

COMPETITIVENESS AS THE MAIN GUIDELINE FOR MARKETING MANAGEMENT IN AGRIBUSINESS

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Abstract. The objective of this article is to examine the principal indicators of competitiveness and environmental factors, to delineate the methodologies employed in the analysis and assessment of the competitiveness of agrarian enterprises, and to justify the marketing management decisions aimed at enhancing the level of competitiveness, thereby enabling agrarian enterprises to adapt to the contemporary conditions of agribusiness. The study's *methodology* was based on a synthesis of the results of applied economic research, as well as the scientific works of domestic and foreign scientists. This synthesis highlighted the fundamental theories of competitive advantage, competitiveness, and marketing management. *Results.* The article examines the principal indicators of competitiveness and environmental factors, considers the methods of analysis and assessment of the competitiveness of agrarian enterprises, and justifies marketing management decisions aimed at enhancing the level of competitiveness in order to facilitate the adaptation of agrarian enterprises to the contemporary conditions of agribusiness. *Practical results.* It has been demonstrated that it is of the utmost importance for agricultural enterprises to promptly identify and respond to changes in the competitive environment in order to optimise their strategies and minimise potential risks. Accordingly, a comprehensive understanding and analysis of these aspects is essential for an effective assessment of the marketing environment itself. Those engaged in agricultural production who possess competitive advantages are able to adapt to the complex and dynamic factors that characterise the macro-, micro-, marketing and competitive environment. This enables them to strengthen their market positions and to minimise the risks associated with numerical data. *Value/Originality.* In order to ascertain the competitiveness of an agricultural enterprise, it is necessary to undertake a comparative analysis of the enterprise in question with respect to a number of key indicators. These include the enterprise's conditions, resources and productivity, which should be evaluated in accordance with appropriate methods.

Keywords: competitiveness, competitive advantages, agribusiness, management system, marketing research, agricultural products, agricultural enterprises, organisational environment, management decisions.

JEL Classification: M3, M11, M31, P23

1. Introduction

The advancement of agricultural practices represents a pivotal factor in guaranteeing the nation's food security, fostering the development of its export sector, and providing a source of revenue to support the government's economic policies. In this context, competition serves as the primary mechanism for regulating the economy and constitutes a pivotal aspect of the market environment for enterprises.

Modern agribusiness requires entrepreneurs to engage in continuous monitoring of the

competitiveness of their enterprises, the impact of environmental factors, and the analysis and assessment of opportunities and threats. The constant monitoring of the competitive environment, defined as the conditions under which enterprises compete on the market, allows the enterprise to assess its own competitive advantages, understand its place in the market, identify potential opportunities and threats, and develop balanced strategic plans that will enable the enterprise to adapt to competitive market conditions. The analysis of market opportunities is

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of critical importance for the success of agricultural enterprises.

Agricultural enterprises can significantly increase their efficiency by adapting to the macroeconomic environment and associated risks. At the same time, neglecting these aspects can lead to significant risks and losses. In this context, in-depth market research provides the necessary information and analytics to understand the factors of the external environment.

With the development of the economy and the improvement of consumers' living standards, consumer demand for agricultural products is becoming more diversified. Competition in the market for agricultural products is becoming more acute and obvious, making it extremely difficult to meet the needs of the market. Therefore, the process of assessing and managing the competitiveness of agricultural enterprises based on the analysis of consumer demand, the company's position in the market is a topical issue of modern research.

Effective management of the competitiveness of agricultural enterprises is also one of the most important challenges of the modern economy. Solving this problem is critical both for the productivity of production and management systems and for ensuring the economic security of the enterprise in the face of financial instability.

The questions that form the basis of this study are concerned with the analysis and assessment of the competitiveness of agricultural enterprises, as well as the formulation of specific recommendations for the management of marketing activities.

2. Main Characteristics of Competitiveness in Agribusiness

The agribusiness sector is characterised by a high degree of complexity, with a multitude of factors influencing the productivity of gross domestic product, food security and the functioning of market systems.

Competitiveness is the foundation of the stability of the market position of agricultural entities. It serves to mitigate the impact of market dynamism and instability, facilitate the selection of the optimal number of consumers and sales channels, reduce commercial risk, ensure efficient work practices and support the achievement of high financial and economic indicators (Spaskyi, 2017).

The competitive nature of agricultural formations presents an opportunity to enhance production volumes, attract resources in an efficient and rational manner (particularly land resources), introduce modernised production technologies (such as the use of modern machinery and equipment, including leasing terms for new disease- and pest-resistant varieties), and improve the professional abilities of

industry workers based on international experience and the scientific developments of domestic scientists.

Enterprise competitiveness is a highly dynamic characteristic: it depends not only on the state of the enterprise, but also on the relevant parameters of other competing enterprises; it is related to changes in the external and internal environment of the enterprise's functioning; it is formed within the framework of the existing arrangement of forces on the market and changes. The competitiveness of an enterprise is directly related to the competitive advantages of its products on the market (Figure 1).

Competitiveness can be divided into two categories: price competitiveness and structural competitiveness. Price competitiveness is determined by a company's ability to produce and offer high quality goods and services at a lower cost than its competitors. Structural competitiveness is the ability of a company to dominate the market with its products or services, regardless of their price, through factors such as quality, innovation, value-added services or brand image.

Ensuring the competitiveness of the enterprise involves an integrated sequence of actions within the management system, which includes the application of various resources, such as informational, scientific, legal and regulatory. These resources are integrated with various management components, including technical, technological, social, labour, organisational, economic, financial and investment aspects, to ensure the success of the enterprise in the market (Hrynevetska, 2015).

Competitiveness can be formed and defined on the basis of various aspects. This means that an agricultural enterprise should develop a strategy aimed at continuous improvement of the various factors listed in Table 1, which require detailed research at the level of a particular enterprise.

An analytical assessment of the indicators that determine the level of competitiveness will help to solve the following marketing tasks:

1. Deep understanding of consumer needs. Using questionnaires and data analysis, study the characteristics and differentiated needs of agricultural consumers.
2. Formation of targeted marketing strategies in accordance with the specific needs of consumers.
3. Implementation of a marketing strategy and marketing management system to generate profit.

3. Methods for Assessing and Researching the Competitiveness of Agricultural Enterprises

The purpose of marketing research affects the choice of its types, which include: exploratory, which involves collecting preliminary information to identify problems; descriptive, which documents aspects

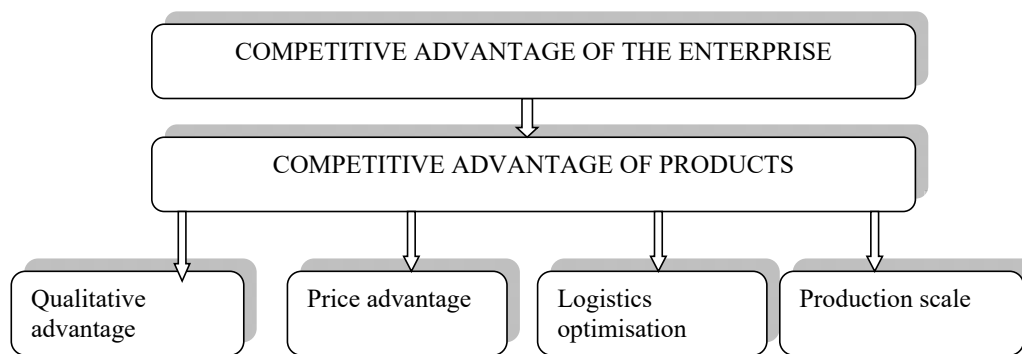


Figure 1. Dependence of the company's competitive advantages on products
 Source: created by the authors

Table 1
Components of competitiveness analysis

Research subject	Detailing
Labor potential	The first and key component of any company's resource potential is its human capital. A competitive company is distinguished by its ability to attract the best specialists and ensure a high level of motivation, which contributes to the excellent performance of their duties.
Innovative potential	The ability of a company's management to anticipate future trends and offer innovative products and services that meet changing market needs is a key factor in determining its competitiveness.
Research of demand	The ability to attract customers and maintain long-term relationships with them is one of the key characteristics that determine the competitiveness of an enterprise.
Management system	A company operates as a complex ecosystem comprising various components such as human capital, processes and technology. The quality of management and coordination of these elements directly affects whether the company's performance is effective.

Source: created by the authors

of the marketing situation; causal, which is designed to test hypotheses about cause and effect relationships. The empirical aspect of marketing research encompasses the system and method of data collection on market process development. It is characterised by a distinct logic that determines the sequence and nature of its stages of implementation, which may vary depending on the source (Bilovol, 2018).

In conditions of uncertainty, characterised by high levels of dynamism and risk, effective strategic marketing decisions require the establishment of a clear mechanism for evaluating, analysing and forecasting changes in the marketing environment – complex system of interrelated factors, agents and forces that interact and influence the company's activities in the context of its market presence. This process should include not only a general overview, but also a detailed consideration of individual components of this environment.

It is obvious that the existence of a marketing environment is characteristic of any company operating on the market. It is important to take into account that it is necessary to analyse not only those factors that directly affect the activity of the company inside, but also those that are formed outside its boundaries and manifest themselves in dynamic development. It is important to note that the marketing

environment is dynamic: it is constantly developing, new market opportunities and threats appear (Bahorka, Yurchenko, 2023). It is therefore vital for farms to identify and respond to these changes in time to optimise their strategies and minimise potential risks.

The competitiveness of agricultural enterprises and the agricultural sector as a whole is shaped by a huge number of factors (Figure 2) that create, facilitate or worsen the conditions for their functioning.

The study of the impact of business environment factors on the operation of agricultural enterprises and their impact on agro-processing segments focuses on identifying competitive advantages. A key element of such analysis is continuous monitoring of the external environment dynamics in order to effectively respond to new opportunities and risks arising from market changes. This monitoring should be continuous and comprehensive, covering political, regulatory, economic, technological and socio-cultural changes, as well as market potential, consumer behaviour, market segmentation and interaction with suppliers and distribution channels. This approach is put into practice through regular marketing audits at various levels of the organisation and methodological training.

In light of the economic, political and demographic shifts occurring within the country, coupled with

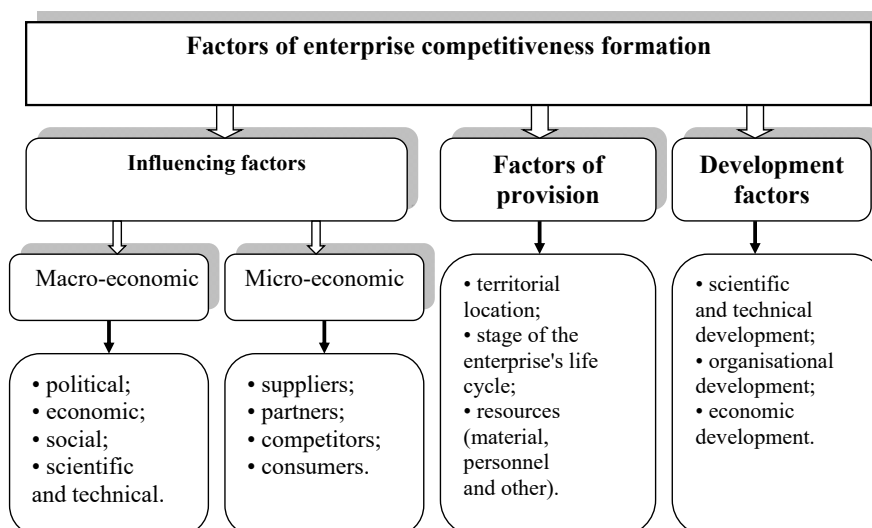


Figure 2. The main endogenous and exogenous environmental factors that shape the competitiveness of enterprises

Source: summarised by the authors

the evolving dynamics of the consumer market, both in general and with regard to specific products, the marketing environment can be characterised as uncertain, dynamic and unpredictable. This complexity is a consequence of the multitude of influential factors that can be influenced by the company, or that lie beyond its control. Consequently, a comprehensive understanding and analysis of these aspects is essential for the effective assessment of the marketing environment.

Furthermore, the emergence of competition in agricultural production is substantially shaped by a range of factors, including state support for farmers, the material and technical base, the level of specialisation and organisation of production, the quality of personnel, the quality of agricultural products, finished products and raw materials, marketability and low costs (Danylenko, 2020).

It should be noted that the competitive advantages of agricultural enterprises include the reduction of production costs and the improvement of quality in accordance with European standards. This is because modern market conditions require producers to make rational use of their production potential based on organisational, economic and marketing management.

From the perspective of the methodology, it is essential to not only document data, as in a marketing audit, but also to identify potential opportunities and threats within both external and internal environments. Such an analysis necessitates the application of theoretical knowledge and analytical skills in order to comprehend the actual challenges and opportunities confronted by an agrarian enterprise.

In order to assess the competitiveness of an agricultural enterprise, it is necessary to compare its

conditions, resources and productivity with those of similar enterprises within the same industry. In order to conduct a thorough analysis and investigation of the enterprise, it is essential to undertake a comprehensive diagnostic assessment utilising appropriate methodological approaches (Table 2).

Based on the above information, methods for assessing the competitiveness of farms can be divided into nine groups:

- 1) Methods based on the analysis of comparative advantages;
- 2) methods based on the assessment of the financial condition of the enterprise;
- 3) methods based on the theory of effective competition;
- 4) methods based on the theory of product quality;
- 5) matrix methods;
- 6) methods for determining the competitive position in terms of the strategic potential of the enterprise
- 7) integral methods;
- 8) benchmarking methods;
- 9) other methods.

In evaluating the organisational structure, management must determine the optimal number and structure of units, as well as establish an effective system of interaction and management between them. It is not feasible for the organisational structure to remain unaltered in the face of growth and shifts in market priorities. In the majority of cases, the actual structure of an agricultural enterprise differs significantly from the formal one. This discrepancy can give rise to disagreements and conflicts between departments, issues in the chain of responsibility, and ultimately a reduction in operational efficiency (Lahodiienko, 2016). Therefore, effective management of an agricultural enterprise in dynamic market conditions requires methodological support for

Table 2

Methods of diagnostics of the state of activity of an agricultural enterprise in assessing its competitiveness

Analysis methods	Detailing
SNW	Situational analysis is one of the strategic methods that allows to diagnose and assess the impact of internal factors on the company's operations. Using the results of the SWOT analysis, it is possible to determine the directions of development of strategic elements, identify these elements as targets for internal influences, and assess and predict the consequences of these influences for the company.
SWOT	SWOT analysis is an easy-to-use strategic planning tool that is widely used in the early stages of the management decision-making process, including the preparatory phase. The purpose of a SWOT analysis is to gain a deep understanding of the situation through a detailed assessment of internal (strengths and weaknesses) and external (opportunities and threats) factors that may affect the achievement of specific organisational goals. While analysing the external environment is standard practice, many companies often do not fully understand their internal strengths and vulnerabilities. Understanding these aspects is critical, as without a thorough analysis of one's own resources, it is impossible to ensure that strategic decisions are appropriate to the circumstances.
PEST	PEST analysis is a market assessment method that helps to determine the impact of external factors on a product or business over a period of time. The PEST acronym represents four main areas of analysis: political, economic, social and technological factors. Understanding these external factors contributes to better strategic decision-making, marketing planning, product development and market research. Using PEST analysis allows organisations to operate more effectively in a dynamic business environment.
Matrix methods: McKinsey, Ansoffa, BCG	Methods for evaluating a company's marketing strategy often include the development of a competitive strategy matrix. The basis of the analysis is a matrix created in a coordinate system, where the horizontal axis represents the growth or decline in sales, and the vertical axis represents the relative market share of the company. Enterprises with a large share of a fast-growing market are the most competitive. Studying and analysing competitiveness is key to the further development of the enterprise and the industry as a whole. It is also important to identify the key success factors that are necessary to formulate an effective competitive strategy.

Source: summarised by the authors

choosing optimal strategies of marketing behaviour and assessing its competitiveness.

Marketing management can be understood as an organisational process focused on the management of resources and marketing activities. This process includes creating and planning the development of a product portfolio, a product promotion system, and spreading awareness about the product (Bahorka, Abramovych, 2024).

It is extremely important to adapt the agricultural enterprise to market changes, which may include the following directions: organisational structuring that promotes flexibility of management; strengthening the influence of communication; expanding the range of products; modelling employee behaviour for effective response to new conditions; implementing innovation in all aspects of activity; and optimising management processes to increase overall efficiency.

It can be stated that the conditions of uncertainty and the elevated level of risk in the agricultural sector necessitate that agro-enterprises engage in continuous monitoring of the surrounding environment, undertake quality marketing research, and implement effective system management strategies to ensure the stability and efficiency of their operations. The adaptation of production processes to changing conditions and the prompt response to changes in the market can provide an agricultural enterprise with significant competitive advantages. Furthermore, the introduction of the latest technologies and innovations can contribute to strengthening its

position in the market and reducing the impact of market instability.

4. Conclusions

The findings of the study provide a rationale for the following inferences. The long-term efficiency of agricultural enterprises is contingent upon the presence of competitive advantages. Indeed, the competitiveness of a given entity is largely contingent upon the competitive advantages it possesses, as these afford the entity the opportunity to offer specific consumer goods with a specific value proposition. The formation of market infrastructure, monitoring of environmental factors, the informatisation of the industry, the stimulation of integration processes between economic entities, the effective use of marketing tools, the implementation of management systems and the development of a long-term development strategy are all important factors to be considered.

However, gaining a competitive advantage does not guarantee the competitiveness of an agricultural enterprise. In order to maintain a competitive advantage, the following rules must be followed:

- When offering products traditional for agricultural production, agricultural producers need to focus on target consumers, taking into account the offers that are of the greatest value to them;
- comply with quality standards in the production of agricultural products;

– meet consumer expectations through continuous development and innovation faster than competitors;
– to implement a modern, highly organised management model to ensure the highest quality of products, marketing orientation, flexible, rapid response to and adaptation to changes.

In order to evaluate the competitiveness of agricultural enterprises, it is essential to consider the following external environmental factors: domestic agricultural producers have the potential to occupy a specific niche within the global food market, namely the niche of producing ecologically clean agricultural products; the existence of substantial reserves for increasing domestic demand in periods

of economic crisis; and the provision of economic support for the agricultural sector in Ukraine through the implementation of a comprehensive system of state-level targeted programs. Effective marketing management of the competitiveness of an agricultural enterprise at the present stage allows to use available opportunities and increase the reserves of the enterprise in conditions of limited resources. It is possible to achieve the desired result by using the proposed management solutions; integration of resources and motivational elements (links, components) that form the internal structure of an agricultural enterprise and determine its marketing behaviour on the market.

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