and product range, formation of price and sales policy, construction of a marketing communication system (Kurbatska, Ilchenko, Kadyrus, Zaharchenko, 2013; Tomashuk, Tomashuk, 2021).

Thus, agricultural marketing management includes:

- A clear definition of marketing goals in order to optimally combine the opportunities of the market situation with the company's research, production, sales and service potential;
- planning of all marketing activities and their effective organisation to achieve the set goals;
- development of the most optimal marketing system that ensures full satisfaction of consumer needs and achievement of the goals of the agro-industrial enterprise;

- effective control, analysis and evaluation of all marketing activities of the enterprise, constant adjustment of its goals, means and methods;
- timely intervention in the course of marketing processes due to constantly changing circumstances and situations;
- stimulating the effective work of all marketing personnel (regardless of their affiliation with the company) to maximise creative output;
- provision of marketing managers with objective and comprehensive information about the state of the external and internal marketing environment, opportunities and dangers (Ostrovsky, 2006).

Marketing in an agricultural enterprise is only one part of the management system. If all other functions (management of production, personnel, development of new types of products, etc.) are not performed, the influence of marketing on the activity of the enterprise will be ineffective (Kurbatska, Ilchenko, Kadyrus, Zaharchenko, 2013; Tomashuk, 2017).

Agricultural enterprises should take into account the peculiarities and weaknesses of the development of marketing in the agricultural sphere and the specifics of this industry, in particular, the specifics of goods, the inconsistency of production cycles, working hours and expiry dates and consumption, dependence on natural and climatic factors, obsolescence of production facilities and technologies, and so forth (Dudyak, Bilskyi, Bugil, journals.indexcopernicus.com). Figure 3 shows the relationships in the marketing planning system.

The main task of marketing is to conquer product markets. To this end, agricultural producers, as direct subjects of the agro-food market, should be concerned with increasing their competitiveness in the conditions of product competition. Marketing planning is carried out in order to reduce marketing

risks by reducing the uncertainty of business conditions and concentrating resources on the most promising areas. The levels of marketing planning are shown in the figure (Kurbatska, Ilchenko, Kadyrus, Zaharchenko, 2013).

The organisation of marketing at modern agricultural enterprises involves the following:

- Construction and improvement of the marketing management structure;
- recruitment of properly qualified marketing specialists;
- distribution of tasks, rights and responsibilities among marketing employees;
- creation of appropriate conditions for the effective work of marketing staff;
- ensuring effective interaction between the marketing department and other business units (Bahorka, Bilotkach, 2015).

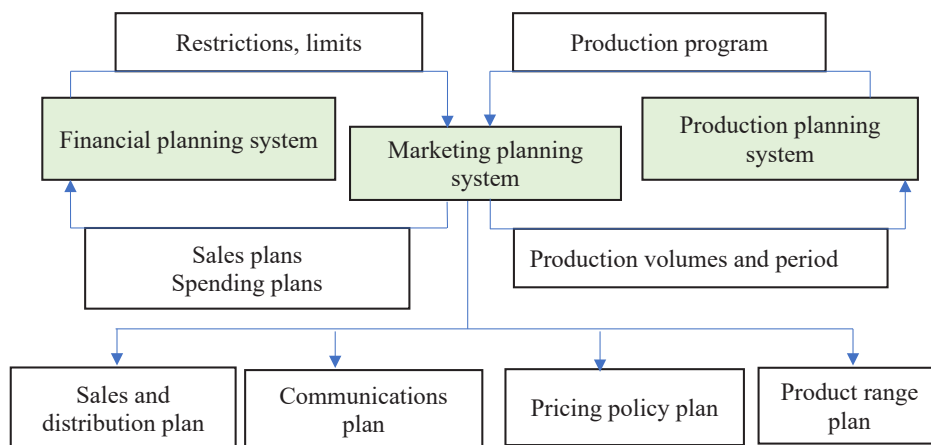


Figure 3. Interconnections in the marketing planning system

Source: formed on the basis of research results

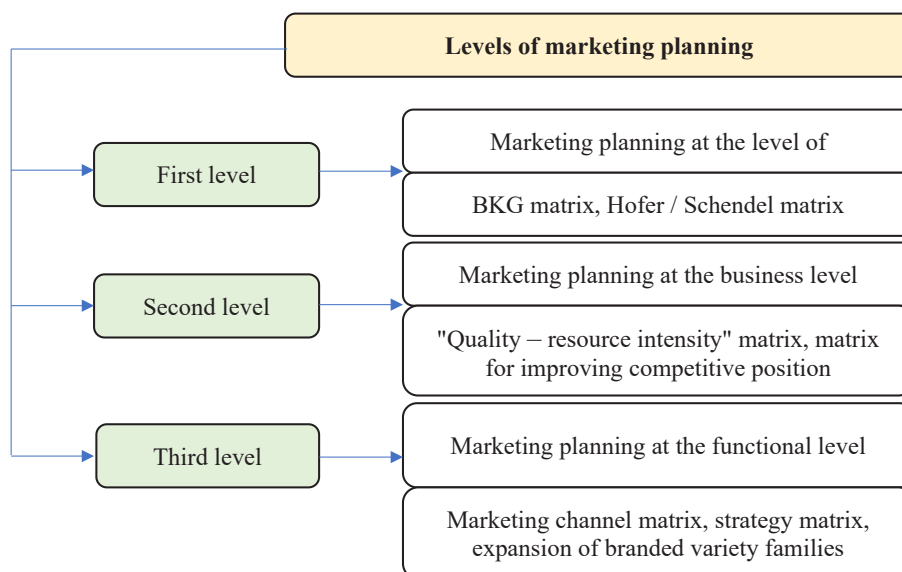


Figure 4. Levels of marketing planning

Source: formed on the basis of research results

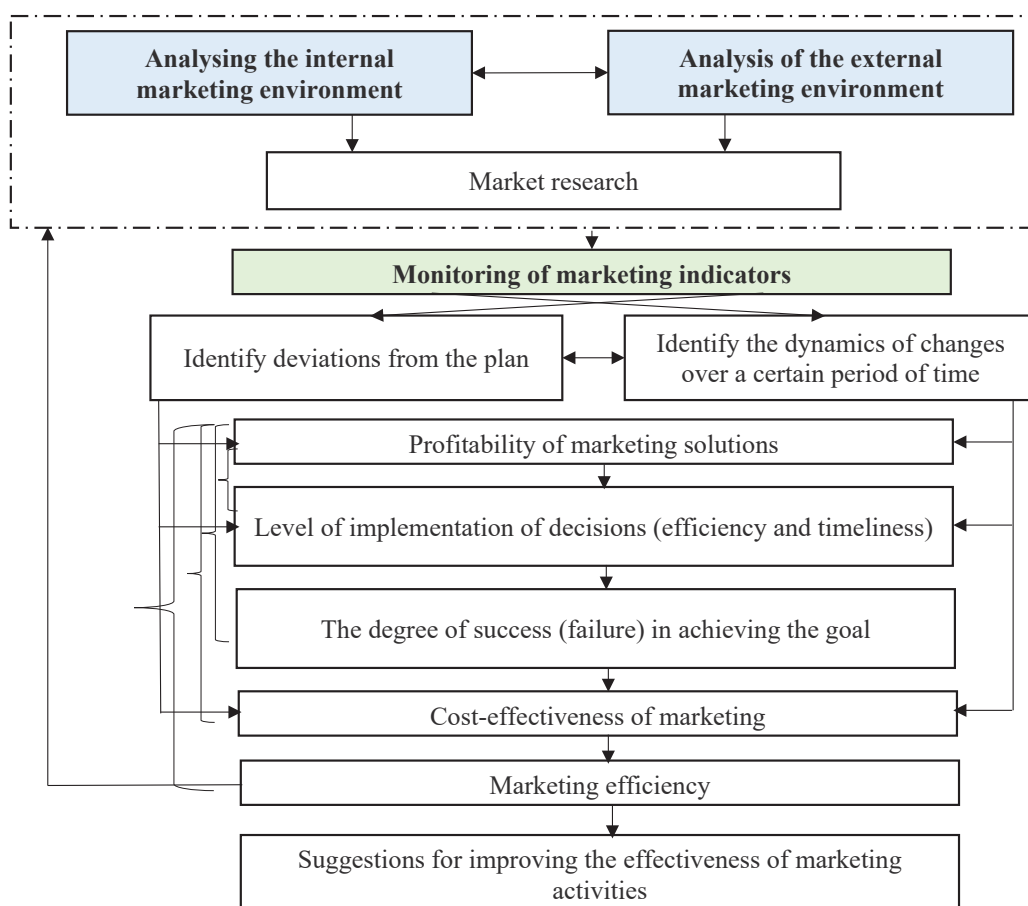


Figure 5. Algorithm for assessment of the efficiency of marketing activities of agricultural enterprises

Source: (Sobolieva-Tereshchenko, Antonova, 2019)

An important component is the study and assessment of the marketing potential of the enterprise. The algorithm for assessing the effectiveness of marketing activities of agricultural enterprises is shown in Figure 5.

Timely assessment of the marketing potential of the enterprise makes it possible to identify changes in external environmental factors and to react to them in a timely and flexible manner, to compare possible directions of development of the enterprise and to determine the most promising ones, to establish links between the state of the enterprise and possible strategic directions of development, to segment the market for goods and services, identify the most attractive sectors for the enterprise, determine the parameters of the enterprise's competitiveness and market position in relation to the competitor, establish an alternative set of strategies for each economic unit in order to make strategic management decisions regarding the final choice and implementation of the enterprise's development strategies (Bahorka, Bilotkach, 2015).

5. Effectiveness of Managerial Decision-Making

The effectiveness of managerial decisions in marketing activities of agricultural enterprises (including agrarian enterprises) fully depends on the level of development of marketing and development of its organisational and economic bases. Decisions on the introduction of new products, the level of prices and other factors always lie in the sphere of functioning of the marketing complex. It is impossible to make such decisions without full information support, which is the process of market research as a functional area of marketing management with the effectiveness of production and sales activities, and a complex of marketing tools, which includes marketing management, is responsible for the mechanism of implementation of these management decisions (Dudyak, Bilskyy, Bugil, journals.indexcopernicus.com).

The results of marketing activities are most often understood as the number of new customers acquired, the number of interested customers among the existing ones, the frequency of customer calls to the company, the number of successful contracts, etc.

There are four separate groups of methods for evaluating the effectiveness of marketing activities (Dudyak, Bilsky, Bugil, journals.indexcopernicus.com):

1. Quantitative (factual) – involves comparing the performance indicators of marketing activities with the costs of its implementation:

- Return on investment in marketing;
- assessment of brand value;
- assessment of the company's market success against competitors.

2. Sociological – aimed at using the tools of applied sociology, namely the development of sociological research and its implementation in accordance with communication assessment programmes.

3. Expert (subjective) – involves the use of specialised knowledge and practical experience of experts to obtain general judgements about the effectiveness of the company's marketing activities, mainly in the form of points.

4. Qualitative – based on conducting a marketing audit – is a comprehensive, systematic, independent and periodic review of the external marketing environment, goals, strategies and specific directions of marketing activities of the company in general and its individual structural units. A more complete

assessment of marketing effectiveness can be carried out by determining and analysing specific indicators of the effectiveness of management actions, including, for example, the effectiveness of current costs for the implementation of the marketing complex, the effectiveness of marketing processes, the effectiveness of the use of management resources (Figure 6).

Reflecting the impact of marketing activities on the financial results of the enterprise is actually a matter of comparing changes in the level of the volume of products produced (taking into account their quality), production costs (taking into account their various components), net income and profit with changes in the level of the costs of marketing activities (Vysotska, Savina, Mazur, Nahirna, Dorosh, 2021). There is also a view that the effectiveness of marketing activities is determined by the size of the effect achieved. At the same time, most scholars distinguish between the categories of effect and efficiency. Effect characterises the result of the implementation of marketing measures in natural and cost terms, and efficiency is the ratio of results to costs. In the same way, economic result and economic effect are distinguished, the former being understood as gross profit and the latter as profit.

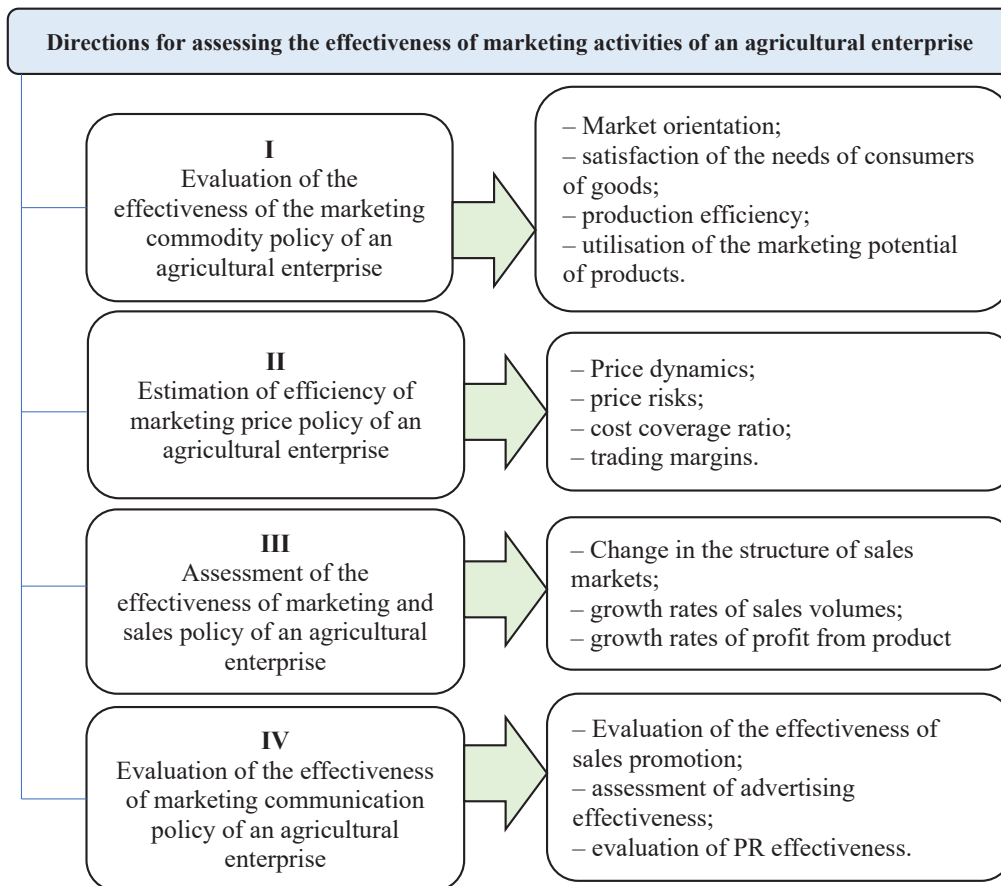


Figure 6. Directions for assessing the effectiveness of marketing activities of an agricultural enterprise

Source: formed on the basis of research results

In general, the formula for calculating the effectiveness of marketing activities can be presented as follows (Dashevskaya, 2015):

$$E_{MA} = \frac{AR}{MC}, \quad (2)$$

where E_{MA} – effectiveness of marketing activities;

AR is an additional result obtained as a result of marketing activities;

MC – marketing costs.

Marketing expenses include expenses for special research, communication and advertising, promotion and sales.

In order to ensure the sustainable functioning and development of agro-industrial enterprises, it is necessary to carry out analysis, forecasting and planning of their activities, which will not only ensure the creation of new development prospects, but will also make it possible to prevent a crisis situation.

In its turn, agricultural marketing is a component of the internal management system, the activities of which are related to research, analysis of the market situation, study of the relationship between supply and demand, development of measures for marketing orientation of sales activities of enterprises, development of assortment policy for the production of competitive products to meet the needs and requirements of consumers. Marketing activities in modern conditions should not only be filled with various activities, but also clearly coordinated and planned.

Strategic marketing planning is the process of forming a marketing strategy that defines goals and programmes that will be used to achieve them. The process of planning, implementing the marketing concept, promoting and implementing ideas, goods and services should be effective for the consumer and the company as a whole (Bahorka, Kadyrus, 2022). Strategic planning can be seen as a derivative of strategic management and therefore involves making a series of strategic decisions.

7. Findings

The essence of marketing in agriculture is the production of agricultural products that can be sold profitably for the enterprise (Mishchenko, 2009).

The organisation of effective marketing ensures the rational management of production and marketing activities of agricultural enterprises, the development of market relations and, above all, the orientation of the market of agricultural products to consumer demand, which is one of the main conditions for the effective development of domestic agro-industrial production (Lahodiienko, 2014; Lohosha, Prylutskyi, Pronko, Kolesnyk, 2023).

Marketing contributes to the development of trade and the increase of employment of the population

by means of the assessment of consumer needs and scientific researches aimed at finding ways of satisfying these needs. The organisational, economic and social significance of marketing lies in the fact that it establishes a scientifically based rational relationship between production resources in agriculture and the distribution of goods and services, determines and manages the entire complex of efforts necessary for the effective sale of agricultural products to the final consumer (Mishchenko, 2009; Lohosha, Mykhalchyshyna, Prylutskyi, Kubai, 2020).

Marketing in agriculture has its own characteristics compared with industrial, banking and other types of marketing (Table 6). This is determined by the specifics of agriculture itself, namely: the dependence of results on natural conditions, the variety of forms of ownership, the mismatch of the working period and the production period, the seasonality of production and results, the involvement of state bodies in the development of the agro-industrial complex and its branches. Natural and economic processes in agricultural marketing activities influence each other and create special conditions for marketing organisation.

In agricultural enterprises, marketing activity can be effective if all employees of the management apparatus are involved in it and all employees of the production sphere contribute to it. Figure 7 shows the dynamics of labour productivity indicators in agricultural enterprises of Ukraine in the period 2011–2020, which is characterised by upward trends.

In today's conditions, only some agricultural enterprises have marketing services, but they mostly carry out sales activities. The effectiveness of the marketing service is based on a comprehensive study of the existing situation and fruitful cooperation with all structural divisions of the agricultural enterprise. The marketing strategy is a part of the overall strategy of the enterprise, so their objectives should be interrelated. Developing a strategy for the economic development of an agricultural enterprise is a complex process, which includes forecasting performance indicators based on economic analysis, forecasting possible threats, taking into account the need for resources, evaluating alternatives and profitability (Honcharuk, Tomashuk, 2022). Economic forecasting is the basis for a well-founded choice of business strategy and decisions on the development of production – economic activity of the business entity. Thanks to forecasting it is possible to determine the long-term vision of development of an agricultural enterprise and to apply the necessary means for its successful management. Increasing labour productivity is one of the components of the enterprise development strategy. Using the method of extrapolation, the labour productivity of agricultural

Table 6

Features of marketing activities in agriculture

Feature	Characteristics
First feature	The marketing service of an agricultural enterprise deals with essential goods, so it is necessary to meet the needs of consumers in a timely manner, in a certain volume and assortment, taking into account national traditions and the state of health of consumers.
Second feature	Mismatch between the working period and the production period. In this regard, marketing specialists should be able to predict consumer demand, market conditions, etc. In addition, the seasonality of agricultural production affects the forms and methods of agricultural marketing and determines their difference from the forms and methods of industrial marketing.
Third feature	Agricultural production is determined by the main means and object of production – land, its quality and intensity of use. All of this affects the volume, range and quality of products produced and gives agricultural marketing its specificity in the process of its organisation and implementation.
Fourth feature	Higher adaptability, self-organisation and self-management of the agricultural marketing system compared to other types of marketing, which is explained by the peculiarities of consumer demand and the intensity of competition in the market for agricultural products.
Fifth feature	Lower level of science and art of marketing activities in agriculture compared to other industries, lack of scientifically based recommendations on the application of agricultural marketing.

Source: (Mishchenko, 2009)

enterprises in Ukraine for 2021–2025 is calculated (Table 6).

The equation, which reflects the predicted average absolute growth, is as follows:

$$y_{aver,t} = y_0 \pm A_{aver} \cdot x \cdot t, \quad (3)$$

where $y_{aver,t}$ – equalised level of labour productivity in agricultural enterprises in Ukraine;

A_{aver} – average absolute growth;

y_0 – the initial level of the row;

t – serial number of the year.

$$A_{aver} = (y_n - y_0) / (n - 1) = (857,2 - 472,4) / 8 = 48,1$$

The average growth rate forecast is calculated using the formula below:

$$Y_{aver,t} = y_0 (K_{aver})^t, \quad (4)$$

where t is serial number of the year;

K_{aver} – average growth rate;

y_0 – the initial level of the row;

$y_{aver,t}$ – aligned levels;

$$K_{aver} = \sqrt[n]{(y_n / y_0)} = \sqrt[9]{(857,2 / 472,4)} = 1,077.$$

By substituting the appropriate values of t into these equations, it is possible to obtain the equalised levels of labour productivity in Ukrainian agricultural enterprises $y_{aver,t}$ and present them in Table 7.

Figure 8 shows the dynamics of actual labour productivity in Ukrainian agricultural enterprises for the period 2011–2020 and forecasts for the period 2021–2025.

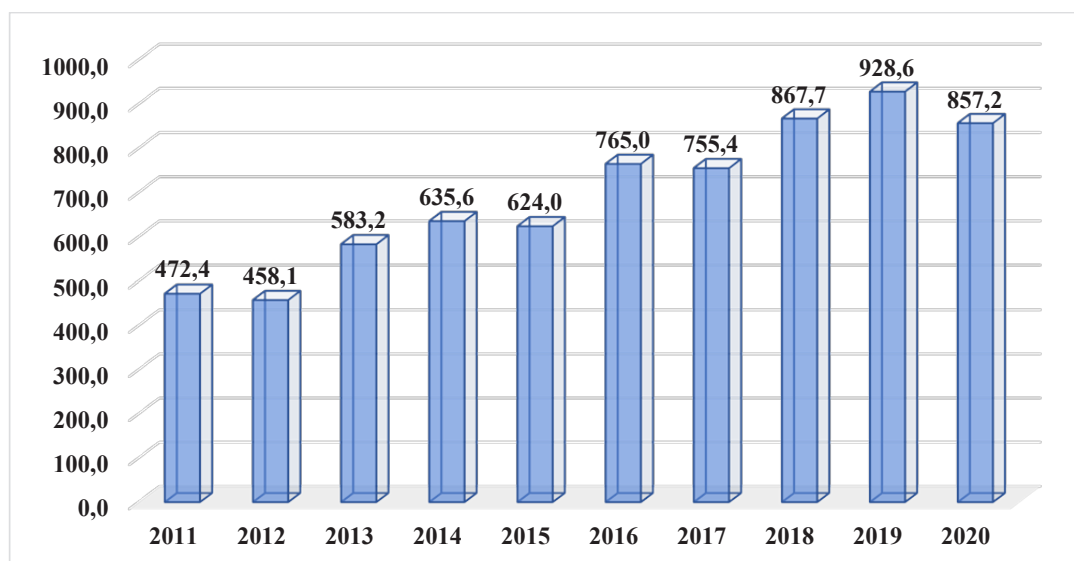


Figure 7. Dynamics of labour productivity indicators in agricultural enterprises of Ukraine, 2011–2020, (per 1 person employed in agricultural production at constant prices of 2016, thousand UAH)

Source: (Official website of the State Statistics Service of Ukraine. Available at: <https://www.ukrstat.gov.ua>)

Table 7

Forecast of labour productivity in agricultural enterprises of Ukraine for 2021–2025, thousand UAH

Year	Serial number of the year	Labour productivity in agricultural enterprises of Ukraine, thousand UAH	Alignment by average absolute growth	Alignment with the average growth rate
	t	y_i	$Y_{aver,t} = y_0 \pm A_{aver} * t$	$Y_{aver,t} = y_0(K_{aver})^t$
2011	0	472,4	472,4	472,4
2012	1	458,1	520,5	475,7
2013	2	583,2	568,6	512,3
2014	3	635,6	616,7	551,7
2015	4	624,0	664,8	594,2
2016	5	765,0	712,9	639,9
2017	6	755,4	761,0	689,2
2018	7	867,7	809,1	742,3
2019	8	928,6	857,2	799,4
2020	9	857,2	905,3	860,9
FORECASTING				
2021	10	-	953,4	927,2
2022	11	-	1001,5	998,6
2023	12	-	1049,6	1075,5
2024	13	-	1097,7	1158,3
2025	14	-	1145,8	1247,5

Source: calculated by the authors according to the official website of the State Statistics Service of Ukraine

The most important functions of forecasts are to determine the goals and directions of agricultural development, strategic areas of management; forecast economic, political, environmental and social changes in the application of possible options for strategic plans; estimate the necessary costs of resources to be used; identify opportunities and threats in the competitive environment.

In modern market conditions, when there are constant changes in the external environment, new marketing structures should be created, which would deal with comprehensive market research. It is advisable to use this principle when creating a new marketing service that would allow a marketer and a supply and sales specialist to work in the same structural unit (Vakulenko, Oliinyk, Cherneha, 2019).

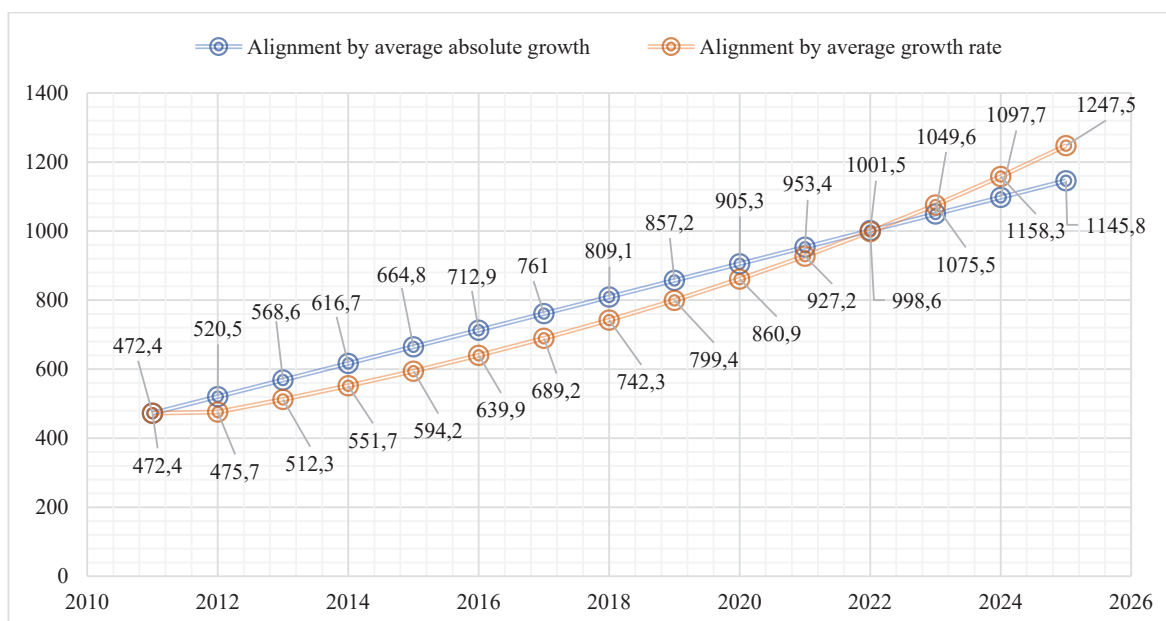


Figure 8. Actual and forecast indicators of labour productivity in agricultural enterprises of Ukraine, 2011–2025, thousand UAH

Source: formed on the basis of research results

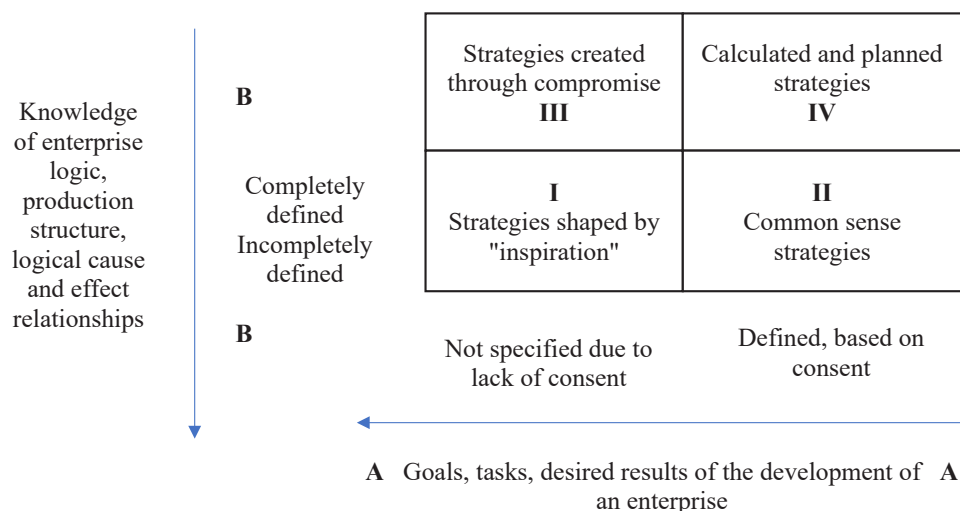


Figure 9. Ways to develop a marketing strategy for an agricultural enterprise

Source: (Vakulenko, Oliynyk, Chernenha, 2019)

In Figure 9 ways of developing the marketing strategy of an agricultural enterprise are presented.

An obligatory element of the work of a marketer is the assessment of the market of agricultural products and the monitoring of the range of competitors, the study of the market segment and the positioning of the products, the determination of the methods of promotion, the cost price, the optimal price and the profitability of the products.

8. Conclusions

Marketing activity ensures flexible adaptation of the enterprise's production, financial, commercial, sales and human resources activities to the ever-changing economic situation and consumer demands on the market. Agricultural marketing differs from industrial, commercial, banking and other types of marketing. It is determined by the peculiarities of agriculture: the dependence of results on natural conditions, the role and value of the product, the variety of forms of ownership, the difference between the working period and the production period, the seasonality of production and receipt of products, the variety of organisational forms of management and their dialectics, foreign economic relations, the participation of state bodies in the development of agriculture and its industries. Natural

and economic processes in agricultural activities are integrated and create special conditions for the organisation of production and marketing.

The organisation of marketing activities in companies involves: creating a marketing management structure; selecting specialists; defining their rights, duties and responsibilities; establishing relationships between the marketing department and other departments of a given company.

The marketing strategy of an agricultural enterprise is of crucial importance in the formation of its relations with consumers, the effectiveness of which depends on the volume of sales, profits and, consequently, the financial situation of the enterprise. This is explained by the fact that a well-chosen and properly implemented marketing strategy provides the agricultural enterprise with advantages that manifest themselves in an increase in the competitiveness of the enterprise and its products, a reduction in the price sensitivity of consumers, as well as easier access to financial, information and labour resources.

The effective use of production facilities, new equipment and advanced technologies is determined by marketing, within which a system of measures is developed and applied to influence the market and consumer demand, taking into account the achievement of profit at the expense of maximum satisfaction of society's needs.

References:

- Lahodiienko, V. V. (2014). Organization of marketing activities in agricultural enterprises. *Economic analysis*, 18, 3: 56–59.
- Ilchenko, T. V. (2021). Marketing strategy for the agricultural enterprises activities in the conditions of digitalization. *Economy and Society*, 26. Available at: <https://economyandsociety.in.ua/index.php/journal/article/view/346/331>
- Bolila, S. Yu., & Kyrychenko, N. V. (2021). Development of agricultural enterprise activity on the basis of activation its marketing efforts. *Efektivna ekonomika*, 5. Available at: http://www.economy.nayka.com.ua/pdf/5_2021/95.pdf

- Kurbatska, L. M., Ilchenko, T. V., Kadyrus, I. G., & Zaharchenko, Y. V. (2013). Marketing support of agricultural enterprises in the market environment. *Ahrosvit*, 10: 25–31.
- Ostrovsky, P. I. (2006). Agricultural marketing. Tutorial. Kyiv: Lyceum's television news service, 224.
- Tarasiuk, A. V. (2019). Ways for improving management of marketing activities of agricultural enterprises. *Ekonomika APK*, 8: 103–109.
- Tomashuk, I. V. (2017). Problems and prospects of management of rural development. *Baltic Journal of Economic Studies*, 3(5): 214–220. DOI: <http://dx.doi.org/10.30525/2256-0742/2017-3-5-214-220>.
- Mazur, K. V., & Tomashuk, I. V. (2019). Governance and regulation as an indispensable condition for developing the potential of rural areas. *Baltic Journal of Economic Studies*, 5(5): 67–78. DOI: <https://doi.org/10.30525/2256-0742/2019-5-5-67-78>
- Dudyak, R., Bilskyy, I., & Bugil, S. Theoretical basis of the effectiveness of marketing activities of agricultural enterprises. Available at: <https://journals.indexcopernicus.com/api/file/viewById/651727.pdf>
- Bahorka, M. O., & Kadyrus, I. G. (2022). Strategic planning of marketing activity of agricultural enterprises. *Uzhorod National University Herald. Series: International Economic Relations and World Economy*, 22: 14–19.
- Dashevskaya, N. S. (2015). Development of marketing activities of agricultural enterprises on the livestock products market, 223. Available at: <https://dspace.pdau.edu.ua/server/api/core/bitstreams/5a09f55b-2dea-4462-b716-4d148fb1270e/content>
- Mishchenko, D. A. (2009). Marketing of agricultural enterprises as a direction of entrepreneurial activity. *Ekonomika APK*, 19: 17–18.
- Official website of the State Statistics Service of Ukraine. Available at: <https://www.ukrstat.gov.ua>
- Vakulenko, Yu. V., Oliinyk, A. S., & Cherneha, V. M. (2019). The role of marketing strategy in the development of agrarian enterprises. *Ahrosvit*, 21: 86–92.
- Tomashuk, I. (2023). Competitiveness of agricultural enterprises in market conditions and ways of its increase. *Green, Blue & Digital Economy Journal*, 1(4): 64–81. DOI: <https://doi.org/10.30525/2661-5169/2023-1-7>
- Honcharuk, I. V., & Tomashuk, I. V. (2022). Development of an agricultural enterprise's economic development strategy to increase its competitiveness. *Economy, finances, management: topical issues of science and practical activity*, 4(62): 7–24. DOI: <https://doi.org/10.37128/2411-4413-2022-4-1>
- Tomashuk, I. V., & Tomashuk, I. O. (2021). Enterprise development strategy: innovation and internal flexibility. *Colloquium-journal*, 3(90), 4: 51–66.
- Sobolieva-Tereshchenko, O. A., & Antonova, V. O. (2019). Efficiency evaluation marketing activities in the context of customer loyalty programs. *Efektivna ekonomika*, 5. Available at: http://www.economy.nayka.com.ua/pdf/5_2019/54.pdf
- Bahorka, M. O., & Bilotkach, I. A. (2015). Peculiarities of evaluating the marketing potential of agricultural enterprises. *Bulletin of the Dnipropetrovsk Agricultural and Economic University. Series: economic sciences*, 4(38): 132–136.
- Lohosha, R., Prylutskyi, A., Pronko, L., & Kolesnyk, T. (2023). Organization of the System of Internal Marketing and Marketing of Interaction of Agricultural Enterprises for the Production of Biodiesel Based on Value Chain Analysis. *Journal of Environmental Management and Tourism*, 14(3): 823–841. DOI: [https://doi.org/10.14505/jemt.v14.3\(67\).21](https://doi.org/10.14505/jemt.v14.3(67).21)
- Ilin, V. Yu., Nazarenko, T. P., Suprunova, I. V., Tomashuk, I. V., & Shevchenko, A. A. (2020). Method of estimating the volume of the shadow economy. *Financial and Credit Activity: Problems of Theory and Practice*, 32(1): 244–250.
- Lohosha, R., Mykhalchyshyna, L., Prylutskyi, A., & Kubai, O. (2020). Institutionalization of the agrarian market in Ukraine and European economic community: genesis, evaluation and analysis. *Independent Journal of Management & Production, Special Edition ISE, S&P*, 11(8): 727–750. DOI: <https://doi.org/10.14807/ijmp.v11i8.1232>
- Vysotska, I., Savina, S., Mazur, K., Nahirna, M., & Dorosh, I. (2021). Justification of bank financial security management strategy. *Financial and Credit Activity: Problems of Theory and Practice*, 4(39): 58–65.
- Sydoruk, B., Sava, A., Korzhnivska, N., Zdyrko, N., & Khaietska, O. (2021). Optimization of economic and ecological components of using agricultural lands for balanced land use and rural areas development. *Independent Journal of Management & Production*, 12(6): 417–430. DOI: <https://doi.org/10.14807/ijmp.v12i6.1767>
- Portovaras, T., Harbar, Z., Sokurenko, I., & Samoilyk, I. (2020). Management of small business entities. *Independent journal of management & production*, 11(8): 680–694.

Received on: 05th of February, 2024

Accepted on: 18th of March, 2024

Published on: 05th of April, 2024