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PREFACE

One of the leading intersectoral territorial production complexes of the country is the agro-industrial complex (AIC), which produces a significant part of the gross domestic product and concentrates about a third of those employed in social production. Its effective functioning as an integral and complex in structure and territorial organization multisectoral formation of interrelated industries of various economic nature, in order to meet the needs of the population in food, requires balanced activity of all its spheres, rationalization of functional, sectoral and territorial structure.

Dynamically developing intensive and extensive inter- and intra-industry relations require ensuring proportionality, clear coherence in its sectoral and territorial links, improving the structure of the complex, and rationalizing market forms of its organization. As the analysis shows, the structure of the complex, both sectoral and territorial, is far from optimal, does not meet the needs and current realities, which requires the development and implementation of a system of measures to intensify the activities of all its spheres and to optimize the sectoral and territorial structure. Implementation of such a vector of development of the agro-industrial complex is associated with the definition and implementation of its balanced priorities, among which the leading ones should be: radical structural transformations taking into account specific regional features and new market conditions; creation of a developed material and technical base in all its spheres; reforming the relations of enterprises of the main branches of the complex; accelerated development of leading product subcomplexes and infrastructure units; introduction of an effective

Reorientation to meet the requirements of food markets is necessary and most important in the functional and sectoral structure of the agricultural and industrial complex. The analysis of the proportions of the main spheres in the structure of the complex in the dynamics shows the tendency to strengthen the role and increase the share of its basic primary link - agricultural production, which does not contribute to the rationalization of its structure. It is known that in the structure of similar territorial and production units of developed foreign countries, processing and infrastructure links are dominant, so it is necessary to ensure priority development of its structurally forming link in this complex - the processing sector (bringing its share to 50% in the output of the complex). It is necessary to take into account the tendency of transferring the functions of production of final products from agriculture to the food industry, transforming the latter from an auxiliary to an organizing industry in relation to agriculture. It is important to optimize the functional and sectoral structure of the agro-industrial complex to increase the share of the infrastructure service sector (up to 10% of the value of the complex's production).

The territorial structure, which is determined by the level of territorial organization, taking into account market conditions, spatial interconnection of technologically related industries, which have close ties both in terms of industry and territory, and market conditions, also needs to be improved. The criterion for rationalizing the territorial organization of the complex is to minimize the reduced costs of all its links on the basis of balance and proportionality of development in the market. The essence of balance lies in the need to ensure clear coordination and proportionality, i.e., proportionality, in all links of a territorial nature. Transformational changes in the territorial structure consist in strengthening specialization, taking into account the comparative advantages of regional agro-industrial complexes, improving existing and forming new progressive forms of territorial concentration of agro-industrial production - elementary, specialized and integrated complexes, agricultural associations, agricultural firms, market-based agricultural entities; ensuring priority development of those territorial single-functional and multifunctional agro-industrial systems that specialize in

The results of the transformation of the sectoral and territorial structure of the agro-industrial complex are determined by the level of socio-economic efficiency, increased labor productivity and profitability of production based on deepening its regional specialization. Ensuring the transformation processes in the structure of the agro-industrial complex, rationalization of the sectoral and optimization of the territorial structure will ensure a 15% increase in the production of the complex's products and will contribute to the welfare of the country's population.

The results of the research presented in the monograph were determined within the initiative theme of the Department of Marketing and International Trade of the National University of Life and Environmental Sciences of Ukraine “Development of marketing at agricultural enterprises and processing enterprises” No. of state registration 0120U100630, and within the framework of the topic Research “Development of agro-industrial market systems in Ukraine in the context of post-warrecovery and European integration” (state registration number 0124U003609) of the State Institution ”Institute of Market and Economic and Environmental Research of the National Academy of Sciences of Ukraine, Department of Market Mechanisms and Structures.

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1.1. Regional socio-economic systems and their role in social development in the context of globalization and regionalization

The basis for the socio-economic development of the country and its regions is the available aggregate resource potential, its level of formation and development, and the degree of utilization. However, its use is insufficient due to economic, organizational and managerial reasons and requires systematic research to develop a set of measures to intensify both the development and the use of the resource base of territories of different taxonomic levels in economic practice.

The further socio-economic development of the country and its regions, and the effective use of their aggregate potential are closely linked to the process of regionalization. As a process, regionalization reflects systemic and complex approaches to the study and solution of political, economic, social and other problems, taking into account the interests of territorial development, and its strengthening contributes to the increase in the importance of the territorial factor in spatial development and its public administration, in particular, resource potential. Regionalism is a system of evidence-based ideas about the essence of modern territorially mediated processes of social life, their genesis and transformation. Regionalism provides a realistic characterization of the deployment of forces and the observance of the interests of the subjects of territorial relations, which are based on knowledge of the legal and informal actions of all participants in these relations. These include authorities at various levels, the population, independent market participants, regionally and locally oriented organizations, institutions and enterprises of social and production infrastructure, corporations, and monopolies. Regionalism forms an idea of the real situation and problems, in particular in the field of resource potential, which are adequate to the actual structure of political, economic and social processes in the country and its regions. The dynamism of regionalism is primarily due to the mobility of the subject matter - while geographical changes are not so noticeable, geopolitical ones are very tangible due to the location of resource, economic, social and infrastructural potential, transformation of economic and social ties, and proportions of state and corporate action.

In the process of introducing market relations, the internal environment and the extent of its impact on the regionally mediated life of society have changed. Regionalism is a moving process. The essence of the regional situation and problems has changed significantly, the content of which is determined by both past and new processes, the phenomena of which were not present before. The transformational regional processes are quite tangible, radical and large-scale, in particular, in the processes of formation and use of the aggregate resource potential of the territories.

The aggregate resource potential is closely related to territoriality as a special property of phenomena, objects and processes based on the recognition of their mandatory presence, which they acquire as a result of their location or occurrence within the relevant spatial boundaries. Therefore, the territory of a region with its aggregate potential is part of the country's economic space, on which production and social activities are based, and new production structures are formed.

The structural composition of the territory is a set of parts of the country's natural resource, production, labor, infrastructure, financial, social, administrative and other potentials located on it. The degree of cognition and regulation of the territorial resource potential is the analysis of parameters and problems of functioning of each of its components and regulation based on the study of the main elements and their connecting phenomena and processes (political, economic, social) with the place of their occurrence, determining their specific interaction.

The territorial development of the aggregate resource potential is uneven, and often regions become different due to transformational dynamics, changing the quantitative and qualitative characteristics of components, the emergence of new components and changes in inter-component relations. This process of transformation is positive if all components of the aggregate potential of the territory's functioning - natural resource, production, financial, social, economic, infrastructure, and environmental - are balanced in the process of change. The balanced dynamics of all potentials as components of functioning ensures the welfare of the territory, and territorial development as changes that take place here is positive.

The targeted transformation of the aggregate resource potential in terms of implementing a parity-competitive development paradigm and its use involves improving its territorial and functional organization, establishing and forming new progressive organizational forms and types of economic activity in order to revitalize investment and innovation. One of the most promising ways to increase the efficiency of investment activity in the resource sector is to create new strategic alliances - clusters as associations of financial and industrial capital in order to increase the efficiency of production activities and minimize costs and credit risks, optimize diverse relations.

In the current conditions of transformation of Ukraine's economic development, more and more attention is paid to the development of regions, because it is through the presence of economically strong territories that positive changes in the social and economic development of the country as a whole can be achieved.

Creating equal conditions for the dynamic, balanced and integrated development of Ukraine's regions [4, p.54-58] is one of the main tasks of the country's socio-economic policy. In the market conditions, the basis for effective management of the country is the provision of greater autonomy to its regions, primarily in the field of solving everyday issues of economic and social development.

The development of modern economic systems in the region is the subject of publications by well-known scientists, including S.I. Dorohuntsov, T.V. Pepa, O.V. Cherevko, I.B. Zhilyaev, N.V. Pavlikha, V.I. Darmohrai, I.S. Kondius, T.V. Umanets and others. Numerous works of S. Doroguntsov are devoted to various problems of regional development, T. Pepa substantiated the concept and defined the regional component of economic development.

O.V. Cherevko's scientific works deepen the scientific and methodological foundations for assessing the level of socio-economic development of regional systems, which, taking into account the peculiarities of socio-economic processes, characterize the complexity and multifactorial nature of such an assessment. I.B. Zhylyaev improved the methodology for studying "a region as a system whose development trajectory is changed by crises". In the works of N.V. Pavlikha, an important condition for achieving the prospects of sustainable spatial development of the region is highlighted, which is "the ability to see the spatial system as a whole, the ability to reveal the connections and interactions between its individual components in their dynamics" and defines dynamism as "a generalized property of ... development and factors influencing it" [10, p.99].

The research of V. I. Darmohrai considers the prospects for the development of the regional socio-economic system based on an assessment of the level of integrated development of the region, taking into account conceptual ideas and technologies; I. S. Kondius substantiates the principles of the modern model of regional development, according to which sustainable development can be achieved by ensuring dynamic growth, equilibrium, coherence and balance of all spheres of the regional system as the main characteristics of sustainable development of the region. In the works of T. V. Umanets defines the theoretical and methodological foundations for measuring regional economic development.

The peculiarity of a region as a socio-economic system is its attachment to a certain territory. In other words, regional socio-economic systems are systems that have certain spatial dimensions and are a type of complex territorial systems. The specific features of the structure of these systems are determined by the availability of natural resource potential, the functions of socio-economic subsystems, i.e. their type, the degree of participation in the territorial division of labor, and their impact on the environment.

There are many definitions of a regional economic system in the economic literature. Despite the different interpretations of the concept of "region", they all have a common basis, defined by the economic and territorial division of the country. The concept of "region" should be viewed more broadly, namely as a socio-economic category within the concept of sustainable development. From this point of view, the regional socio-economic structure is a subsystem of the economic system of productive forces based on the specific content of the resource potential and having a complex set of relations between economic entities, which strives for sustainable (balanced) development of the social, economic and environmental subsystems, despite internal and external influences.

The regional socio-economic system is understood as a set of resources used in the region (tangible, intangible, labor, organizational and managerial, etc.) and production relations, which is capable of producing, exchanging, distributing and redistributing (partially or fully) useful products (services) of certain types [13].

The regional socioeconomic system is a subsystem of a higher order: the national socioeconomic system. The national socio-economic system consists of many regional economic systems of different taxonomic ranks and, accordingly, includes enterprises and households as lower elements of the regional economic system. Thus, the socio-economic system as an object of research is a complex, dynamic, and capable of development system. In the process of functioning of this system, through the interaction of a set of subjective (personal) and objective (material) elements with the environment, the reproduction of the goods necessary for society is ensured and thus the environmental and economic needs arising in society are met.

Socio-economic systems of all levels (the state, regions, municipalities) include two interconnected and interacting subsystems: social and economic, each of which has social and economic processes. Process (from the Latin processus - progress) is considered as a sequential change of phenomena, states in the development of something or as a set of sequential actions to achieve a certain result [9, p. 175].

The change of states of the socio-economic system is due to its dynamism, its continuous movement. "Movement" and "development" are related concepts, but their essential meaning is different. The movement of socio-economic systems as a special form of organization of matter occurs continuously in space and time and is conditioned by the action of objective dialectical laws: negation, unity and struggle of opposites and the transition of quantitative changes into qualitative ones, while development is a discrete process.

The socio-economic system of the state is a complexly structured entity that includes socio-economic systems of regions, socio-economic systems of municipalities as part of regional socio-economic systems, on the territory of which various organizations operate, which are part of social and economic subsystems of different levels. The primary elements at the level of socio-economic systems of organizations (institutions) include:

- a person as an active participant in any social and economic process and a carrier of human capital in the context of all its structural components;
- means of labor that form fixed assets;
- labor items that form working capital objects.

These elements form objects of human, fixed, and working capital and function in socioeconomic systems. The result of the interaction of these objects in certain institutional forms is the production of goods and services to meet the needs of individuals, certain groups, society as a whole and improve the quality of life.

In turn, regional socio-economic systems are understood as a certain set of different elements of productive forces directly or indirectly interconnected in the sphere of social production, geographically located within a certain territory and interconnected by economic, technological, informational and other ties. In the narrow sense, regional socio-economic systems are understood as a certain integral entity that uses individual factors of production, which can also be characterized by close interconnected functioning within a particular territory. This allows us to approach the classification of regional socio-economic systems in the following way:

- macro-regional systems, which are large territories with several socio-economic territorial systems specializing in certain types of industrial or agro-industrial production and characterized by the complex nature of the development of productive forces;
- socio-economic territorial systems, which are large in size (in terms of territory) and complex socio-economic systems with a large number of constituent elements that differ not only in terms of their polystructure and multifunctionality, but also in terms of the multiplicity of their interactions, significance and patterns of functioning;

- functional-territorial systems, which are systematizing elements of the respective territory, determining to a large extent the scale and boundaries of its development, and bringing specific features to the relations both within the structure itself and beyond.

The level hierarchy of this type of regional socio-economic systems shows the relative independence of each of them at all levels. In this case, the relative nature of independence is determined by the fact that each lower-level system is subordinated to a higher-level system and, if necessary, a higher-level system can manipulate (eliminate, improve, change) lower-level systems. This kind of hierarchy of regional socio-economic systems allows for the creation of new ones and, in some cases, the unification of systems of different levels.

The socio-economic system, as the basis for regional development, is a complex system whose elements have diverse goals and whose functioning is based on the resource potential available on its territory, depending on the tasks.

Socio-regional economic systems are characterized by a combination of social, economic, environmental, informational and other components, the presence of many complex elements, a large number of different connections, and the circulation of large flows of material, financial and informational resources. A region is not only a geographical category, i.e., the concepts of "region" and "territory" cannot be equated. Analysis and evaluation of the socio-economic status of regions requires the development of an approach that includes a multi-criteria selection of economic, social and environmental indicators, their comparison, analysis of territorial differences and building of cause-and-effect relationships.

The structure of the regional economic system determines the connections and relations of six types, which reflect the processes that directly or indirectly determine the interaction with the environment:

1) socio-economic - direct ties in the field of social production;

2) ecological - direct connections in ecological systems;

3) economic and environmental - nature management and other types of impact of economic activity on the environment;

4) environmental and economic - the impact of the environment on the conditions of social production;

5) socio-environmental - the direct impact of the population on the environment;

6) environmental and social - the impact of the environment on people's health and living conditions.

The direct links here are economic-ecological and socio-ecological, i.e. those that reflect the impact on the natural environment. Feedback links are ecological-economic and ecological-social, which characterize the impact of changes in environmental parameters on social production and population.

The regional socio-economic system of a region stands out from other types of systems by its specific functions: production, exchange and distribution of goods in society, bringing them to the end user. At the same time, the effectiveness of the regional socio-economic system is determined by the efficiency of each of these functions.

These functions should be qualified as follows (Fig. 1):

- Reproductive function, focused on meeting the needs of the functioning and development of entities existing in the region, and, consequently, the evolution of the regional system as a whole;

- is an environmental function aimed at creating economic and institutional conditions for preserving and improving the environment, ensuring environmental safety of production and improving the quality of life of the population on this basis;

- social function, through the implementation of which the conditions are created to meet the social, domestic and socio-cultural needs of the population, improve the standard of living and quality of life, preserve cultural and national traditions, and ensure socio-political stability in the territory;

- is an economic function that meets the needs of the population of a given territory and other regions for the necessary goods and services;

- financial function, is to ensure financial stability and the formation of financial sources of self-development of the territory (increasing the level of budgetary self-sufficiency);

- demographic function, which ensures the creation of conditions for the preservation and expanded reproduction of the population and labor potential in the territory;

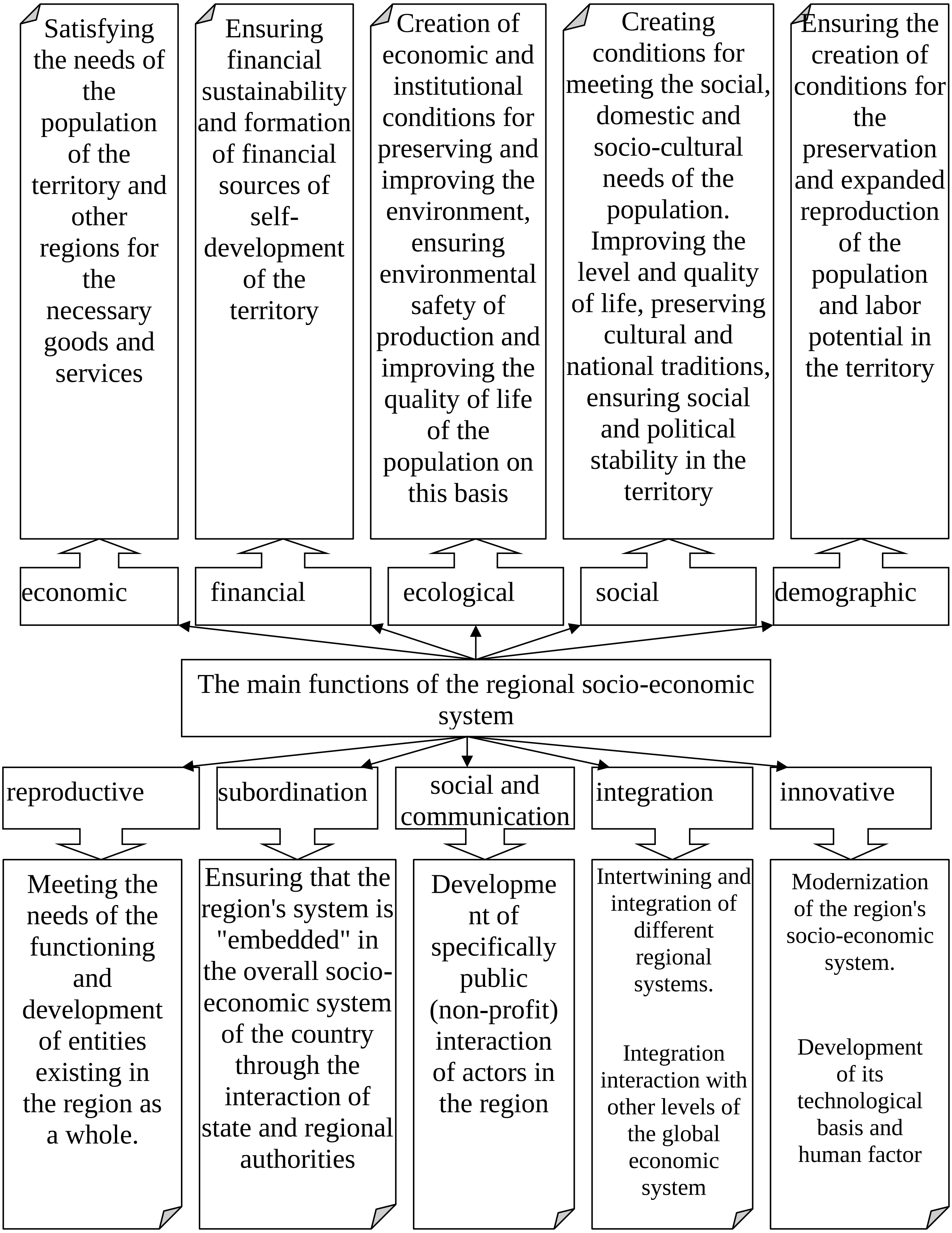


Figure 1. Main functions of the regional socio-economic system

- the function of subordination in relation to the vertical of state power, which ensures the "embedding" of the region's system into the overall socio-economic system of the country through the interaction of the center and the region;
- social and communication function, which is focused on the development of specifically social (non-commercial) interaction of actors in the region;
- an integration function that ensures the intertwining and integration of various regional systems, as well as integration interaction with other levels of the global economic system;
- an innovation function focused on the modernization of the region's socio-economic system and the development of its technological base and human factor.

The study and knowledge of these functions allows us to meet the needs of strategic planning and operational management of the socio-economic system of the region.

The main property of socio-economic systems is the preservation of integrity and boundaries in the course of interaction between its parts. At the same time, "any complex social system and, moreover, its subsystem are open, primarily in terms of communication with other systems" [6, p.62], and the very boundaries of such a system are determined by stable, tending to persist, differences between internal (in relation to this system) and external (in relation to it) processes.

Sustainable development of the socio-economic system based on the formation and use of its resource base is achieved through the balance provided by the actions of the entire set of rules, norms and other institutions created by people. The conditions for the sustainable state and development of socio-economic systems necessitate a reassessment of the position of each region in the coordinate system of the economic space, which is achieved by making appropriate decisions.

This is due to the fact that all regions in the new environment are expanding their powers and becoming more independent: in coordinating and protecting their interests both inside and outside their state; in strengthening their competitive position both to attract investors and to improve the structure of the economy; in creating favorable conditions for the development of small and medium-sized businesses; in organizing a system of local benefits and guarantees; in building up foreign economic potential and expanding regional ties. "As a result, the sustainable development of the regional system and neutralization of emerging disturbances in the country's economic market space are achieved" [5, p. 7]. This strengthens regional positions in the territorial division of labor and interregional integration, and, ultimately, in the stable state and dynamic development of socio-economic systems.

Like any physical system, the socio-economic system has a certain inertia, which to some extent depends on the dynamics of its resource potential. Compared to physical systems, the complexity of socio-economic systems is much higher, which implies a large group of indicators and parameters when describing their functioning. The most important features of the manifestation of inertia in the socio-economic system include its complex nature, which is manifested in the fact that "the higher the degree of inertia of the system, the more autonomous this system is from the action of external forces... the stability of the system is determined by each significant parameter"[1, p.75].

Along with the complex nature inherent in socio-economic systems, another feature is the multi-level nature of inertia. The fact is that inertia is inherent in enterprises, industries, regions, states, and the global economy as a whole. At the same time, at different levels of the hierarchical system of management and organization of reproduction processes, inertia has its own specifics, but at the same time, at each higher level of the hierarchical structure, inertia is more complex. All this is manifested in the "quantitative increase and qualitative diversity of inertia factors, forms and methods of its manifestation - moreover, the inertia of higher-level systems seems to include as its components the inertia of lower-level systems (for example, the inertia of a sectoral or regional economic complex includes as its components the inertia inherent in the enterprises that are part of it)" [10, p.77].

The socio-economic system in general can be represented as an organization of certain elements. When "an organization consists of a family of interacting, hierarchically arranged elements with the right to make decisions [9, p. 29], then there are several essential characteristics inherent in all hierarchical systems. These include:

- consistent vertical arrangement of the subsystems that make up the system (the so-called vertical decomposition);
- priority of actions or the right to intervene by upper-level subsystems;
- the dependence of the actions of the upper level subsystems on the actual performance of their functions by the lower levels.

Theoretically developed models of the economic structure are based on the division of parts of social production according to the share of output, capital, or employed population. This reflects the general trends in changes in the economy and the structure of the generated GDP, which allows for the analysis of the real dynamics of socio-economic systems. "The features of the socio-economic system, including national ones, as its qualitative characteristics, are manifested in the structure, including the structure of the economy, and, therefore, a parallel can be drawn between the dynamics of the structure and the manifestation of the essence of the relevant national socio-economic system" [3, p. 29].

Regional development takes place in line with the development of the state, and may show specific trends. Regional development should be understood as any (not only progressive) changes in the economic and social components of the regional system.

The regional socio-economic system as part of the macroeconomic system should function and develop in a coordinated manner with other subsystems of the macroeconomic system in order to realize the effect of interaction, making the most of the resource base of the regions. In order to lay the foundations for sustainable development in the long term, it is necessary to carry out large-scale structural transformations in the economy, not single ones, but complex, complementary ones, taking into account the manifestations of the modern paradigm of formation and use of the aggregate resource potential, as well as possible directions of its implementation.

A characteristic feature of the regionalization processes in Ukraine is their phasing. in general, the stages of regionalization correlate with significant periods of development of the national economy. according to the main development trends, three periods of this process can be identified [10, p. 30].

Of these, the first period covers the period from 1991 to 1995. this period can be characterized as a time of active regional differentiation of productive forces development - an acute crisis of social production. its results were violations of the main territorial and economic proportions that led to differentiation of indicators of socio-economic development of regions. characteristically, it was not due to the outstripping development of certain territories, but due to a more significant decline in production in certain regions.

The second period from 1996 to 1999, the period of stabilization of negative processes, was a time period of some smoothing of territorial disproportions with most regions of the country reaching the "minimum" level of functioning of regional economic complexes, and the general economic crisis turned into a somewhat "chronic" stage. in the second half of the 1990s, the territorial picture of social production in the regions of the country retained the trends of the previous period.

The latter process was most painful in the mid-1990s, as by that time the previous savings of the population had been largely exhausted, and the sources of income of citizens were limited, with unemployment (in its hidden form) reaching its highest levels. However, this period also saw major institutional transformations in the national economy, including small-scale privatization and denationalization of large and medium-sized enterprises, which laid the groundwork for a market-based economic mechanism and the subsequent revival of social production.

The realization that regionally oriented production can and should form the basis for the revival of the national economy resulted in the creation of the concept of the state regional policy of Ukraine at the national level, which aims to accelerate regional socio-economic development through more complete and effective involvement of the resource potential of the regions in economic circulation, taking advantage of territorial division and labor cooperation through the empowerment and increased responsibility of regional authorities.

The third period of regionalization began at the turn of 1999-2000. its main features were the growing rates of production growth in basic sectors, mainly in industry. moreover, the growth of industrial production is observed in the vast majority

(21 and 25 regions in 1999 and 2000 respectively.) However, in quantitative terms, the predominant contribution to economic growth is again made by old-industrial regions, where the production structure is dominated by products of heavy industry. Among them are the powerful raw materials and industrial and machine-building complexes of Donbas, the eastern region and the Dnipro region, as well as the strong production potential of the capital. the territories of Polissya, Carpathian, Podillya and southern economic regions face the most urgent task of accelerated development of production potential. During this period, the main institutional changes affected the traditionally priority agricultural production in Ukraine. the reorganization of collective agricultural enterprises and land parceling in 2000-2001 were half a decade behind the corresponding structural changes in ownership relations in other spheres of social production - industry and infrastructure. therefore, given the relatively long lag of economic effect of ownership changes in the agricultural sector, these transformations will soon become more

Moreover, in connection with the above, regions with predominant agricultural specialization and limited natural resource base for the development of other industries, primarily heavy industry, are again in worse conditions than others. in general, at the previous stage of development, the role of social production sectors focused on primary processing and processing of raw materials of natural resource origin was perhaps the most significant in the production of marketable products. In contrast to the 70s and 80s of the last century, when the structure of the economy was increasingly dominated by high-tech products of the machine-building, chemical and forestry complexes, processing industries of the agro-industrial complex with a relative reduction in the share of raw materials, the last decade was characterized by the opposite picture.

At this period of regionalization of the development of productive forces of Ukraine, the most urgent task is to unite the country's regions around the national idea - achieving the welfare of all territories and all social groups of society through accelerated economic development, overcoming environmental problems, democratic structure of the state and civilized integration into the world community. this should be achieved through the implementation of measures of the state regional economic policy aimed at balancing the levels of socio-economic development.

1.2. Essence and Functional Purpose of Resource Potential as a Basis for the Development of Regional Economic Structures

At the current stage of reforming the national economy, Ukraine has already achieved certain successes, and the domestic economy is recognized as a market economy. The problems of further economic development and the justification of an appropriate strategy in these conditions are extremely important for Ukraine. Our country faces a dual task: stabilization and further increase of economic potential and active integration with the global community. In order to solve it, it is no longer appropriate to rely on the historical practice of creating socio-economic development models. During the period of functioning of the national economy, up to a dozen state programs of economic development have been developed and adopted, the implementation of which has led to the consequences we know, and some recent recovery in the sectors of the national economy requires further development and the development of effective programs to ensure its stability and gradual growth. Thus, it is important today to substantiate and create an economic and technological model based on the potential capabilities of the regions, with innovations, investments, restructuring, information base, integration, and increased efficiency of public policy as its components. The goal is to create conditions for dynamic, balanced socio-economic development of Ukraine and its regions, improve living standards, ensure compliance with state social standards for each citizen regardless of their place of residence, and deepen market transformation processes by increasing the efficiency of using the resource potential of the regions, improving the effectiveness of management decisions, and improving the work of public authorities and local governments.

Since the country's independence, the need to implement a regional policy and define the main guidelines for accelerated development based on the rational use of resource potential has become clear. The Government's documents also emphasize the effective use of the internal potential of the regions, which ensures the integrated development of the territories.

At the present stage, the study of the problems of development of the resource potential of individual regions is of particular importance and is a condition for ensuring the effectiveness of socio-economic transformations in the country. An important point here is to focus on regional approaches to assessing the development and use of the resource potential of individual territories.

Scientists dealing with the problems of territorial economic relations focus on the concept of resource potential, the search for methods of its measurement, the identification of factors that affect the development of the economic complex of the region in general and the level of resource potential in particular, and the mechanism of optimal use and management that is required:

- Developing a strategy and tactics for the development of the region in a regulated market economy, taking into account the possibilities of the resource potential;
- transforming the criteria for making management decisions at each stage of reproduction of the region's resource potential;
- application of progressive methods of economic maneuvering based on the laws of the market economy;
- addressing the issue of measuring and justifying the assessment of the region's resource potential;
- development of measures to intensify the activities and involvement of the resource base of the regions in practical activities.

The market environment imposes strict requirements to increase the efficiency of the use of available resources and to develop and strengthen the resource potential, reduce production costs, and improve the quality of goods. Given the limited budgetary and other financial resources in the country, it is the internal potential of the territories that should be considered the main resource for their development.

The development of Ukraine in the context of the transformation period is largely determined by the amount of resource potential concentrated in different territories, the efficiency of which depends on the optimal combination of its components. Creating conditions for the effective use of the resource potential of a region forms the strategy of regional development. In this regard, the task of its comprehensive assessment in order to find new reserves for further improving the efficiency of the region's functioning is of great importance.

For a region, the use of its resource potential is a priority issue, as it characterizes not only the entire course of its development, but also the very property of remaining an integral element of productive forces.

In the concept of "resource potential", the interpretation of its constituent parts is of great importance: "resources" and "potential". The word "resources" comes from the French resource - "auxiliary means". The category of "resources" in the Great Soviet Encyclopedia is defined as "money, valuables, reserves, opportunities, as well as "sources of income to the state budget", which are collectively divided into natural and economic resources, which in turn consist of material, financial and labor resources [8].

From the most general point of view, "resource systems are understood as the source material (substance, energy, information) on the basis of which the system functions and develops". In a narrow sense, resources usually include those elements of the geographical environment that are assessed as potential productive forces, as well as the means of labor introduced into the system of social production [9, p.43].

The Economic Encyclopedia defines resources as the constituent elements of the production potential possessed by a particular country or society at each stage of the development of the productive forces of the historically developed system of production relations and used for economic, social, scientific and technological development. It also states that resources are divided into material and raw materials, financial, labor and natural [1, p. 206-208].

L. I. Abalkin and B. A. Reisberg give the same interpretation of economic resources, by which they mean "sources, means of ensuring production", which include natural (raw materials, geophysical), labor (human capital), capital (physical capital), working capital (materials), information and financial (money capital) resources [1, p.214].

From the economic point of view, resources include a set of individual elements that are directly or indirectly involved in the process of production or provision of services. Therefore, the most important feature of the category "resources" is a direct connection with the production process, i.e., resources take the form of production factors in the process of use.

There are different points of view on the relationship between the concepts of natural and economic resources. Natural resources are considered either as an integral part of economic resources or as a single-order category with the concept of "economic resources", which together constitute the category of "resources". In order to clarify this relationship, we propose to consider resources from the point of view of their introduction into economic circulation, where, according to this criterion, resources are divided into economic (functioning) and potential (not introduced into economic circulation).

Economic resources are those natural and social forces that can be involved in production, in the process of creating goods, services and other values.

Having sufficient resources for a region means having the necessary capabilities under certain conditions for its development and normal functioning in accordance with the set goals. However, a group of authors, in particular M.A. Komarov, E. Rumyantseva, A. Yakovenko, add to the existing classification also an information resource, which currently occupies one of the dominant positions [9, p. 324].

The region should ensure high efficiency of its functioning through the full and rational use of all resources at its disposal.

Thus, by resources we will mean natural, material, financial and labor resources that are or are not put into economic circulation. This approach will allow us to more fully cover the opportunities that can be used for the social and economic development of the region.

The second component of the category "resource potential" is the concept of potential. In the etymological sense, the term "potential" comes from the Latin word potentia, which means "powerful". Dictionaries of foreign language words give the interpretation of the term potential as strength, degree of hidden capabilities, energy reserve, availability of material and human resources that can be used in work.

The Great Soviet Encyclopedia defines the term "potential" as the available capabilities, reserves, means, resources that can be used to achieve or implement something. [13, c.368]. A broad interpretation of the semantic content of the term "potential" allows it to be applied to various branches of science and human activity, depending on what kind of power, means, reserves, sources are in question. This interpretation includes two aspects: the availability of resources and the purposefulness of their use.

Thus, the concept of "potential" is disclosed through the philosophical categories of "possibility" and "reality", which expresses the main stages of development of objects and phenomena in life and thinking. Defining "potential" as the possession of a certain set of resources necessary for the normal functioning of the region B. Arkhangelsky, L. Zinoviev, E. Figurnov, Y. Kanygin, V. Naydenov and others, in our opinion, record only resource availability. This definition was historically justified in conditions when economic growth was based on extensive factors [13, p. 7-8].

The second point of view was developed in the works of Y.G. Odegov, V.B. Bychin, K.L. Andreev, A.E. Yuzefovich, and A. Zadoy, where they consider the concept of "potential" as the ability of resources of a certain level of the system to fulfill the goals and objectives.

Muravsky S., defining "potential" as the power, ability and possibility of achieving a certain goal, notes the versatility of this concept, since it covers not only material sources, means, reserves, but also the spiritual qualities of people involved in the process of work, forms of organization and interaction of workers, the technological process itself in time and space The resource potential includes a set of natural, man-made, material elements that can be used by man for his life and involved in the process of work for the production of various products. In addition, the resource potential includes the human being himself as a constituent element of nature, capable of natural reproduction and direct participation in the continuous process of metabolism [10, p. 53].

According to A.I. Anchishkin, the "potential of the national economy" is characterized by "production resources, their volume, structure, technical level and quality...". By production resources he means means of production, labor resources, and natural resources involved in economic circulation.

It should be noted that the term "potential" is widely used in the economic literature as a quantitative assessment and is defined as natural, production, investment, intellectual, economic, resource, labor, etc. The term "resource potential" in scientific research is used mainly in relation to large economic areas, regions, and the country as a whole.

According to K.M. Mysko, the structure of the resource potential of a region should include "natural, labor, tangible and intangible resources, the interaction of which ensures the implementation of the process of economic activity in the territory". He notes that the region's potential is the limit of human knowledge about the maximum possible scale of efficiency of the use of the territory's resources in ideal conditions of organization of specific economic activity with the fullest possible satisfaction of various needs of society. In the same generalized form, A.N. Azriliyan and others propose to understand the potential as a set of available means and opportunities in a particular area.

Komarov M.A. and his co-authors define resource potential as a system of resources, an interconnected set of material, energy, information means, as well as the employees themselves who use (or can use) them in the production of material goods and services [9, p.109].

According to L.G. Okorokova, the resource potential is a set of all resources of the region that provide the possibility of obtaining the maximum economic effect at a given time.

Analyzing these definitions, it should be noted that potential is viewed from several angles:

- as resources, sources, means, and reserves;

- as an aggregate of all types of resources;
- as the limit of human knowledge about the possibilities of resources;
- as a system of indicators.

When defining the concept of "resource potential", two aspects should be emphasized: the maximum available resources (i.e., capabilities) of the region at a given historical stage of society's development and the maximum satisfaction of the needs of the local community. Moreover, the problem of minimizing the amount of resources spent on meeting certain needs of people should be attributed to the issue of resource management efficiency, taking into account the scientific and technological level of development of society.

Generalization of theoretical views of scientists allows us to state that in the economic literature there are different positions on the content of the category "resource potential of the region". Some believe that this category is a conglomerate of resources, without taking into account their qualitative side. Others believe that resource potential is the material basis of production. The importance of considering the category of "resource potential" is also due to the fact that any goals and objectives for achieving final, socially significant results for the future period are largely determined not only by the currently available resources, but also by the resource potential of society.

In the works of most authors, the resource potential is represented by all the resources used in social production at one or another stage of the development of productive forces. This is one of the fundamental features of the category "resource potential". However, it is hardly correct to consider it only as a conglomerate of all resources, since it also contains a number of qualitative economic characteristics with corresponding interrelations.

As an economic category, resource potential expresses the relations between people regarding the accumulation and use of available opportunities. The essence of resource potential lies in the interaction of all its elements with each other and with the external environment. Therefore, in our opinion, it is necessary to distinguish the resources of non-subject labor as factors of resource potential development aimed at achieving high internal efficiency. The resource potential includes all areas of activity: production, management, marketing, finance, and others.

Based on the foregoing, the aggregate resource potential of a region is the ability and capabilities of the aggregate volume of realized and unrealized human, production, natural, financial, managerial, information, scientific and technological flows of a certain territory (region) in their interconnection, available at this stage of society's development to meet the needs of economic activity and the population to the maximum extent possible.

In scientific research on the resource potential of a region, the terms "economic potential", "socio-economic potential", and "integral potential" are most often used. At the same time, the term "economic potential" is most often used.

Thus, P. Ignatovsky understands economic potential as "modern systems of machines and other tools, the entire scientific and production arsenal, explored and extracted reserves of raw materials and energy, labor resources, and vast production experience." There is a common opinion among economists that economic potential is "the ability of an economic system to develop and process national wealth to meet social needs." However, this definition reveals only a part of certain types of resources and gives an indirect characterization of the actually achieved level of economic potential. Whereas "potential" should reflect not only the absolute amount of material goods and services produced, but also reveal unused, hidden opportunities of the accumulated material, technical, labor and other resources, the optimal combination of which will ensure sustainable economic development of the region.

Some believe, in particular, A.G. Fonotov, that the category of "resource potential" is broader than economic potential, with the difference being that the latter does not take into account the long-term perspective [10, p.65].

We propose to use the term "resource potential of the region" to determine the existing and potential opportunities for socio-economic development of the region, as it most fully reflects this concept and focuses on resources as the basis for ensuring socio-economic development of the region. The resource potential of a region is the basis for the formation of a mechanism for realization of its economic interests.

Z. Varnalii notes that the main integrated components of the resource potential are: production potential, natural resource potential, human potential, and financial potential. Each of them, in turn, has several components. Currently, we can also talk about the allocation of information and institutional components of resource potential, which are difficult to quantify (and sometimes qualitatively), but whose importance will constantly increase with the introduction of an innovative model of regional development [4, p. 75].

We believe that the integrated resource potential is, first of all, not a simple sum, but a system of resources that are used in a complex way, i.e., it implies the complementarity of individual resources in the process of social production. An increase in the system of one resource implies a simultaneous increase in the amount of another resource.

Another important feature of the category of integrated (aggregate) resource potential is that it provides for the possibility of interchangeability of resources used in social production. The multifunctionality of most types of resources creates conditions for varying the use of their various types and elements to achieve the same given end result.

When characterizing the aggregate resource potential, it should be borne in mind that it includes not only the resources intended for consumption in a given period, but also their insurance and other reserves. Thus, the resource potential determines the potential (and not only the actual) possibility of their consumption in the process of social production.

It is often believed that the resource potential of a region does not characterize the entire stock of a given resource available on its territory, but only that part of it that can be obtained taking into account the achieved level of technological development of society and the economic feasibility of involving it in social production. Therefore, the resource potential of a region includes only such sources of resources that are possible and efficient at this stage of social development.

In general, the resource potential of a region includes not only the existing resource system, but also alternative resources and their sources, i.e. new types of resources that have not been used before, the possibility of using which is scientifically justified and the receipt (or use) of which is foreseen in the given period.

In our opinion, the resource potential of a region in a broad sense should be understood in two ways: on the one hand, it is the set of capabilities and means of a region involved in the production of a regional product, and on the other hand, it is the set of capabilities and means of a region involved in the consumption of a regional product. As a parameter of the regional product, the gross regional product produced or used can be used.

An important component that characterizes the resource potential of a region is the level of infrastructure development, and especially the ratio of the levels of economic development in general and infrastructure in particular. The multidimensional nature of the concept of "infrastructure" creates significant methodological difficulties in its study. Schnipper R.I. notes that "the successful performance by a region of the functions arising from its specialization directly depends on the extent to which the right correlations between the specialization industries and auxiliary infrastructure industries are achieved". The production infrastructure of a region usually includes "all types of transport, fuel and energy facilities, communications and computer science facilities, public utilities and environmental protection facilities" [3, 10].

Large-scale transformations in the production sector, which affect distribution, exchange, and consumption relations, place additional demands on the infrastructure that will ensure the movement of resources and products related to the region.

At the present stage, labor potential, which is characterized by the population size, its reproduction mode, gender and age structure, peculiarities of the settlement system, level of urbanization, levels of education and professional qualification, income and expenses, living standards, provision of social services, etc., is becoming increasingly important and prioritized in the resource potential of the region. The role of labor potential as a factor of regional development will continue to grow, which requires the development and implementation of mechanisms to strengthen it.

The labor and resource potential that participates in the formation of the resource potential of a region has unique characteristics and requires a special approach to research. The labor potential of a region is formed and developed under the influence of demographic, economic, environmental, scientific, technical, and natural and climatic factors and is in close interaction with other elements of the region's potential.

It is also important to note that the population, as an independent element of the region's resource potential, acts, on the one hand, as a producer and, on the other hand, as the main consumer. Therefore, as part of the resource potential, the population is considered in terms of the region's ability to provide labor resources of the required quality and in the required quantity. In addition, the capacity of the domestic market for the products of complex and infrastructure industries is formed depending on the population and its income [13, p. 267].

The financial potential of a region as the final monetary form of all its resources is determined by the aggregate of own and borrowed financial resources of all institutional units operating within it. In economic science and practice, it is commonly considered from three perspectives: created, generated in the region, and financial resources available to the region. These are the resources that can be used in the region for its industrial and social development. Summarizing the above definitions, it can be argued that the financial potential of a region is defined as the financial resources of all institutional units operating within it. At the same time, there are three independent financial subsystems operating on the territory of the region: state financial resources, local governments, and individual legal entities and individuals. The first two subsystems are traditionally classified as centralized finance, and the third is classified as decentralized finance.

To ensure the social and environmental development of the region's economy and the country as a whole, a significant investment potential is required. The investment potential of a region reflects the degree of possibility of investing in durable assets, including investments in securities for the purpose of obtaining profit or other social and economic results.

The investment potential is formed by investment resources, which require the following conditions: own investments of enterprises, existence of savings and the ability of the population to make current savings; the ability to service debt; foreign loans and investments. The scale and efficiency of realizing investment potential are determined by the degree of favorable investment climate

Investments can be considered as "cash, targeted bank deposits, shares, stocks and other securities, technologies, machinery and equipment, licenses, including trademarks, loans, any other property or property rights, intellectual property invested in business and other activities for the purpose of generating profit (income) and achieving a positive social effect" [14].

The level of investment affects the commissioning of production facilities, the growth and renewal of fixed assets, and the pace of economic development. The investment potential takes into account the main macroeconomic characteristics, the saturation of the territory with production factors: labor resources, production, innovation, natural resource potential, infrastructure development, financial well-being, and consumer demand.

Intangible forms of national wealth and, above all, its innovation potential, which reflects the scientific and technical factors of socio-economic development, play a special role in the region's social and economic development. The growth of national wealth is increasingly ensured through the use of scientific and technological achievements: inventions, discoveries, new equipment and technologies, and improved methods of organization and management.

The innovation potential is reflected in the scope of the so-called intellectual property, which "represents a special type of economic relations in the scientific, technical, industrial, economic, literary and artistic spheres - relations concerning the ownership, disposal, and use of the results of intellectual labor" [2, p.14]. Its economic significance is expressed in the fact that intellectual (industrial) property objects in the form of inventions, industrial designs and utility models are the basis for creating the latest competitive technology. The international license exchange - the intellectual property market - is developing on the basis of patents.

The information resources of a region are a set of information, knowledge, data on actual events, physical and other phenomena, properties of objects that contain elements of novelty for the recipient and are used in the process of making management decisions in the formation and development of subsystem components of the region's economic complex. The information is used to establish links between the managed and controlling parts of the region and the external environment.

Recently, there has been a sharp increase in interest in issues related to the socio-economic development of regions. As difficulties grow in all regions of Ukraine, uneven economic development, and the effects of anthropogenic impact on the environment increase, it is necessary to intensify the analysis and forecasting of the region's resource potential. The effectiveness of regional policy depends on a clear definition of the region's territory, its borders, resource potential, and socioeconomic status. Along with the fact that the priorities of production location are gradually changing, the importance of natural resources as the main factor of social and economic development of the region is weakening, other types of resources - intellectual, financial, labor, and information - are beginning to play a crucial role in the formation and development of the economy of the state and its regions. Nevertheless, the natural resource potential determines the state and possibilities of the region's development and is one of the main resultant characteristics of its development. It plays a special role in the system of organization of the national economy, regional and industrial organization, acting as its material basis. And the value of the aggregate resource potential characterizes the level of development of productive forces, determines the competitiveness of the region, the degree of capitalization of enterprises.

The activity of any economic entity is based, first of all, on the production of material goods, which is determined by the efficiency of the use of the region's resource potential. Just as the region's economy as a whole functions to meet its own needs and the needs of the national economy, so the resource potential has two purposes: to achieve national and regional socio-economic goals. In periods of strengthening of the vertical of power, regional goals are subordinated to national ones, and thus the reproductive potential is more likely to meet the needs of the country, while in periods of strengthening of the horizontal of power, regional goals may prevail.

Thus, the resource potential is a determining factor in the formation of the specialization of the regional economy within the country's economic complex, a prerequisite for the formation of territorial production complexes, and it determines the level of socio-economic development of the region, and thus the completeness of solving tactical and strategic tasks of regional and national development during the period of economic transformation.

1.3. Prerequisites, factors and principles of formation, development and use of the resource potential of regional systems

In the system of regional space, the resource potential plays a leading role. The peculiarity of the resource potential as a factor of regional development is, first of all, that it is the component of the economic activity environment that mainly determines the ways, directions and dynamics of development of all other productive components.

Another feature of resource potential as a factor in the development of regional space is that it is an integral part of the territory itself and has a predominantly static characteristic. The resource base created from environmental components is characterized by its own natural dynamics of development, which can be changed to a limited extent by people for their own purposes and interests. Any changes in the components of the environment lead to changes in the entire resource base as a whole, which can have both positive and negative effects on the structural and dynamic characteristics of the development of the region's resource potential. The ecological and economic balance maintained between production and the resource base and balanced use of natural resources are necessary conditions for the sustainable development of the regional space.

Another distinctive feature of the resource potential is that it is a reproductive system in general, but nevertheless contains a set of exhaustible (land, forest, faunal, mineral resources), including non-renewable (mineral potential) components - this requires, on the one hand, moderate use of natural resource potential to ensure the development of production and increase the human potential of the region, and, on the other hand, constant efforts to preserve and restore those components of the resource potential that can be restored qualitatively and quantitatively as a result of resource conservation measures.

Despite the fact that in modern society the role of innovation potential and technological preparation of production is increasingly growing, the role of infrastructure is constantly growing, and the structure of commodity production is changing towards the growth of the role of high-tech non-material industries, the role of natural and economic factors in the functioning of both the national economy as a whole and regional territorial and economic complexes has been and will remain leading. Moreover, the structure of Ukraine's economy and, in particular, industrial production, formed over decades on the model of an industrial society and focused on the raw materials sector (energy, metallurgy, chemicals, construction), has proven relatively resistant to targeted attempts to restructure it in the areas of resource conservation, environmental orientation and radical improvement of technical and technological preparation of production. In recent years, despite the growth in physical output and the relative share of end-use products, the raw material-oriented structure of industrial production has remained virtually unchanged.

The place and role of resource potential in the system of regional space is very important and requires special attention. Despite the prolonged and deep economic crisis that has intensified over the past year, Ukraine has retained its unique natural resource potential. In terms of mineral reserves and production, Ukraine is among the leading countries on the continent. More than 200 types of minerals have been discovered in its subsoil, and about 20 thousand deposits have been discovered. Ukraine produces up to 5% of the world's mineral raw materials and processed products. The mineral resources extracted in Ukraine are valued at $15 billion in pre-crisis world prices (2000). First and foremost, Ukraine has significant land resources that can support the development of a powerful agro-industrial complex with significant export potential. It owns more than 25% of the world's most fertile black soil and has favorable natural and climatic conditions for the development of a diversified and highly profitable recreational complex.

Hence, based on the guidelines for radically improving the efficiency of social production in Ukraine, we can conclude that it is necessary, first of all, to use the resource base in a comprehensive, multi-purpose manner, including the natural resource base of the country's regional space. The spatial development of productive forces implies a transition to new forms of exploitation of regional resources, which are focused on the simultaneous quantitative and qualitative restoration and use of resources. At the same time, the restoration of those components of resources that are used in social production to ensure balanced environmental management should be ahead of the volume of their extraction.

In any case, the spatial development of productive forces takes place with the active involvement of all components of the region's resource potential. The optimal use of regional resources implies the formation of a regional economy with a sectoral and territorial structure of the economy that ensures the most sustainable and cost-effective regional production. At the same time, the use of natural resource potential for the purposes of spatial development of productive forces implies, first of all, the development of the natural resource potential itself, all components of the productive forces of nature that form it.

The use of the region's resource potential cannot but respond actively to structural changes in the economy that accompany the spatial development of productive forces. In this case, the main task is not just to fully involve regional resource components in economic circulation and increase the level of their exploitation, but to change the entire structure and methodology of resource use with an emphasis on renewable and inexhaustible (conditionally exhaustible) resources. At the same time, the role of the resource base in the formation of a new economic structure is particularly important, as Ukraine has exceptionally favorable signs of natural resource potential and natural and economic prerequisites for development in general. Such an economic structure, which corresponds to a parity innovation paradigmatic development strategy, considers the main factors of accelerated development to be, first of all, technological modernization of the country's industrial economy in a short time on an innovative basis, introduction of new, primarily rentbased mechanisms of nature management, transition to the production of high-tech commodity products with reduced resource intensity. Resources should become not only and not so much a source for the production of marketable goods as a basis for the development of the service sector. At the same time, special emphasis should be placed on those sectors of the economy that use natural resources in a comprehensive manner, minimizing the exploitation of non-renewable and exhaustible components. This primarily concerns the recreational complex, whose share in the economic structure should increase at least fivefold in the next decade. In general, the reserves for the development of the natural and recreational complex of Ukraine allow expanding the area of recreational areas by an order of magnitude, which will have a significant environmental effect. The share of services derived from natural resources use should increase in the structure of the economy - this applies primarily to land, resort, transportation (including transit), water and forest rents.

In our opinion, the main problems of forming the resource potential of the regions at present are:

- a large deficit of own sources of resource formation in the regions, caused primarily by low production efficiency and a deep decline in the real sector of the economy as a result of the economic crisis;

- deformation in the real sector between the spheres of economic activity (the state's overwhelming specialization in heavy industry) and in the inter-sectoral price ratio;

- lack of expanded reproduction of fixed capital, insufficient share of its net accumulation;

- the country's lack of attractiveness for foreign investors due to the volatility of economic policy and the lack of stable priorities in the implementation of regional investment policy;

- distribution of budgetary financial resources and resources from foreign sources by regions without taking into account their uneven, disproportionate socio-economic development;

- underdeveloped capital market;

- imperfect mechanism of long-term lending to regional enterprises, etc.

These shortcomings have a negative impact on the processes of formation, use and reproduction of the resource potential of the region as a whole and its constituent elements in particular and, as a result, on the socio-economic situation in the country and national economic security. At present, the main factor of Ukraine's way out of the economic crisis at the state level is the structural reorganization of the economy based on the modernization of production and its structure, technological renewal of the resource potential of the regions in particular and the country as a whole, and the development of a functionally balanced and socially oriented economic complex.

The purpose of the study of resource potential in the system of regional space is to determine the degree and results of interaction of resource potential with elements of productive forces of the region in the process of spatial development for the subsequent optimization of this process and obtaining the maximum economic and environmental effect.

For this purpose, the following tasks are envisaged to study the resource potential and its relationship with the spatial development of productive forces:

- determining theoretical and methodological approaches to assessing the available resource potential of territories as a source of spatial development of productive forces;

- subcomponent assessment of the natural resource potential of the regions of Ukraine in order to determine priorities, resources and reserves for the development of other components of productive forces, and to actively increase the capacity of the resource base of social production;
- study of the resource zoning of the territory of Ukraine in terms of its impact on the regional space and ensuring effective spatial development of the productive forces of the economic regions of Ukraine;
- establishing the interconnection of trends and dependencies of regional space, identifying directions and ways to effectively use resource potential to ensure

the most efficient spatial development of the productive forces of Ukraine and its regions.

Methodology as a doctrine of logical construction, principles of organization, includes methods and means of research and cognition of reality.

The methodology of the study is based on theoretical and methodological provisions that are suitable for assessing the components of the resource potential and the overall resource potential as a whole. Further, the elements of the resource potential include natural resource, labor, financial, production, infrastructure, investment, innovation, foreign economic, information and social potentials of the region.

An important methodological issue of the problem under consideration is to determine the structure of the resource potential, which reflects the list and ratio of resources included in its composition and reflects one of the directions of a systematic approach to the study of the phenomenon under investigation.

The decision on the legitimacy of including the relevant component in the resource potential should be based on an objective basis, be theoretically proven and practically feasible, and not axiomatic. A subjective approach to solving this issue raises the danger of including secondary resources or individual components of more important resources instead of their holistic representation, or pseudo-resources may be involved, i.e., production factors that do not have material content but to some extent reveal the nature of the use of individual resources.

When studying the resource potential of a region, the following main aspects of analysis should be taken into account within the framework of a systematic approach:

1) elemental aspect - identifying the structure of the potential:

- types of potentials;

- differentiated characteristics of potentials;

- commonality and power of potentials;

2) Structural aspect - determining the structural characteristics of the system of potentials:

- types of relationships, quantitative and qualitative interdependencies;

3) functional aspect - identification of potential functions in the system of territorial development:

- comparison of functions to determine similarities and differences; identification of the functional structure of the territorial potential;

4) Integration aspect - clarification of contradictions in the system of potentials, ways and means of resolving the contradictions found:

- determining the hierarchy of potentials depending on the importance for sustainable development of the coordination links of the potential system with the external environment;

- determining the closeness of these connections;

5) historical aspect - consideration of the potentials of the territory through the prism of their historical development:

- identifying stages in the formation and development of capacities;

- Comparison of the identified trends with the national development peculiarities.

The resource potential should be viewed as a system consisting of subsystems represented by potentials of different orders. In this regard, it is necessary to analyze the interrelationships between potentials of different levels and between potentials of the same level. The mutual influence of the potentials of the same level is caused by such properties of economic resources as interchangeability and complementarity. Interchangeability implies that a decrease or increase in the system of one resource can be compensated in certain proportions by another resource. In accordance with the complementarity property, an increase in the system of one economic resource implies a simultaneous increase in the amount of another resource.

Resource potential as an economic category can be viewed from different perspectives, distinguishing either resource, functional, resource-target or other concepts, depending on the research objectives. Accordingly, the processes of its formation, development and use can be considered from different points of view. In our opinion, it is advisable to distinguish the following enlarged groups of methodological conceptual foundations for the formation and use of the economic potential of the region: regularities, general economic laws, principles and factors (Fig. 2).

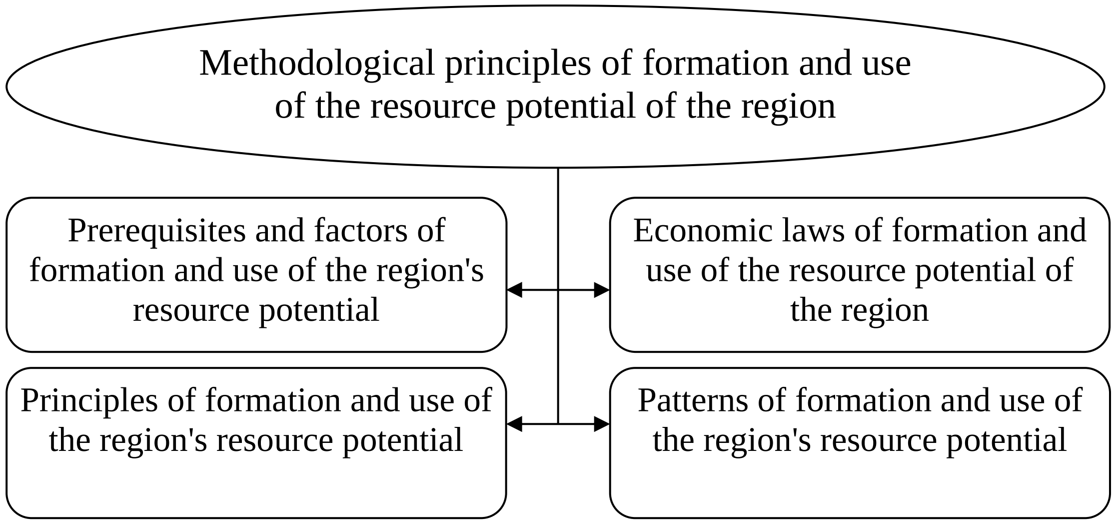


Fig. 2. Main methodological principles of formation and use of the region's resource potential

In the context of the development and strengthening of market relations, certain patterns emerge in the formation and use of the region's resource potential, which are formed as a result of the interaction of nature and social development. The formation of a market economy in Ukraine involves the study and use of regularities, including in the use of the region's resource potential. Knowledge of the patterns of resource potential utilization is driven by the practical needs of society. Any region can function successfully only if it has in-depth knowledge of the availability of resources, their economic assessment, and the factors that influence the formation and use of resource potential. It is important to understand the patterns of formation and use of the resource potential of regions in the preparation of regional programs aimed at improving the socio-economic situation of the region, forecasting the development of individual industries and intersectoral complexes, taking into account the unresolved problems of the regions (Fig. 3).

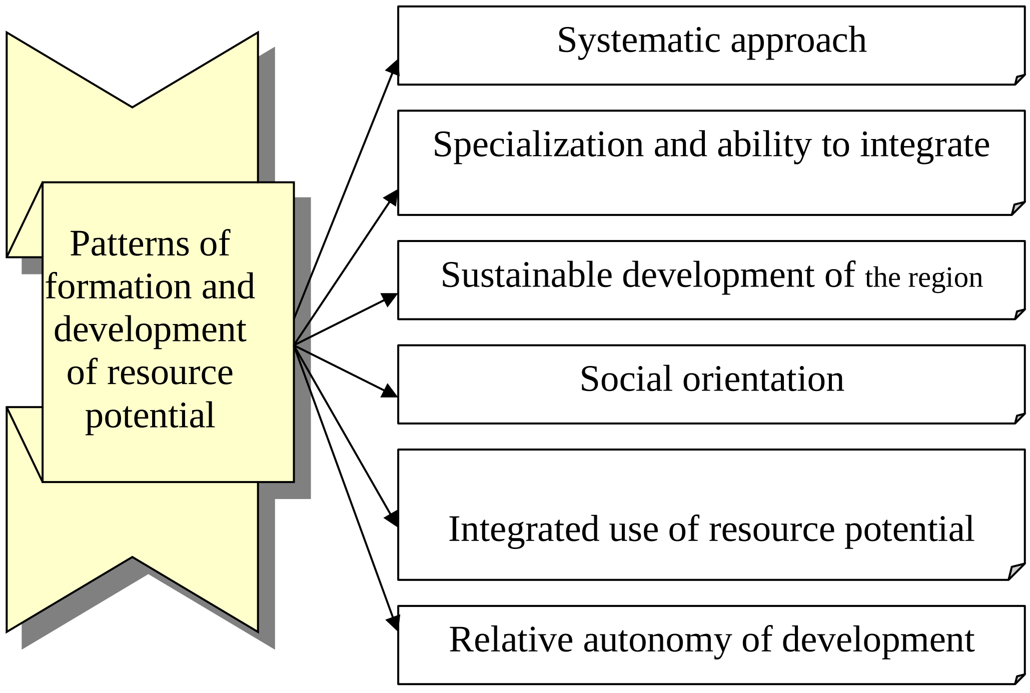


Fig. 3. Patterns of formation and use of the region's resource potential

The social orientation of the use of resource potential as a regularity is determined by a number of economic laws, including the law of correspondence of production relations to the level of development of productive forces as the basic economic law of any society, the law of increasing labor productivity, saving time, etc. The state ensures the social orientation of the economy, and thus subordinates the use of the region's potential to the interests and needs of people. Thus, the effect of the law of social orientation of the use of resource potential in Ukrainian society has been legally formalized and constitutionally enshrined.

This pattern is realized by taking into account the interests of the population in more and more complete satisfaction of personal and social needs, raising the level of socio-economic development of the territory, prioritizing the solution of social problems and ensuring the constitutional rights of all citizens - the right to a decent life.

Systematicity as a regularity of the use of resource potential reflects the requirements and effect of the law of systematic development, the law of time saving, the law of socialization of labor, the law of production concentration, etc. The process of socialization of labor and production at a certain historical stage of society inevitably gives rise to systematicity as a form of economic development. Planning is an effective form of using the resource potential of a region; it ensures systematic, not chaotic use of the resources available in the region, formation of an effective economic complex in the region based on the rational use of the resource capabilities of the territory.

Sustainable development of a region as one of the regularities of resource potential use is determined by the requirements of a set of economic laws, including the law of correspondence of production relations to the level of development of productive forces, the law of time saving, the laws of accumulation and population, etc. It defines the strategic direction of using the potential to achieve a balance between the economic, social and environmental components of the regional economic system. The main idea of sustainable development is the unity of two interrelated processes: first, reduction, strict economy of resource consumption, preservation and reproduction of the resource potential and the environment of human activity; second, ensuring the improvement of the welfare of the population of all regions. This requirement becomes realistic if scientific and technological progress is dynamic and its results are widely used, and if sufficient, reasonable limits of consumption are observed. Sustainable development strategy envisages greening of social relations, optimal use and reproduction of resource potential

The pattern of integrated use of resource potential in the economic process is the basis for finding internal reserves to improve the social and economic development of the region without additional resource attraction. An important direction of the integrated use of resource potential is the wider use of associated materials and secondary raw materials. The integrated use of resource potential meets the most important requirement of economic management - achieving the greatest results at the best possible cost. Its main feature is the most complete ecologically and economically justified use of the region's resources and addressing environmental protection issues.

The pattern of integrated use of resource potential is implemented in the plans for socio-economic development of regions and manifests itself in the form of various interrelationships that develop on the basis of joint use of resources and links between industries.

The relative autonomy of development as a regularity is realized as the region's ability to create a reproduction cycle of production (production-processing-sales) at the expense of the available resource potential.

Specialization and ability to integrate. The region's production and economic specialization is based on its own financial, economic, labor, and natural resources. For example, Podillia specializes in the production and processing of agricultural products.

The formation and use of the region's resource potential is also influenced by general economic laws: sustainable development of productive forces; territorial division of labor; coordination of interests; scientific organization of management; regionalization and globalization; and information saturation.

The law of sustainable development of productive forces plays the most important role, as it determines the strategic direction of achieving social and economic development of the region on the basis of the existing resource potential. The main provision of sustainable development is to strengthen the social component, ensure rational use of natural resources, reproduce the resource base of production, and restructure the economic complex of the region in connection with new economic and social conditions.

B. G. Shelegeda notes that the effectiveness of economic development of a region depends on the quality of the resource potential management system, which should be subject to the laws of the system. The dialectical system of interdependent relations of economic phenomena is characterized by the laws of: synergy; sustainability; development; information saturation.

The essence of the law of synergy is that the effect of joint actions is not equal to the simple sum of individual efforts. Therefore, the potential of a region cannot be equal to the simple sum of the potentials of its constituent subsystems. In turn, each subsystem of the economic potential of a region is a separate system with localized economic relations, and the potentials of economic entities become subsystems of lower-order systems.

The law of sustainability is based on the fact that every system strives for self-preservation by using its potential, and it is the region's desire for self-preservation based on its resource capabilities.

The essence of the law of development in relation to resource potential is that the entire period of formation and use of the region's potential is considered as a set of stages, and each subsequent stage is influenced by the potential of the previous stage.

The law of information saturation regulates the system's actions. The essence of this law is the dogma of the functioning of any system in market conditions: the more information about the external and internal environment, the more stable its position. Information should have the properties of reliability, completeness, accuracy, relevance, value and usefulness [7, p. 5 - 11].

The formation and use of resource potential in the new economic environment has its own peculiarities and is based on a set of principles. As is well known, the principles of using the resource potential of a region are formed on the basis of knowledge of laws and regularities. Almost in the same way, with only some differences, economists define principles as rules that are formed on the basis of knowledge of the laws of social production. Thus, in a large economic dictionary, a "principle" is interpreted as a starting point of any theory or doctrine [9, p.213]. Some scholars argue that the principle is the rules of operation and management of the state's economic policy based on the laws of potential use and development of the regional economy [5, p.13]. Others believe that the principle is a set of generally recognized rules, regulations, norms derived from the theory of knowledge of the laws of production development.

The formulated system of principles for the formation and use of the region's resource potential is shown in Fig. 4.

One of the main principles of the formation and use of the region's resource potential is its rational and cost-effective involvement in economic practice, aimed at stopping the destructive impact of production on the environment, and transition to ecological and economic ways of using the resource potential. The importance of this principle is growing due to the deepening deficit of a number of natural resources with uneven geographical distribution. Rational, efficient use of potential means comprehensive cost savings for production, taking into account all components of production and consumption, minimizing costs associated with the extraction, processing and use of raw materials, using the labor potential of the region, energy and transportation costs, approaching the largest possible markets for products, and the most complete use of resources.

The principle of integrated use of the region's resource potential, which is based on the integrated use of natural resources and their waste, labor, financial resources and fixed assets, is of particular importance for the country's successful and, most importantly, rapid progress through market reforms. The social and economic development of the region based on the integrated and more complete use of the resource potential is based on a combination of the existing base, market specialization and the latest needs of the leading industries and infrastructure, which are based on the resource potential of the region.

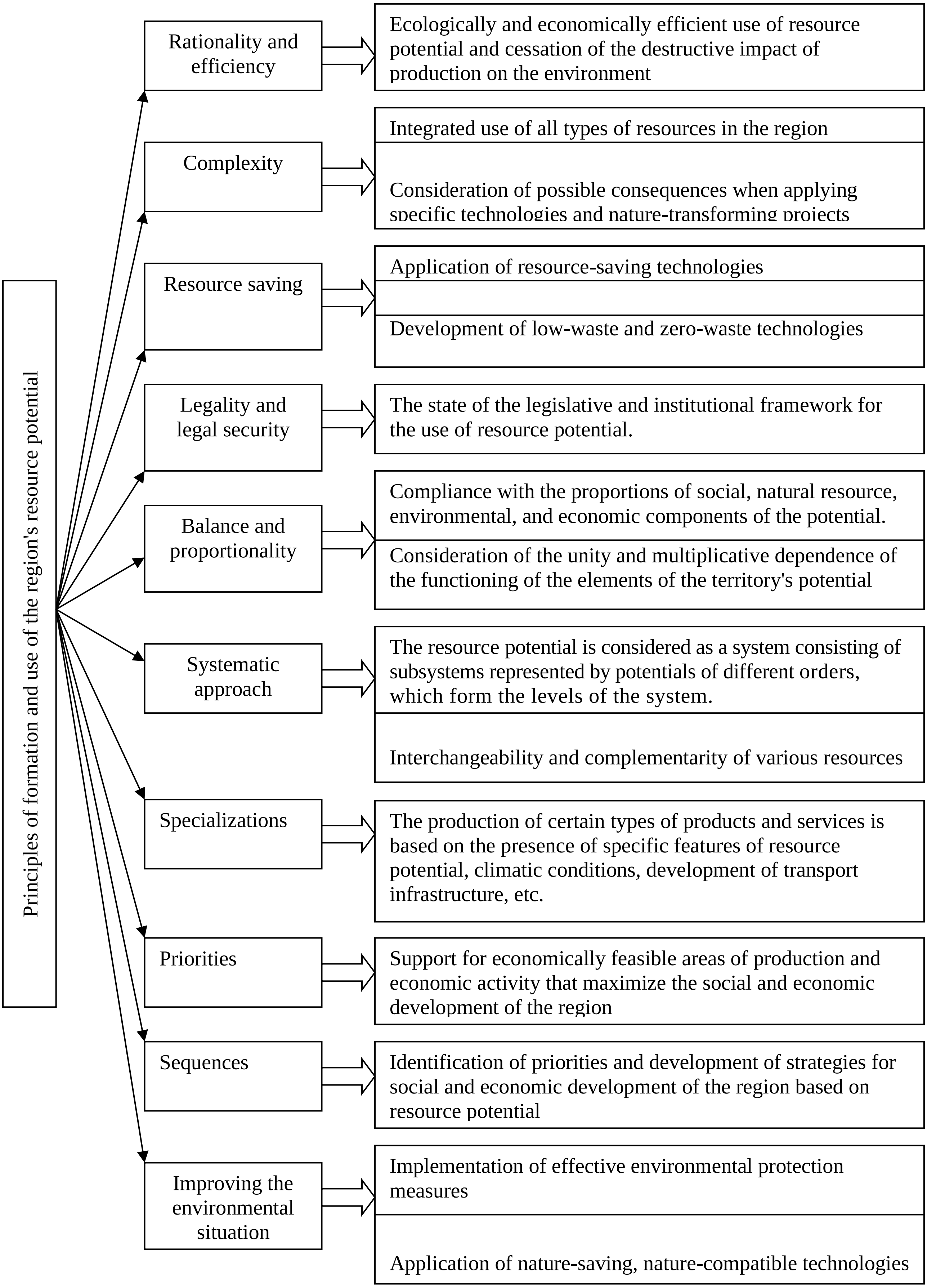


Figure 4. Principles of formation and use of the region's resource potential

The principle of resource conservation is also important, as it is the main direction of increasing the efficiency of resource potential use. The use of alternative resource-saving technologies often has a tangible positive effect even without taking into account their targeted beneficial impact on the environment, as pollution and other environmental damage are largely the result of excessive resource consumption. Reducing the energy and material intensity of the production of material goods can help reduce environmental stress and increase the efficiency and competitiveness of food products.

Economic development in the context of the formation and establishment of market relations requires the development and implementation of new approaches to environmental management and attaches utmost importance to the formation of effective organizational and economic levers of the strategy for greening the development of the country's economic complex, regions and individual functional subcomplexes. Further effective development of the region is possible only if the legal framework is improved and a system of economic levers for environmental management is formed.

The principle of legality and legal security. A factor that hinders the development of the region in the current environment is the underdevelopment of its legislative and institutional framework for the use of its resource potential. The real driving force behind institutional change may be the transformation of property relations and the optimal combination of its various forms. Pricing, tax and credit systems, and support for the scientific sector play a significant role. The creation of institutional conditions that are adequate to the present day will allow for a deeper disclosure and fuller use of the region's internal resources and a transition to sustainable development of the region, using the available resource potential.

The principle of balance and proportionality implies compliance with the proportions of social, natural resource, environmental, and economic components of its potential, mutual correspondence of their development, and optimal overall economic, territorial, and sectoral proportions in the regions and the state. This principle requires taking into account the unity and multiplicative dependence of the functioning of the elements of the region's potential. Since they form the basis of social development, changes in any element affect the entire system on the basis of a multiplier.

The principle of systemicity. The resource potential is considered as a system consisting of subsystems represented by potentials of different orders. The latter form different systems. A higher-level potential consists of lower-level potentials. The mutual influence of the potentials of the same level is determined by the interchangeability and complementarity of different resources. The property of interchangeability implies that a decrease or increase in the system of one resource can be compensated in certain proportions by another resource. According to the complementarity property, a change in the system of one resource implies a simultaneous change in the amount of another resource.

The principle of consistency is to set priorities and develop a strategy for the social and economic development of the region based on the resource potential and strictly observe (implement) them.

The principle of regional specialization in the production of certain types of products and services is based on the presence of specific features of resource potential, climatic conditions, development of transport infrastructure, traditions, customs, i.e. all that distinguishes one region from another according to the theory of productive forces.

The principle of prioritizing the development of certain sectors of the region's economy means that, based on the available resource potential, it is necessary to support economically feasible areas of production and economic activity that maximize the social and economic development of the region.

However, along with the most efficient management, it is necessary to adhere to the principle of improving the ecological situation and implementing effective environmental protection measures. In the market conditions, in the process of utilizing the resource potential of the region, the issues of improving environmental management and environmental protection are becoming more acute. Particular attention should be paid to combating economic irresponsibility for damage to the environment, for the production of environmentally harmful products, and for the waste of natural resources due to their low cost compared to world prices. The large anthropogenic burden on the nature of Ukraine has led to the need to ensure the environmental orientation of state regulation of the region's economic development. In order to improve the ecological situation, ensure the normal state of the environment, and achieve the efficiency of natural resources management, there is a need to develop, adopt, and comply with a system of economic regulators in this area.

Taking into account the system of principles for the formation and use of resource potential will help optimize the functioning of its components and ensure greater economic efficiency.

The formation and development of resource potential is directly dependent on the conditions and factors that significantly affect this process. The main factors of formation, development and use of the resource potential of a region include political, economic and social conditions that limit or stimulate its functioning. Political conditions affect the functioning of economic potential through the political structure, the level of political and legislative stability, tax legislation, antimonopoly regulation, and state regulation of foreign trade. The economic conditions for the formation and development of economic potential characterize the phase of the country's economic cycle, inflation and unemployment, gross national product and its dynamics, the presence and level of commodity deficit, the state of income and purchasing power of the population, and structural changes in production. These will be discussed in more detail later in the paper.

To achieve the goal of studying the formation and use of resource potential, the following methods and techniques were used in the work: logical and theoretical generalization and comparison - to clarify the concepts of "resource potential of the region" and "region"; system analysis - to identify the structural elements of the resource potential of the region and study their interconnection; methods of statistical multivariate analysis - to calculate complex indicators of efficiency of use of investment, innovation, natural resource and labor potential.

In researching the formation and use of resource potential, general and special methods of scientific knowledge are used, including systematic analysis, systematization method, balance sheet method, method of economic and geographical research, and others.

The dialectical method is a fundamental, generalizing method of cognition of resource potential. The dialectical approach makes it possible to substantiate cause-and-effect relationships, processes of differentiation and integration, the constant contradiction between essence and phenomenon, content and form, and objectivity in assessing reality. Dialectic acts as a tool of cognition in all branches of science and at all stages of scientific research. It requires the position of the researcher, becomes the basis for the interpretation of the object and subject of cognition, the process of cognition and its results.

The balance sheet method is based on comparing balanced systems of indicators and measuring the proportions of resource potential utilization in monetary and natural forms. The main systems of such indicators and proportions are production and distribution, production and consumption, income and expenses, savings and consumption, resources and their use. This method makes it possible to determine the optimal ratio between the industries of the region's specialization and the industries that complement the territorial complex, as well as infrastructure (industrial and social). The construction of sectoral and regional balances helps to determine the rational level of integrated development of the region and identify imbalances in its development. Balances are also necessary for the development of rational inter-district relations.

The peculiarity of using methods based on balance sheet calculations is the use of data contained in the intersectoral balance sheet of the region. In order to identify imbalances and reserves for the growth of resource potential, balance models compare actual resources not with their actual consumption, but with the need for them. Thus, the resource potential can be linked to the volume and structure of social needs or to its target value through a system of balances that reflect the availability and movement of components of the region's resource potential.

At the same time, from a methodological point of view, the disadvantages of balance sheet methods in analyzing and assessing resource potential are as follows:

- The models do not take into account the ability of entities to manage and self-organize, changes in the level of production technologies and organizational capabilities for the development of the region's resource potential;
- The model assumes that the impact of external factors on the system and the cost structure in each industry remain unchanged;
- when preparing the balance sheet, a special transformation of real statistical data is required;
- the need for additional collection of a large amount of information and complex calculations.

Observation is a passive method of scientific research in which the researcher, i.e. the observer, does not influence the development of events. As a method of scientific cognition, observation makes it possible to obtain primary information in the form of a set of empirical statements. The empirical aggregate becomes the basis for the preliminary structuring of the resource potential, turning the elements of the structure into the initial objects of scientific research.

Comparison is the process of comparing the components of the resource potential or potentials of different regions in order to establish similarities or differences between them, as well as to find the commonalities inherent in two or more objects of study. The comparison method will be fruitful if the following requirements are met:

- Only such phenomena can be compared between which there can be some objective commonality;
- The comparison should be based on the most important, essential (in terms of a specific task) features and parameters of the resource potential.

In the study of resource potential, methods of statistical analysis, correlation, factor analysis, the method of implication scales, etc. are widely used [2, p. 93]. The methods used at the empirical and theoretical levels of research include, as a rule, abstraction, analysis and synthesis, induction and deduction, modeling, etc.

Analysis is a method of cognition that allows you to divide a subject into parts for the purpose of studying it in detail. Synthesis, on the other hand, is the result of combining individual parts or features of a subject into a single whole. Analysis and synthesis are interconnected; they represent the unity of opposites. Depending on the level of knowledge of the object and the depth of penetration into its essence, different types of analysis and synthesis are used. The resource potential of a region is divided into separate components - natural resources, production, infrastructure, financial, investment, innovation, foreign economic, and then, based on their in-depth study, an analysis is carried out to substantiate ways to improve the use of the resource potential.

Methods for assessing various types of resource potential based on the calculation of an integral indicator are quite popular. The reason for their widespread use is the following advantages:

- the possibility of defining a single indicator that combines the characteristics of all components of the resource potential;
- the ability to include an unlimited number of indicators in the assessment, which does not significantly affect the duration and complexity of the calculations;
- the possibility of using heterogeneous indicators in assessing resource potential;
- simplicity of mathematical calculations;
- the ability to conduct a comparative assessment, etc.

The essence of this methodology is to find a synthetic overall indicator, which is obtained by summing the values of partial indicators using weighting factors determined depending on the importance of each partial indicator on the integral indicator.

The disadvantages of applying the methodology when assessing the resource potential of a region are as follows:

- is an integral indicator that is synthetic and has no specific economic content;
- the integral indicator cannot be calculated for a particular region as an independent system, but only as a subsystem of the country's resource potential (in comparison with other regions) or the region's resource potential (in comparison with other types of economic activity)

- methods for calculating weighting factors are either subjective or too formal.

The group of methods for analyzing and assessing resource potential based on factor analysis uses econometric models - economic and mathematical models of factor analysis, the parameters of which are estimated by mathematical statistics. These models serve as a means of analyzing and forecasting the processes of using and forming the resource potential of a region based on real statistical information. As a result of factor analysis, quantitative relationships between the performance indicators of resource potential and the factors that influence them are identified.

Among the disadvantages of using factor analysis in assessing the resource potential of a region are the following:

- the coefficients for the factor attributes in the model are determined by calculation, depend on a specific sample of observed values of indicators and have no economic meaning;
- the model is stochastic in nature and establishes an approximate (probabilistic) value of the indicators when forecasting them;
- When forecasting indicators using this model, it is assumed that the coefficients of the factors will not change in the future, i.e., the interdependencies between the factors and the results will not change.

The system of partial indicators is used to assess the potential of a complex, multidimensional economic system. Compilation of a list of partial indicators is an integral stage in the application of all subsequent methods of assessing resource potential. The latter use partial indicators of potential with the subsequent modeling of their correlations, interrelations with each other and with the performance indicators.

The use of only a system of partial indicators in assessing the resource potential of a region has the following disadvantages:

- Impossibility of comparative assessment with the resource potentials of other regions;
- Failure to take into account the interrelationships of the elements of the resource potential with each other and with the total value of the resource potential;

- Impossibility to assess the dynamics of the resource potential.

Abstraction (from the Latin term abstractio, which means distraction) is the imaginary turning away from insignificant, secondary features of objects and phenomena, connections and relations between them, and highlighting several aspects that interest the researcher.

The abstract and logical method requires a purposeful, planned and systematic study of the formation and use of resource potential, logical division into components based on abstraction and the selection of the main category, which has all the important features of the resource potential of the region under study; formation of the existing features of the main economic category; logical combination of the components of resource potential and establishment of patterns of its development, formation and use. This research method includes observation of the expediency of human activity aimed at transforming the nature of society; scientific abstraction using the techniques of analysis, analogy, induction and deduction and is used by us to substantiate the organizational and economic mechanism for implementing the use of the resource potential of the region.

When studying the resource potential, special methods are used: systemic and structural, cartographic, zoning, optimization, classification [4, p. 402].

Systems analysis is a set of methods and tools for studying complex, multi-level and multi-component systems, objects, and processes based on an integrated approach, taking into account the interconnections and interactions between system elements. This method is based on the principle of phased approach (defining goals and objectives, forming a scientific hypothesis, and comprehensively studying the features of the optimal variant of the industry location). The method of systematization is associated with the dismemberment of the resource potential and selected criteria of the aggregate, which are characterized by certain features and commonalities. The components of the systematization method are: classification, typology, concentration, etc.

The systemic and structural approach consists in a comprehensive study of large and complex objects of resource potential as a whole with coordinated functioning of all elements and parts. With this in mind, it is necessary to study each element of the system in its connection and interaction with other elements, to identify the influence of the properties of individual parts of the system on its behavior as a whole, to establish the emergent properties of the system and to determine the optimal mode of its functioning.

The statistical method makes it possible to systematize statistical information, quantify the factors that influence the state of formation and use of the region's resource potential, and compare specific quantitative and qualitative characteristics.

The peculiarity of statistical methods lies in their complexity, which is due to both the variety of forms of statistical regularities and the complexity of the statistical research process itself. The specificity of the methods is explained by the content of the work performed in the process of studying the formation and use of resource potential. The nature of which is quite complex and unpredictable, so it is necessary to study it in interconnection and interdependence. For this purpose, statistical theory has developed a fairly wide range of methodological and methodological tools that allow quantifying the studied relationships (especially causal ones).

Statistical and economic processing of data on the use of the region's resource potential includes compiling summary materials, using simple and complex groupings, correlation and regression analysis, production functions, etc. Statistical and economic processing makes it possible to:

- obtain materials characterizing the state of formation and use of resource potential;
- identify permanent connections between the components of the resource potential;
- to find out the quantitative links between the factors and the results of resource use by means of correlation and regression analysis, to determine the forms of connection. On this basis, it is possible to calculate, for example, planned indicators of the use of resource potential at a known level of availability of its factors, as well as to conduct scientific forecasting and solve other problems. The use of production

functions makes it possible to predict promising options for the use of a particular type of resource at certain values of factor attributes.

The method of comparative (variant) calculations can be used to compare the economic efficiency of the use of resource potential.

The method of economic and mathematical modeling, based on the use of modern electronic tools, allows processing a huge array of statistical information and initial data characterizing the level, structure, features of development, formation and use of the region's resource potential with minimal labor and time. It helps to make optimal decisions on options and models in accordance with the objectives and goals of regional research. Programming is widely used here to solve and analyze complex mathematical problems of process optimization and management in scientific activities.

In other words, on the basis of logical generalizations, a logical model of resource potential is built that characterizes its defining structural components and system-functional relations.

Among the disadvantages of using mathematical programming methods in analyzing and assessing the resource potential of a region are the following:

- the more complex the model (the objective function has a complex nonlinear form, many factor attributes, and complex constraint expressions), the more difficult it is to find its solution, and in some cases, it does not exist;
- for each input parameter, it is necessary to give its maximum value, which will be given on the right-hand side of the constraint system inequalities, which is not always practically possible to determine for each factor;
- when studying the impact of changing coefficients for variables in the model on the optimal solution to a problem, it is necessary to re-calculate each time to find a new solution, which complicates the use of this methodology by the amount of time spent.

The method of economic and geographical research is divided into three components: regional method (research of directions of formation and development of the resource potential of the region, study of development and allocation of resource potential in the regional context); sectoral method (research of directions of formation and use of resource potential in the geographical aspect, study of development and allocation of resource potential in the sectoral context); local method (research of directions of formation and development, use of resource potential of individual regions and study of

The cartographic method makes it possible to visually determine the specifics of the territorial location of production, etc. A map in the regional economy is not only an object of research, but also a source of information on the distribution of productive forces and the regional economy. Through the use of maps, cartograms, and cartos, not only the specifics of location are perceived and recorded, but also statistical materials characterizing the level of development of industries and regions. The cartographic method makes it possible to display initial information about scientific activity in the form of cartographic models, the totality of which is a tool for solving specific tasks within the framework of practical activity.

The method of socio-economic forecasting is a set of methods and tools for processing information on the development of socio-economic phenomena and processes, and the functioning of systems in the future. It includes extrapolation, modeling, and the method of expert assessments, which are interrelated. The forecasting process uses such general scientific elements of the dialectical method as induction and deduction, the method of analogy, forecast analytical and synthetic estimates, etc.

The main goal of the methodology is to study the means, methods and techniques of research that are used to acquire new knowledge in science. It should be noted that the study of the resource potential of the region uses both general scientific and special methods and specific scientific methods.

1.4. The current paradigm of formation and use of the region's resource potential and the interrelation of its components

Ukraine's economy has always been viewed as an integral object, for the regulation of which a single economic policy was formed and implemented, with priority given to macro processes. The economic space was relegated to the background in relation to macroeconomic policy, although it was assumed that, taking into account the peculiarities of different parts of the country - regions, it was necessary to specify and concretize the macroeconomy and its regionalization. The large spatial differentiation of natural, economic, social conditions and population in different regions of the country necessitates the consideration of the territorial factor in the development of their productive forces, which is becoming increasingly effective in improving economic efficiency, and requires the justification of a new paradigm of regional development.

The country's current development is characterized by an aggravation of socio-economic, demographic and environmental problems, the overcoming of which largely depends on the starting points for defining the country's socio-economic development strategy. The main vector of our strategy is to preserve the integrity and unity of the Ukrainian economy. However, significant changes in the country's economic and social space have changed the view of the national economy as a mono-object, as it is a connecting organism of regional systems that is formed and operates on the basis of fully developed diverse and multifaceted ties. Based on this provision of the new (modern) paradigm of regional development, it can be determined that the main direction of solving important socio-economic problems is the combination and linkage of the macroeconomic approach and regionalization as a spatial reflection of this approach. It is important to develop balanced priorities and mechanisms for the development of each region of the country on the basis of creating a basis for the sustainable reproduction of social regional systems and their integrated development.

A paradigm is generally a rigorous scientific theory that is contained and reflected in a system of concepts that expresses the essential features of reality; it is a model of problem formulation and its solution in a certain time period.

The peculiarities of the structural organization of economic, political, social, and environmental processes make it possible to summarize the current paradigm of regional development. Ukraine is not a mono-object, but a multi-regional organism that functions on the basis of vertical - center-region - and horizontal - interregional environmentally oriented - links with developed foreign economic relations. It is important to create and preserve the integrity and unity of the Ukrainian economy as an integrator of our country. The existing national paradigm, where the country's economy is viewed as a mono-object, has exhausted itself. The formation of market relations leads to transformational processes in all sectors of the economy, promotes self-organization and self-regulation of regional systems in a single economic space, and requires the formation of a new transformational paradigm of modern economic development with a combination of regional interests and general economic interests.

In general, in translation from the Greek language, a paradigm is an example, a model, as well as a set of views and methods of scientific research. Its synonyms are integrity, naturalness, and organicity of worldview and worldview. A paradigm in the methodology of science is a set of values, methods, technical skills and tools adopted by the scientific community within the framework of generally accepted scientific traditions in a given period of time. It is a theory (or a model of problem formulation) that is accepted as a model for solving research problems. In general, a paradigm is a set of theoretical and methodological positions adopted by the scientific community at a certain stage of development of science and used as a model, a standard for scientific research, interpretation, evaluation and systematization of scientific knowledge, for changing hypotheses and solving problems arising in the process of scientific knowledge. In other words, a paradigm is a model construction of a problem, accepted as a model for solving research problems, a dominant way of thinking, expressed in a certain completeness and relative consistency of views on the surrounding phenomena and things.

The Encyclopedic Dictionary defines a paradigm as an initial conceptual scheme, a model of problem formulation and solution, and research methods. J. Barker in his work "Paradigms of thinking. How to See the New and Succeed in a Changing World", J. Barker considers a paradigm as a system of views and ideas within which we perceive the world around us and predict its behavior in the future. Since the world is constantly being rebuilt, rules that worked well in the past but can become a hindrance to further development are changing, it is necessary to reveal the essence of the new paradigm, it is important to notice its emergence in a timely manner and find application for it and choose the most effective and efficient course of action [238].

Paradigm shift is a term first coined by the historian of science T. Kuhn in his book The Structure of Scientific Revolutions (1962) to describe changes in the basic assumptions within a leading theory of science. According to T. Kuhn, a scientific revolution occurs when anomalies are discovered that cannot be explained by the universally accepted paradigm within which scientific progress has been made up to that point. A paradigm can also be defined as a brief description (compact structure) of the main concepts, assumptions, proposals, procedures, and problems in certain independent areas of knowledge or theoretical approaches. A paradigm is a well-established position of science that has acquired the meaning of indisputable guiding principles of cognition. A paradigm is a set of ideas, laws, and principles that are accepted and supported by the scientific world.

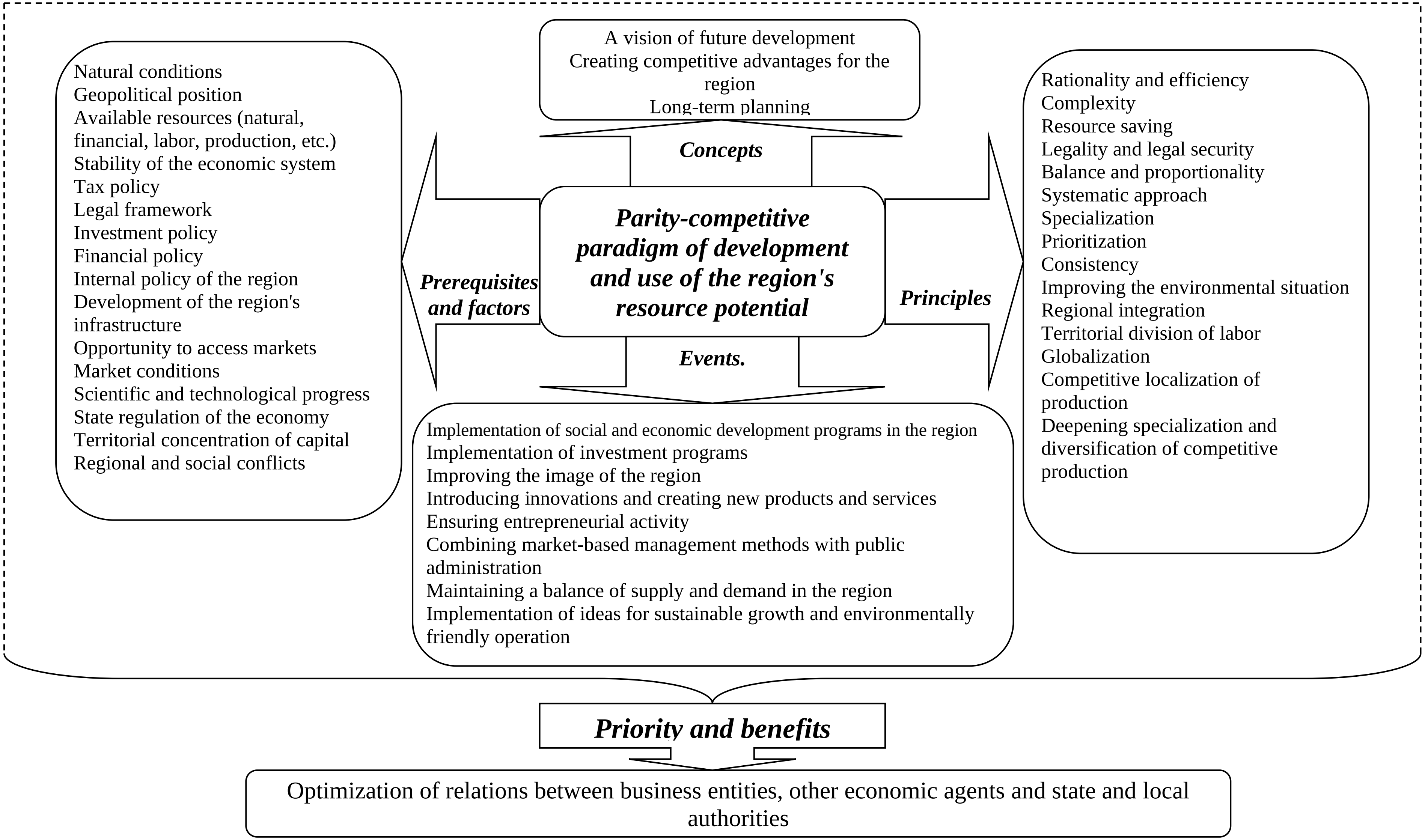
Despite the fact that globalization and regionalization lead to changes in social relations, increased interstate cooperation, reduced influence of national governments on economic life, if acceptable, and a lower level of control of the economic system, the view of the national economy as a system is preserved, because it is conditioned by the unity of the country. But it cannot be understood as a whole and unambiguous. After all, the country's economy, given its considerable differentiation, is essentially a combination of regional economic systems.

The state is not a single economic unit without internal differentiation, but a multi-level regional model as a set of regional economies and relevant management structures, the development of which is based on the needs of the local economy, self-organization of regions as a process of creation, reproduction and improvement of complex dynamic structures. If we look at the national economy through the prism of regional systems, through the regional development paradigm, it becomes clear that the national economy is a set of regional economies. This is the essence of the paradigm shift in social development and the difference between the national and regional development paradigms. A.G. Mazur defines the new regional paradigm of social development as "the awareness of the national economy as a set of regional economic systems with differentiation of their development; understanding of the spatial arrangement of the country as a synthesis of local, regional, interregional and national economies within the common market..."[9, p.158].

As A.G. Mazur notes, political, economic and social reforms of the post-Soviet period have formed a fundamentally new and continuously transforming, unstable and long-term system of territorial organization of all aspects of life. In essence, there is an objectively determined, large-scale transition to a new spatial economy, a new settlement system, a new structure of relations between the center and the region, state and local governments, authorities and economic entities. This transition is accompanied by territorial localization, dispersion, centralization, increased economic activity, and differentiation of the parameters of the regional economy and social sphere. The expansion of economic ties is based on market benefits and in the interests of large corporations, while the potential of local markets remains low. The process of regionalization and territorial development is gaining new qualities.

Changes in the political, social and economic space of Ukraine have narrowed the essence of the national economy as a single object. It is a multiregional organism that functions on the basis of vertical "center-region" and horizontal (interregional) interaction, which is the essence of the new paradigm of regional development, and the main vector of development is the search for unity in regional diversity with a focus on using the advantages of each region and interregional cooperation, public interests, and the implementation of the principle of equal opportunities for the population, regardless of where they live. An important condition for ensuring the preservation and increase of the country's national wealth is the strengthening and rational use of the aggregate resource potential within an efficiently functioning integrated economic space during the period of economic transformation. This determines the expediency of forming a modern paradigm for the formation and use of the aggregate resource potential of regions and the country as a whole.

Solving the problems of economic transformation on the basis of reorganization of the main blocks of the resource base, formation of a system to ensure its effectiveness on the basis of implementation of an innovation-oriented model of economic growth requires elaboration of directions for its further development based on substantiation of the conceptual foundations and methodological applied aspects of its functioning. In this regard, the dissertation develops a competitive paradigm of systemic spatial organization of formation and use of the aggregate resource potential of the region as a conceptual scheme for building intergrouped activities of all components of the resource potential towards effective involvement in spatial activities, defining the prerequisites and principles, basic provisions of the paradigm formation and methods and measures for its implementation (Fig. 5).



See 5. Parity competitive paradigm of development and utilization of the region's resource potential

The prerequisites and factors of the paradigm can be defined as: natural conditions, geopolitical situation, available resources (natural, financial, labor, production and other), stability of the economic system, tax policy, legal framework, investment policy, financial policy, internal policy of the region, development of the region's infrastructure, access to markets, market conditions, scientific and technological progress, state regulation of the economy, territorial concentration of capital, regional and social conflicts. The formation and implementation of the paradigm should be based on and take into account the following principles: rationality and efficiency, complexity, resource conservation, legality and legal security, balance and proportionality, systematicity, specialization, priority, sequence, environmental improvement, regional integration, territorial division of labor, globalization, competitive localization of production, deepening of specialization and diversification of competitive production.

Its activities include: implementation of social and economic development programs in the region, implementation of investment programs, promotion of the region's image, introduction of innovations and creation of new goods and services, support for entrepreneurial activity, combination of market-based management methods with public administration, maintaining a balance of demand and consumption in the region, implementation of sustainable development ideas, and environmentally friendly operation.

Based on the formulated paradigm, the main conceptual direction for solving important socio-economic problems of regional development should be the compatibility of the macroeconomic approach and its spatial reflection - regionalization.

The development and implementation of a paradigm for the use of the aggregate resource potential will ensure the optimization of interregional proportions and spatial balance in the development of the country's regions. This vector allows:

- to cover the most vital issues of overcoming disparities in regional development,

- improve economic proportions at both the regional and sectoral levels,

- Ensure effective structural changes in the economy in accordance with the available resource potential and socio-economic preconditions for regional development,

- to form an appropriate rational specialization of the regional economy,

- to improve the technical and technological level of production and technical equipment of infrastructure sectors, and to optimize the introduction of innovations in all areas of economic activity with the appropriate renewal of means of production,

- streamlining the regulatory framework for economic activity,

- strengthening integration into the global community.

Resource potential determines the state and possibilities of a region's development and is one of its main resultant characteristics. It plays a special role in the system of regional and industrial organization of the national economy, acting as its material basis. The value of the resource potential characterizes the level of development of productive forces, determines the competitiveness of the region, and the degree of capitalization of production.

Using their resource potential, Ukraine's regions are expanding their powers and becoming more independent in coordinating and protecting their interests both inside and outside the country, strengthening their competitive position to attract investors, improving the structure of the economy, creating favorable conditions for the development of small and medium-sized businesses, building foreign economic potential and expanding interregional ties.

In the new economic environment, the regions of Ukraine are using their resource potential, expanding their powers and becoming more independent in coordinating and protecting their interests both inside and outside the country, strengthening their competitive position to attract investors, improving the structure of the economy, creating favorable conditions for the development of small and medium-sized businesses, building up foreign economic potential and expanding interregional relations.

The aggregate resource potential, as a set of all resources and reserves of a certain territory in their mutual functioning, is the basis for comprehensive activities in the region. The aggregate resource potential is a complex category that determines the state and possibilities of the region's development and is one of the main resulting characteristics of its development, and thus the completeness of solving the tactical and strategic tasks of the state's development during the transformation of its economy.

The paper deepens and expands the methodological approaches to the formation and use of the aggregate resource potential of the region, identifies the factors and basic principles of formation and use of the resource potential of the region. The factors that influence the formation and use of the resource base, determine the nature and directions of economic activity of a region, can be divided into external and internal, subjective and objective, permanent and temporary. The proposed system of principles for the formation and use of the resource potential of a region includes rationality and efficiency, complexity, resource saving, legality and legal security, balance and proportionality, systematicity, priority, consistency, specialization and improvement of the environmental situation.

In general, solving the problems of economic transformation on the basis of reorganization of the main blocks of the resource base, formation of a system to ensure its effectiveness on the basis of implementation of an innovative model of economic growth has led to the elaboration of directions for its further development based on substantiation of the conceptual foundations and methodological applied aspects of its functioning. In this regard, the paper develops a competitive paradigm of the systemic spatial organization of formation and use of the aggregate resource potential of the region as a conceptual scheme for building a mutually coordinated and grouped activity of all components of the resource potential in the direction of their effective involvement in economic activity. The prerequisites and factors of formation, principles of formation, attributes and basic provisions of the paradigm, methods and measures for its implementation are determined.

Based on the formulated paradigm, the main conceptual direction for solving important socio-economic problems of regional development should be the compatibility of the macroeconomic approach and its spatial reflection - regionalization.

The development and implementation of the paradigm of regional development and the use of the aggregate resource potential will ensure the optimization of interregional proportions and spatial balance in the development of the country's regions. Such a vector allows to cover the most vital problems of overcoming disproportions in regional development, improve economic proportions at both regional and sectoral levels, ensure effective structural changes in the economy in accordance with the available resource potential and socio-economic prerequisites for regional development, form an appropriate rational specialization of the regional economy; increase the technical and technological level of production and technical equipment of infrastructure sectors, and optimize the implementation of

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2. Research of consumer behavior in the agricultural sector

2.1. Consumer behavior patterns in the agricultural sector

The development of market relations and the intensification of competitive processes puts agricultural enterprises seeking to achieve competitive advantages in front of the need to study and understand consumer psychology and the reasons for a consumer's decision. In a competitive economic system, for the survival and growth of an agricultural enterprise, its management needs an accurate description of consumer behavior: how they buy products, why they buy such products, where they buy products, what they buy, etc. That is why modern managers and marketers need to know who their customers are and why they choose the products of a particular manufacturer rather than those of competitors. The task of marketing is not to convince someone to buy everything that the company has managed to produce. Currently, the successful operation of an enterprise depends primarily on the extent to which each stage of the business - product, advertising, after-sales service, etc. - meets the needs of the consumer.

Consumers of products and services are people, groups of people, and organizations of various sizes and activities that use products and services. Individuals and households, small firms and large agricultural holdings, government agencies, countries and nations, international organizations, and even the global community as a whole can be considered consumers of specific products and services.

The growing competition of global markets naturally draws the interests of agricultural producers in different countries to study the mechanisms of consumer behavior and the possibilities of using these mechanisms to achieve their goals.

In addition, marketers need not only to understand the driving motives behind consumer decision-making, but also to manage consumer behavior. This is not as easy as it seems at first glance, as quite often a consumer says one thing about his or her desires and buys another, not realizing the driving motives behind such a purchase.

Therefore, marketers should study the stereotypes of consumer behavior, their needs, wants, perceptions of goods, and routes from store to store. The main task of entrepreneurs and marketers is to influence this behavior. As a result, the science of consumer behavior is of paramount importance.

Consumer behavior covers a broad area - it is the science of the processes that occur when individuals or groups choose and purchase goods or services, use them and get rid of them in order to satisfy their needs and desires. The main sphere of social reproduction that consumer behavior studies is the sphere of economic exchange (the others are distribution and consumption).

Economic exchange is a phase (sphere) of social reproduction in which goods and services are bought and sold by various economic actors, and as a result it becomes a form of economic connection between other spheres - production, distribution and consumption.

The following conditions must be met in order to make an exchange:

1) at least two participants;
2) each participant must possess a certain good that is valuable to the other participant in the exchange;
3) each participant is able to communicate and deliver their goods;
4) free choice of offers from another exchange participant;
5) Confidence in the feasibility of establishing an exchange relationship.

Consumer behavior is a time-stretched process and is not limited to a single exchange, when a consumer gives money and receives a product or service in return. The exchange process itself, traditionally involving two parties with unmet needs, is expanding to include up to six parties. At different stages of the exchange process, purchase initiators can be involved - people who influence the purchase, or who make the final purchase decision, or the actual buyers or consumers of the product. As a result of this expansion of the exchange process, marketers need to study all the factors that influence people's willingness to exchange.

However, in a broader view of consumer behavior, exchange remains an important part of it, but the focus should be on the entire consumption process, which determines consumer behavior before, during and after the purchase.

It should be noted that at present, the consumption process, which mainly determines the purchase, is not given enough attention by consumer behavior researchers and marketers. They mainly consider only the purchase process and, accordingly, study consumer behavior only in this aspect. Given the difference in the concepts of "consumer" and "buyer," we can conclude that buyer behavior is constrained by a limited budget, while consumer behavior is determined only by the desire to maximize the utility of the product. Since the main task of producers is to more fully meet the needs of people, it is necessary to conduct research on consumer behavior, thereby expanding the scope of marketing services.

There are the following dimensions of the analysis of consumption of goods and services (Table 1.1). Marketing tools used to increase sales, market share, etc. will be most effective if you first collect information on the following questions: "What" makes it possible to identify and specify the needs for goods or services, determine the perceived set of brands and offer substitutes. "How much" provides quantitative information about the volume of purchases, potential demand, likely consumption and inventory. "How" highlights the different ways of purchasing (subscription, credit, leasing), and the different ways of using the product. "Where" is important for developing systems and channels for the distribution of products and services, consumption and storage areas. "When" helps to obtain information about situational factors influencing customers, consumption opportunities, such as the rhythm and frequency of purchases, and the possibility of repeat purchases. "Who" helps to determine the composition of the purchasing center and the role of each of its participants. The analysis of these questions is useful for organizing the information search process and contributes to the creation of a marketing information system that will allow for effective influence on consumer behavior in the context of economic exchange.

Table 1.1.

Dimensions of consumption analysis [J.-J. Lambin].

Question.	Behavior in the purchase process	Usage behavior	Possession behavior
What?	-familiar brands -the last brand purchased	- type of use of the product -substitute goods	- actually saved product brands
How much?	- Volume of one procurement	- consumption volume for a certain period	- the amount of stored goods
How?	- Terms of purchase	- form (method) of use of the goods	- storage method
Where?	- Habitual and random purchasing locations	- place of consumption	- storage location
When?	-Date of the last purchase -Interval between purchases	- usual time of use	- period and duration of ownership
Who?	- Who usually buys the product?	- who is more likely to be a consumer of the product	- who stores the goods

In order to understand the essence of human behavior, we should first trace the history of behavioral science. It should be noted that the development of this science was determined by both objective factors of social development and the parallel development of other sciences that had a significant impact on consumer behavior.

The need to study consumer behavior arose in the late 50s and early 60s. It was a time of economic recovery in most countries of the world. In addition, this period was characterized by global changes in the management system and a sufficient level of development of practical psychology.

The initial period of development of consumer behavior science was the 20s and 30s of the twentieth century. During this period, demand exceeded supply; radio began to develop, the first supermarkets appeared in the early 30s, and the length of distribution channels was not great. Over time, competition intensified, and manufacturers began to think about the needs of consumers. But the crisis of 1929-1933 slowed down the development of marketing. However, even then, J. Watson's applied psychology, behaviorism, became prominent. According to his theory, the repetition of advertising develops a strong buying habit. The modern emphasis on brand name repetition is based on this.

The next period of development of the science of consumer behavior was in the 50s and 80s. During this period, supply already exceeded demand; sellers were forced to accept the concept of marketing and study behavioral science, and television became a means of promoting goods. There are revolutionary changes in distribution. Manufacturers have begun to dictate terms to distributors; there is a high level of prosperity and purchasing power. Behavioral sciences are focused on the development of perception and processing of information, the study of interpersonal relationships, learning, and the dissemination of innovations. Marketing strategies of that period were determined by the following factors: 1) the willingness of entrepreneurs to develop new products; 2) advertising and other methods of persuasion lead to rapid sales growth; distribution channels are managed by the supplier (manufacturer); 3) mass advertising leads to brand loyalty; 4) concentration on the domestic market generates the highest turnover.

In the 60s, the study of motivation, based on the teachings of Freud and his work "Psychoanalysis" through E. Dichter, found its way to the market and was embodied in marketing tools. The book "Hidden Means of Persuasion" by W. Packard was published. The purpose of the study of consumer motivation during this period was to identify hidden desires through directed interviewing (in-depth interviewing). Pillsbury became rich thanks to a targeted advertising campaign under the slogan: "Nothing says love like a delicious pastry". During this period, there were claims that consumers could be influenced at the subconscious level without their consent. So, despite some controversy, research in the field of consumer behavior began.

New consumer behavior researchers of this period are R. Newman, M. Ferber, and D. Howard. The science of consumer behavior begins to be taught in university and business school programs. Marketing specialists borrowed elements of scientific knowledge from sociology, psychology, sociology, anthropology, and other fields that had to do with consumer behavior (spread of innovations, models of choice behavior, measurement of needs, models of influence and oral communications, social stratification, reference group theory, motivation theories, models of forming and changing human attitudes towards certain events, perception and awareness of information, information search, cognitive dissonance theory, quantitative models (Bernoulli's theorem, Markov chains) of brand loyalty and brand switching). Attempts were made to synthesize and integrate knowledge into a single science. In 1968, a full-fledged course on consumer behavior was introduced, followed by journals devoted to such research.

In the 90s, there were significant changes in consumer behavior, the scale of which can be compared to the industrial revolution. T. Peters argued that we will have to love change and look for benefits in it with the same stubbornness with which we used to resist change.

Changes in the marketing environment during this period are characterized by the following trends: economic growth rates have declined; large industrial markets have shrunk; and layoffs have become a way for companies to survive. Experts predict that globalization will slow down. This means changes in marketing.

Production exceeds consumption. In 1992, more than 17,000 new products were introduced in the United States; there are more than 200 brands of cereals on the U.S. market. Consumers have become saturated with the exercise of their right to choose. This means that the development of new choices is not a key factor in achieving market advantage. There is an overabundance of competing brands on the market that are perceived by consumers as the same thing.

Changes in marketing during this period are primarily driven by globalization and changes in consumer behavior. These include:

1. The growing role of pricing policy in the marketing mix. For many groups of goods, almost 2/3 of consumers worldwide do not see any significant difference between competing brands (BBDO RA). Price is becoming the main factor in making a purchase. The choice is made based on price or a specific incentive

2. Increased segmentation of everyday demand markets Cable and local programs target small segments with special interests, and the same is true of radio and the press. Mass advertising is not as effective.

3. The balance of economic power in distribution chains is shifting towards distributors.

4. Popularity of trade fairs and sales. An advertising space in some supermarkets can cost up to $10,000. As soon as the manufacturer copes with the problem of distributing goods in the retail network, the struggle for promotion to the consumer begins - coupons, free samples, exhibitions.

5. Expanding the added value perceived by the consumer: the desire to get the most possible for the money spent. The way out for sellers is to distract the buyer's attention from the price of the product, pointing out to him what increases the perceived value of the consumer and distracting him from what affects it. Success or failure in this area is determined by several factors: proximity to the consumer, individualized marketing.

6. Individualized marketing is a personal relationship with the consumer that allows you to recognize the target group and serve the interests of specific consumers. In the 90s, database marketing was rapidly developing (warranty cards - names of consumers or prospective consumers; channels - mail or telemarketing). Nestlé in France invites consumers to call a toll-free number to get information about free meals in advertisements, mail, and on packaging. Nestle keeps and updates a database of more than 220 thousand names of future female customers with addresses taken from the registration records of maternity hospitals. The first message is sent after the birth of a child. The card contains the child's name and the mother indicates whether she needs further messages. A survey of 1,000 women showed 97% approval. Nestlé's market share grew by 43% in 6.5 years, while advertising costs decreased.

7. Direct marketing - marketing of orders; it is possible to introduce video equipment of mutual action. F Kotler predicts that future sellers will rely on consumer databases when entering global markets.

8. Emphasize the correlation between the concepts of quality and "brand" Brands have a price and need to be managed like other assets. The more consumers associate these two concepts, the more they will buy. (T. Ambler. Marketing from A to Z).

The latest period of development of consumer behavior science (2001-2011) is characterized by the following trends:

1) the perception of Internet technologies and interactive communication tools as integral elements of the marketing mix (especially the use of social networks);

2) price and dumping wars, maximizing the use of price discounts;

3) combining the marketing efforts of two or more competitors (direct competitors) in order to win and retain consumers;

4) increasing the need to apply a creative approach to marketing solutions in order to attract the attention and interest of customers;

5) individualization of marketing, direct communication with the end consumer, development of loyalty programs;

6) developing a strategic vision and maximizing synergies (often, it is not about making a profit in the short term, but about winning the favor of consumers for a long period of time).

Behaviorists viewed human behavior as a system of responses to stimuli (stimulus-response). They believed that to explain behavior, it was sufficient to accurately describe the behavior itself, identify the physical stimuli on which it depends, and establish the connections that exist between the stimuli and the behavior. However, behaviorists have not studied what is happening in a person's mind at the moment of stimulus presentation, which is why this approach is sometimes called the "black box" approach to human behavior. Proponents of this approach believed that what was important to researchers was what could be observed and measured.

Based on the ideas of I.M. Sechenov that human behavior is the interaction of an entire organism with the environment, I.P. Pavlov created the doctrine of conditioned reflex activity. According to his teachings, a conditioned reflex requires not only a stimulus perceived by the senses, but also reinforcement of the correct response to it. If the stimulus leads to a certain action (reaction) or is reinforced, i.e. satisfies the body's need, then a connection is established between the stimulus and the body's reaction to it. It is then that the stimulus is transformed into a signal. The signal and reinforcement, in turn, form the basis of human behavior.

A new stage in the study of behavioral determination began in the late nineteenth century and is associated with the emergence of the doctrine of Sigmund Freud.

According to this doctrine, unconscious desires play a crucial role in shaping behavior. Human behavior is the result of unconscious attempts to control internal processes such as sexual, hunger and aggression.

In the middle of the twentieth century, a new direction in the study of behavior emerged - cognitive psychology, which was a negative reaction to psychological theories that ignored consciousness and downplayed the role of thinking in determining human behavior. According to this direction, human behavior is caused by the desire for a cognitive interpretation of the influence of the environment (stimulus - organism - reaction).

At the end of the twentieth century, the following main approaches were used to analyze consumer behavior:

1) Focused on the decision-making process (late 70s and early 80s. During this period, researchers saw the consumer as a person who makes an informed choice, based on cognitive and experimental psychology;
2) Experimental (second half of the 80s - early 90s) - recognizes that consumer choice is not only driven by rational motives, but is also heavily influenced by emotions, feelings, thoughts, and fantasies. This approach involves the use of interpretive research methods, associations, observations, etc.
3) Focuses on analyzing the impact of multi-vector external and internal factors

According to the Encyclopedia (1982), behavior is a system of interrelated reactions carried out by living organisms to adapt to the environment.

According to the American social psychologist T. Shibutani, human behavior can be represented in the form of long chains of actions, each of which begins with a disturbance of balance within the body and ends with the restoration of balance. With regard to consumer behavior, the imbalance begins from the moment of realizing the need for something. A person as a consumer has a significant number of different needs, the satisfaction of which is the content of his or her behavior.

Actions as components of behavior can be classified as follows:

1) depending on the goal:

- instrumental action aimed at satisfying rational, natural needs;

- value-oriented action aimed at meeting the needs generated by culture;
- an affective action aimed at obtaining psychological relief.

2) depending on the decision-making mechanism:
   - is a rational action based on the calculation of the ratio of results and costs, on the choice of the most rational way to satisfy a need;
   - a traditional action based on a long habit;
   - irrational action that is beyond rational control.

After analyzing different views on the essence of human behavior, we can formulate the following definition of behavior:

Behavior is a system of interrelated actions that are influenced by both external and internal factors. For example, consumer behavior includes the awareness of one's own needs and interests, the choice of purchase, bargaining, use of the purchased goods, and repeated repetition of this cycle for different products and at different times. Thus, we can give the following definition.

Consumer behavior is the activity of acquiring, consuming and disposing of products and services, including the decision-making processes that precede and follow these actions.

Consumer behavior is a relatively new field of study not only in Ukraine but also in the United States, the birthplace of management and marketing. The first textbooks on consumer behavior appeared in the United States in 1960. However, the theoretical background for studying consumer behavior has been in place for a long time. Back at the turn of the nineteenth and twentieth centuries, prestigious consumption and the possibility of using psychological principles in advertising were studied. In the 1950s, Freud's ideas were popularized by motivation researchers and used by advertisers. In addition, it can be argued that the need to study consumer behavior was recognized long before the concept of marketing was set forth in the 1950s.

Over the more than thirty years of its existence in the United States, consumer behavior has become an independent field of knowledge, and today it is taught to students in all business schools of American universities.

Consumption is the acquisition, use, and disposal of products, services, and ideas. A consumer is an individual or group of individuals who use a product, service, or idea to satisfy their needs. Consumer behavior studies the purchase centers and exchange processes associated with the acquisition, consumption, and disposal of goods.

There are positive and negative consumer behaviors. Positive behavior (approval) is manifested in the form of choosing a particular product and the act of buying it. Negative behavior is most often hidden from the seller of the goods and consists in avoiding purchase and consumption (a person enters a store, looks around and leaves without buying anything). Varieties of this behavior include:

- abstinence - refusal from consumption that is possible, but from which the consumer refrains for certain reasons. That is, a person has the need for a given product and the means to purchase it, but does not buy it because: he or she is looking for a similar product of higher quality; wants to satisfy other, more pressing needs; or considers such consumption inappropriate (a person who wants to buy sweets but is holding back because he or she wants to lose weight).
- patience - not purchasing goods because of the inability to do so (the need for this product exists, but the consumer does not have the means to purchase it or there is a shortage of goods).

When studying consumer behavior, researchers are interested in the question: how do consumers respond to various inducing marketing techniques? That is why it is necessary to investigate the relationship between the inducing effects of marketing and the consumer response. The starting point for such research can be a simple model of consumer behavior shown in Fig. 1.1.

Fig. 1.1. A simple model of consumer behavior

The model shows that marketing incentives and other stimuli penetrate the "black box" of the consumer's mind and cause certain responses. The main task facing researchers is to understand what is happening in the "black box" of the consumer's mind.

Economic science and practice also use other models of human behavior. The simplest of them are based on the abstraction of a "rational economic person". This approach is based on the following assumptions: 1) sovereignty of the consumer, a person makes a purchase decision rationally (consciously) and independently (freely); 2) the main limiter of consumer choice is the amount of income of the buyer; 3) a person, making a consumer choice, seeks to achieve the marginal utility of the purchase. In doing so, he or she is guided by an individual scale of consumer preferences.

Despite its simplicity, the above scheme allows us to identify several main ways of influencing the consumer:

restriction of freedom of choice, for example, at the level of information;
- exaggeration of the consumer value (utility) of goods;

- influence on the consumer in order to form a consumption scale that meets the interests of the producer (seller).

At present, the model of the "rational economic person" in its pure form is used only as an example when studying the basics of economics. The practice of modern marketing is based on more complex models that meet the requirements of a particular area of business activity. In advertising, for example, psychological models are used to a greater extent, and when a company enters a new national market, cultural models are used, etc.

Despite their diversity, the models have one thing in common: they are all based on a factor approach. There is a main action - consumer choice, and everything that determines this choice to some extent is an influence factor. In other words, even the culture of consumption itself is a factor. The producer is only interested in the currently existing element of culture in relation to other factors: economic, political, psychological, etc., so at the level of the economy, consumption culture is sometimes considered in a completely unrecognizable form.

Consumer behavior in modern marketing is analyzed as a type of social act. Let's recall the sequence of the process of satisfying a need:

- the emergence of a need;
- realizing a need as a need for something;
- interest and the formation of an action plan;
- actions aimed at obtaining a consumer good (product);
- use of the product and satisfaction of the need.

From the point of view of social action theory, this linear series has several "points" that are very important for marketers. First, the awareness of a need is an impulse: a person subjectively experiences a need. So, it is possible to stimulate sales by reminding people of a possible need. Secondly, the formation of an action plan turns into answers to several questions. What to buy? Where to buy? How to buy, etc. This or that consumer choice is primarily determined by personality characteristics, family customs, communication environment, cultural characteristics of the region, etc. Analysis of these factors is the basis of marketing research. Thirdly, from the marketing point of view, a socially significant action ends with the act of buying, not the satisfaction of a need. Accordingly, the starting point for building a model is the sale of goods. Everything that happens after that is the buyer's problem. It can be said that the manufacturer and seller are not interested in what the consumer will do with their goods: whether they will use them for their intended purpose, throw them away, or keep them for future reference. Of course, they don't care as long as the consumer's actions don't affect sales.

It would be more accurate to say that manufacturers and sellers fall into two categories: 1) those who are interested in ensuring that people not only buy the product, but also that they use it for its intended purpose and are satisfied (this is the basis for selling goods and the fate of the product after purchase is important to them as feedback: to eliminate defects or to change the product; their goal is to increase sales). 2) those for whom the main thing is to sell. Most cases of consumer rights violations are related to the activities of these manufacturers and sellers. This is the behavior of a monopoly manufacturer, as it is confident that the goods will be bought anyway, as there is no other choice; this is the behavior of numerous manufacturers of counterfeit products using logos of well-known companies, as in this case the responsibility is shifted to others, including the authorities.

Researchers Skinner, Howard, Sheth, Engel, Kolla, and Blackwell have proposed several models of consumer behavior that take into account the influence of numerous external variables, as well as the buyer's personality, on the purchase decision. The main provisions of these models are embodied in the integrated model of consumer behavior (Fig. 1.2).

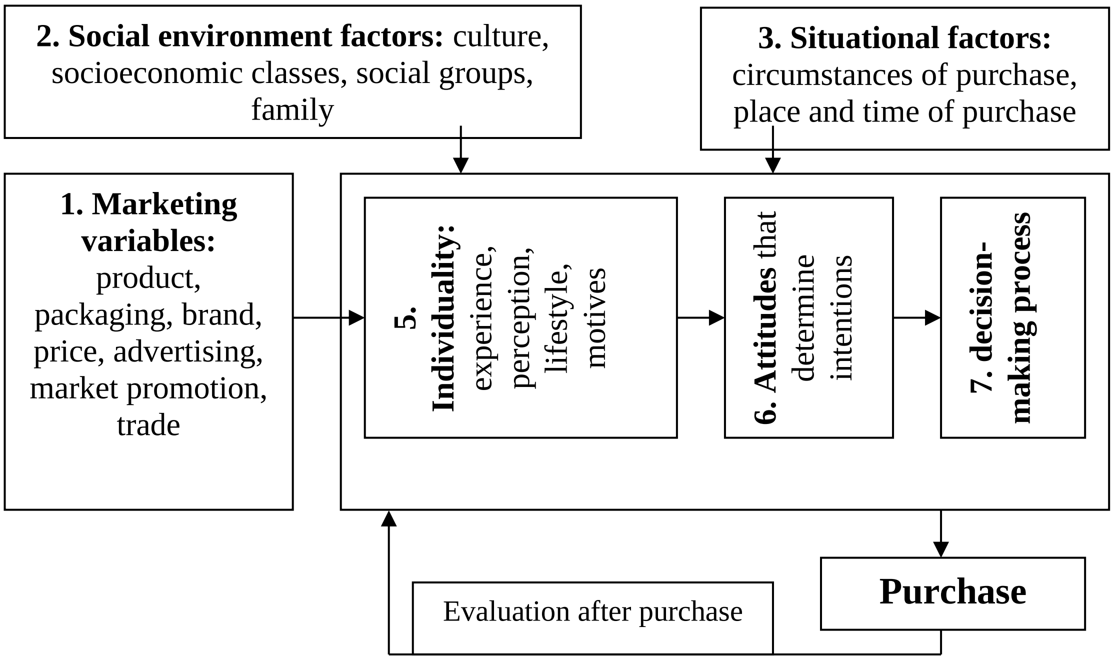

Fig. 1.2. Integrated model of consumer behavior

In this model, individual factors (4), which consist of customer characteristics (5,6), are considered as a "black box". This component of the model has the main impact on how a person perceives stimuli and reacts to them in the process of making a purchase decision. It is the most difficult to study and determine the relationship with other factors, such as marketing variables (1), social environment factors (2) and situational factors (3).

In order to understand consumer behavior, it is necessary to analyze the model of interaction between marketing incentives and customer response. The marketer's task is to understand what happens in the mind of the consumer in the interval between the moment of exposure to external stimuli and the purchase decision, how consumer characteristics affect his or her buying behavior and how the buyer makes a purchase decision.

American researchers Hawkins, Best, Coney propose a conceptual model of consumer behavior, around which the main content of the discipline of consumer behavior is built (Fig. 1.3).

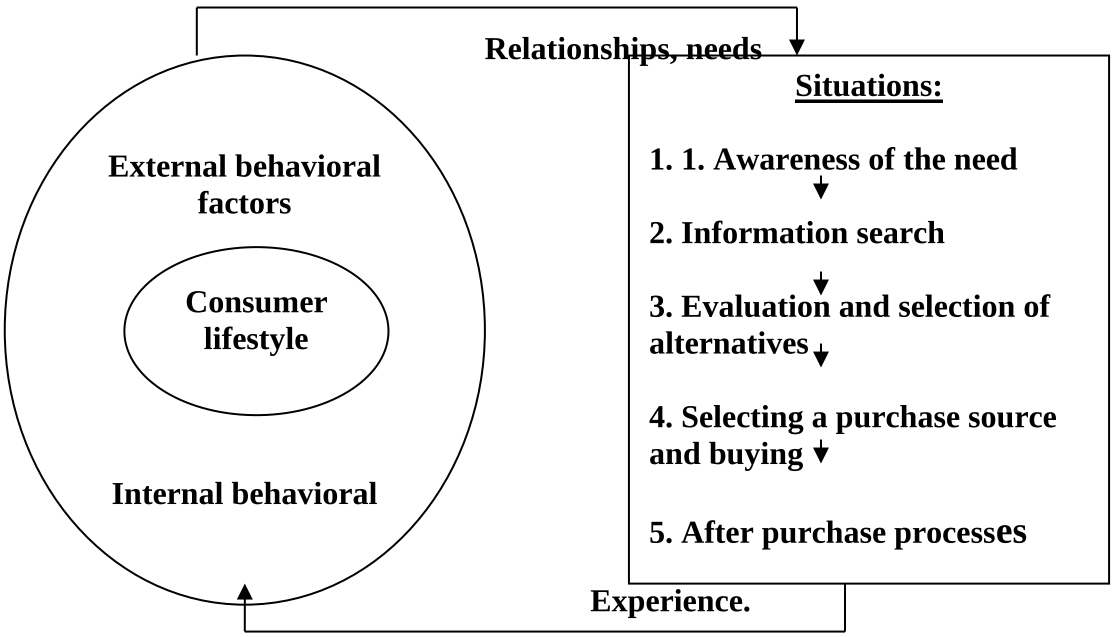

Fig. 1.3. Conceptual model of consumer behavior

This model of consumer behavior represents the relationship between the consumer's purchase decision process and the factors that determine it. The starting point of consumer behavior is the consumer's life (organizational) style or lifestyle. The consumer buys or uses goods in order to maintain or improve this style, which is interconnected with a number of factors.

The consumer has a dual nature. On the one hand, he is a member of certain social groups and is therefore exposed to a number of social or external factors. On the other hand, the consumer is an individual, so his life style is influenced by a number of internal, psychological factors. Internal, psychological factors are considered as processes of consumer's reaction to external influences. The desire to maintain or improve their lifestyle shapes the consumer's attitude and needs. In a certain situation, the consumer realizes a need (the need or opportunity to improve or maintain his or her lifestyle), thereby triggering the purchase decision process.

Thus, the substantive basis or subject of the discipline of consumer behavior is the process of making a consumer's decision to buy and the factors that determine it. The consumer decision-making process consists of 5 main stages: consumer awareness of the need; information search; evaluation and selection of purchase alternatives; purchase; use of the purchase and evaluation of decisions. The factors of consumer behavior are divided into external (social) and internal (psychological). External factors include: marketing activities; influence formed by the social environment; culture; values; social status; reference groups; family; household. The internal factors include the characteristics of the consumer as an individual: perception; education; memory; motives; personality; emotions; life style; knowledge; consumer's attitude to the purchase.

Consumer behavior management is the use by the marketer of the factor influence on each of the stages of the consumer's purchase decision process. The marketer should develop a marketing mix that allows to successfully guide the consumer through each of the stages of the purchase decision process. At the same time, it is desirable that the decision process turns into a cycle, i.e. the first purchase turns into the second. The growing importance of consumer behavior as a field of theoretical knowledge, methodological and practical solutions is due to the emergence of marketing. Producers of ideas, goods and services seek to influence consumer behavior by basing their activities on the concept of marketing. Knowledge of consumer behavior is necessary for developing strategies and marketing programs, as well as for making operational and functional decisions.

The long-term sustainable position of an organization in the market in an unstable business environment requires a strategic approach to working with consumers. Consumer response to the marketing strategy determines the success or failure of the manufacturer in the market. The marketing strategy is formed in such a way as to provide the consumer with greater consumer value than competitors and at the same time maintain the profitability of the enterprise. The marketing strategy is formed in the product characteristics: price, distribution, communications, service, etc. The entire set of characteristics of a product offered on the market is often referred to as the "product as a whole" or "total product".

The product as a whole is presented to the target market, which is involved in a constant process of information processing and decision-making. These decisions are aimed at maintaining or improving the lifestyle (for an individual) or performance (for an enterprise). The reaction of the target market to the total product shapes the image of the product, the brand, as well as sales and a certain level of consumer satisfaction.

The knowledge of consumer behavior at the operational level is linked to the marketing mix. Each of the decisions of the marketing mix should take into account all factors of consumer behavior of the target market. The marketing mix should be designed to ensure that the consumer is guided through all stages of the purchase decision. The task of developing a marketing mix can be carried out in two stages:

1) identifying the most significant factors that influence the consumer at each stage of the decision-making process;
2) development of a proposal for the formation of each element of the marketing mix using factors.

Before starting to study consumers, a marketer should have a clear idea of what principles he should follow. The following important provisions can be considered as such principles:

- human behavior is determined by rational and irrational reasons; this necessitates the study of behavior in the aggregate of all reasons, and not limited to one of them;
- the essence of a person's behavior or attitude cannot be immediately identified - it can only be determined by studying the entirety of the data;

- human attitudes and behavior are not given once and for all, they can change over time, they are subject to various influences (increased income, change in the circle of acquaintances);
- It is impossible to separate the goods and services under study from the conditions of their use and their image;
- The consumer will not choose from what you offer, but will tell you what he wants and needs, so the marketer's task is to give it to him;
- The modern consumer has his or her own motives and behaves as he or she wants, not as the seller wants, so you need to understand the reasons for this or that behavior;
- The consumer is independent in his or her choice, but marketing can influence both motivation and behavior if the product or service offered is designed to meet the needs, wants, and expectations of the consumer, and this principle is fundamental;
- persuasion and influence on the consumer is allowed within the law, ethical and moral standards.

The development of modern marketing as a science and as a sphere of human activity has led to the emergence of four approaches to studying and modeling consumer behavior: microeconomic, psychological, sociological and integrated. The microeconomic approach is based on the concept of rationality, which establishes the relationship between consumer demand and such objective economic characteristics as utility and price of goods. In accordance with the microeconomic approach, consumers aim to maximize the satisfaction of their needs, taking into account the existing constraints on monetary resources, having sufficient information about alternative sources of satisfaction of needs; their behavior is assessed as rational.

The psychological approach to the study of consumer behavior is based on such basic theories as the theory of cognition and the psychoanalytic theory of thought. The theory of cognition assigns a decisive role in behavior to knowledge - the consumer evaluates the factors that influence him or her based on the experience and his or her own goal attitudes.

Freud's psychoanalytic theory of thought considers human mental life as a multilevel phenomenon, the deepest level of which is the unconscious. According to Freud's model of personality, the organization of mental life has as its components mental instances denoted by the terms It (Id), I (Ego) and Super-I (Superego). The Id is understood as the most primitive substance that encompasses everything innate, genetically primary. I (Ego) follows the principle of reality, developing a number of mechanisms that allow it to adapt to the environment and cope with its requirements. The superego is a product of the influence that comes from other people. From the tension arising under the pressure of various forces, the Self (Ego) escapes with the help of special "defense mechanisms" - displacement, rationalization, regression, sublimation, etc.

Displacement means the elimination of feelings, thoughts, and the desire to act from the consciousness; regression means a transition to a more primitive level of behavior or thinking; sublimation is the only positive defense mechanism that is expressed through various forms of discharging libido; creativity is a type of sublimation.

Sociological approaches to the study of consumer behavior identify a set of roles and statuses that are implemented within existing social institutions that organize people's joint activities to meet certain needs of society as the basis for shaping their behavior.

Modern integrated approaches consider consumer behavior under the influence of both external and internal factors.

2.2. The decision-making process of an individual consumer

An important component of any consumer behavior model is the process of making a purchase decision. Consumers make many different decisions every day about whether to buy a product, use it, or get rid of it. Consumers always have a choice: to buy or not to buy, what to buy, where and when to buy, how to use it, when to use it, how to get rid of the product, whether to get rid of it, etc. Making the right choice and making the final decision can sometimes be quite difficult, requiring a lot of time and effort. Understanding the process of consumer decision-making allows marketers to ethically influence and facilitate it, and helps in the development of a marketing mix and marketing strategies for the enterprise. Therefore, the study of consumer decision-making models is quite important and relevant for any enterprise.

The most popular models that describe the process of consumer decision-making regarding purchases include the F. Nicosia model (1966), the Angel-Collat-Blackwell model (1968), the Howard-Sheth model (1969), the Sheth model (1974), and the Bettman model. They were the first to be developed in the theory of consumer behavior and made a significant contribution to the development of the science of consumer behavior. The peculiarities of these models are that they:

- represent consumer behavior as a process of making a consumer decision;
- are focused on the behavior of individual consumers;
- are based on rational consumer behavior that can be explained;
- consider consumer behavior as purposeful;
- show the impact of purchase results on subsequent purchases.

Let's take a closer look at some of these models.

F. Nicosia's model. The subject of this model is the relationship between the enterprise and its potential consumers: the enterprise tries to influence its customers through marketing communications, and customers influence the enterprise by their actions - by purchasing. F. Nicosia's model is cyclical, in its full form it is a rather complex scheme of information flows that influence the process of making a purchase decision by a consumer. A simplified diagram of this model is shown in Fig. 1.4, which sufficiently reflects the essence of the full Nicosia model. The Nicosia model consists of four blocks: Block 1 - position, attitude of the consumer based on the messages of the enterprise; Block 2 - search for information and its evaluation; Block 3 - the act of making a purchase; Block 4 - feedback.

Block 1. From message source to consumer attitude

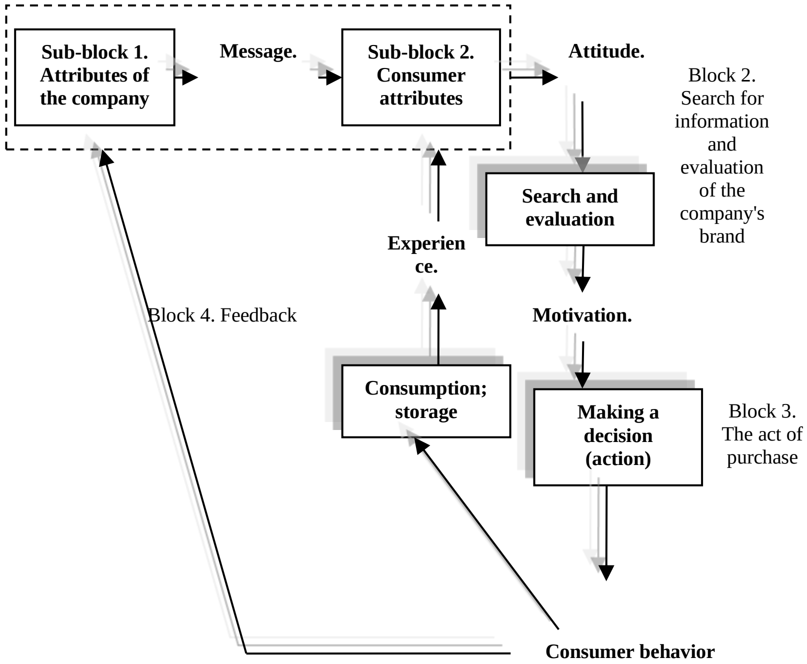

Fig. 1.4. Simplified diagram of F. Nicosia's model of purchase decision making

Block 1. Consumer attitude (position) based on messages (appeals) of the enterprise includes two sub-blocks: 1) elements of the external marketing environment of the enterprise and communication efforts that affect the consumer's position - characteristics of the product (service), characteristics of the media, characteristics of the target market; 2) defines various aspects of consumer inclinations that affect the individual's perception of the enterprise's messages. Block 2. Search and evaluation - considers the consumer's search for additional information, evaluation of the company's brand and other alternatives. Block 3. The act of buying - considers the actual purchase of goods (services) from the seller. Block 4. Feedback - consists of two important components: 1) directed to the company in the form of commercial data; 2) directed to the consumer in the form of experience. The consumer's experience related to the purchase and use of goods affects the consumer's further attitude to the enterprise and its goods (services).

The Angel-Collat-Blackwell model is considered one of the most comprehensive explanations of consumer behavior. It was originally developed as a framework to systematize the rapidly growing amount of information on consumer behavior. A key feature of the model is the distinction between strong and weak engagement as part of the buying process. Strong involvement in the buying process is characteristic of making a decision about a complex, important purchase when the level of risk is high enough. The risk is higher if the consumer is not sure of the correctness of their decision. The level of risk increases in the following cases: limited information; consumer's self-doubt; if the price of the product (service) is higher compared to the consumer's income. The Angel-Collat-Blackwell model considers the decision-making process as a path of ascent that passes through various stages of information processing before a certain choice is made.

The main process in the model is considered as a sequence of the following stages: 1) recognition/emergence of a problem; 2) internal search - evaluation of alternative options; 3) external search - evaluation of alternative options; 4) choice/purchase; 5) purchase result - failure to meet expectations or satisfaction. The environmental factors that influence all these stages are quite important. The model also takes into account the influence that moves from the general to the more specific, from the external environment to the microenvironment. Over time, the Angel-Collat-Blackwell model has been revised several times, changed, and in its current form, while retaining some fundamental principles, is more complex in terms of definitions and explanations, which distinguishes it from the original version. The latest version of the model consists of six vertically organized parts: stages of the decision-making process, information input, information processing, product and brand evaluation, general motivational influences, and environmental influences.

Information input includes various types of information from marketing and other sources. First, the information passes through the consumer's memory, then it affects the stage of problem awareness. At the same time, the search for additional information is necessary to make the right choice, to evaluate alternatives in more detail, when the consumer is not sure of the correct decision, when the problem is complex, quite significant for the consumer, when the chosen alternative is evaluated less satisfactorily than expected, when the price of the product (service) is high.

Information processing consists of the consumer's selective ability to selectively influence external influences, attention and perception of marketing and other information. The model shows that the consumer must first receive a message, pay attention to it, perceive it, and then use it. These three aspects provide information that is filtered or selectively processed in active memory and then transferred as information experience to permanent memory.

The stages of decision-making consist of problem awareness, information search, evaluation of alternatives, choice, and outcome. The number of stages in a purchase decision depends on the level of complexity and importance of the problem.

Product (service) evaluation describes the process of evaluating various alternatives before making a final consumer decision and includes four elements: evaluation criteria, beliefs, consumer attitudes, and intentions.

The influence of motivation includes two main components: the motives that initiate the various evaluation criteria that the consumer uses when evaluating alternatives, and the consumer's personality traits and lifestyle that help to define the consumer's general behavioral stereotypes.

The influence of the environment consists of external influences-stimuli that are perceived by the consumer and to which the consumer reacts. The main external factors in this model are: cultural norms, value system, reference groups, family, certain circumstances and contingencies.

Howard-Sheth model. Their model clearly distinguishes three stages of making a purchase decision: general problem solving, specific problem solving, and backlash. Table 1.2 shows the main characteristics of each stage. The Howard-Sheth model consists of four main groups of variables: inputs, determinants of perception and assimilation, outputs, and external variables. Inputs consist of three types of stimuli (sources of information in the external environment) of the consumer. Tangible stimuli (physical characteristics of the brand) and symbolic stimuli (verbal or visual characteristics of the product) are stimuli created by entrepreneurs in the market in the form of a product or information about the brand. Social incentives are created by the consumer's environment. The central component of the Howard-Sheth model consists of psychological variables that function when a consumer is thinking about a decision. These constructs are central to the model, but they are viewed as abstractions that cannot be defined or directly changed. Some of them are perceptual variables and are related to how the consumer perceives and processes information from other parts of the model.

Table 1.2

Characterization of the stages of the purchase decision

Stage	The amount of information	Speed of decision making
General solution to the problem	Significant	Slowly
A concrete solution to the problem	Medium	Medium
Backlash	Minor	Quick.

The model also has assimilation constructs that include consumer goals, brand information, and a criterion for evaluating options. The proposed interaction between different variables of perception, assimilation and variables of other parts of the model is a distinctive feature of the Howard-Sheth model. The model specifies a number of outputs, the names of which correspond to some perception and assimilation variables in addition to the purchase act. Exogenous or external variables (not shown in the diagram) are part of the decision-making process. The most important external variables are: the importance of the purchase, the characteristics of the buyer, the time factor and the financial situation of the consumer.

Domestic scientists propose an integrated model of consumer decision-making on the purchase of goods by an individual consumer (Fig. 1.5).

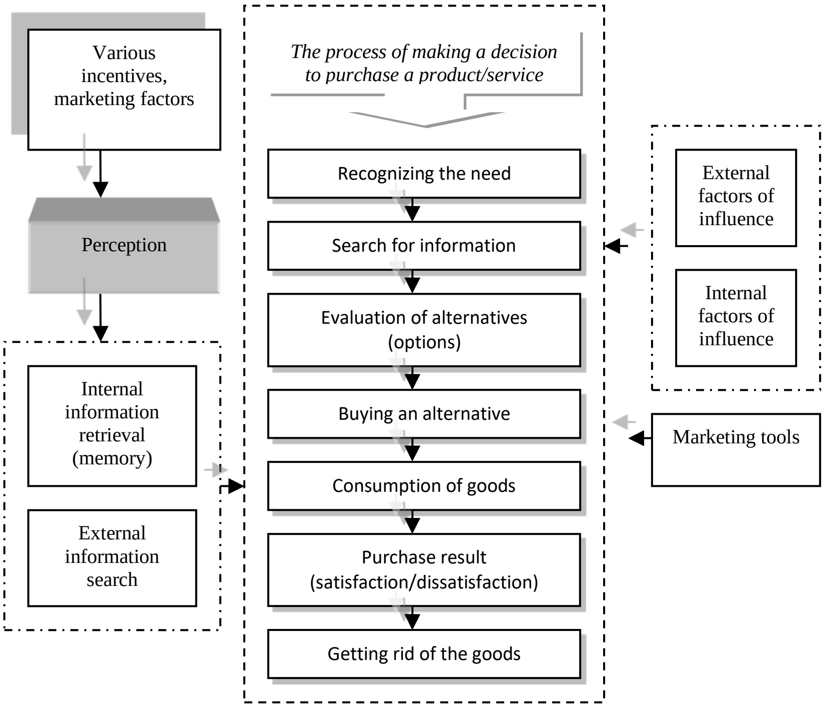

Fig. 1.5. Model of consumer decision-making in the consumer market

To describe the process of making a consumer's purchase decision, you can use the main types of consumers listed in Table 1.3.

Table 1.3

Characteristics of the main types of consumers

Consumer model	Characteristics
Economic	Consumers are concerned about quality and convenience. High intensity of consumption of socially important goods is characteristic. Pursues material benefits, weighs the balance of costs and benefits in detail, analyzes all known ways to achieve this goal
Cognitive	Actively seeks out and processes large amounts of information, conducts advanced pre-purchase research and evaluates options. Tries to make an informed, satisfactory decision
Passive	Purchases are made impulsively and irrationally, based solely on external incentives. They have no clear idea of their real needs and desires. They have no particular loyalty to any store. Do not feel emotionally attached to local store staff
Emotional	He is prone to emotions in his actions. May make purchases on impulse, but not irrationally. Shows loyalty to local stores, establishes relationships with local store staff

In real life, a consumer's decision to purchase a product is influenced by a significant number of internal and external factors, and the process itself may vary slightly depending on the type of product and the specific situation. However, in general, theoretically, the purchase decision-making process has a stable structure and consists of seven consecutive stages that a consumer must go through: awareness of the need, search for information, evaluation of alternatives, purchase, consumption, purchase result (reaction to the purchase) and disposal of the product. A diagram of the consumer decision-making process is shown in Figure 1.6.

1. Consumer awareness is the perception by the consumer of the difference between the desired state and the actual state, sufficient to activate his actions and decisions.

The process of making a purchase decision by a consumer begins with the realization of a need or lack of something. This awareness occurs as a result of a person's perception of the difference between his or her actual, real state and his or her desired, ideal state. If the difference is insignificant, then the person does not feel the need or lack of something at all or feels it, but at a low enough level that it does not lead to activation of actions.

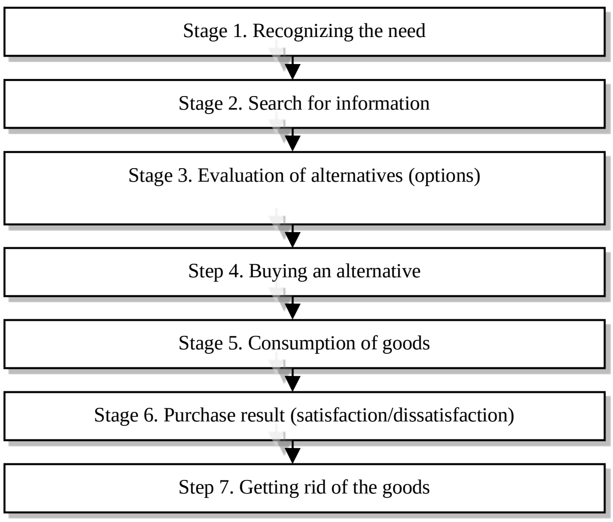

Fig. 1.6. Diagram of the consumer decision-making process

Awareness of need, a sense of difference arises under the influence of various factors as a result of a person's interaction with the surrounding social environment.

Knowing the impact of the above factors and conditions, and studying consumer behavior at this stage, marketers can identify their needs, accelerate the emergence of new needs, or form new needs. After a clear understanding of the need, the consumer has a desire to satisfy the need as soon as possible and thereby eliminate the difference between the actual and desired state.

2. Search for information is the activation of knowledge stored in memory or the acquisition of knowledge from the external environment, external sources. First, the consumer searches for information in his or her memory (internal search). If such information - the consumer's own existing knowledge - is not enough to make an informed purchase decision, then the search for external information (external search) begins - in the external environment. Conditions and factors that cause the awareness of a need:

1) life changes - marriage, divorce, birth of children, change of job, housing, new friends, etc;
2) changes in a person's financial situation - improvement, deterioration;
3) consumption of goods, depletion of stocks, breakdown of goods, "obsolescence" of goods, etc;
4) dissatisfaction with the available product;
5) the need for related or complementary products;
6) fashion, values, norms, innovations;
7) time and age of the consumer;
8) marketing tools.

The amount of information required, its scope and duration of the search depend on the consumer, his or her individual and consumer characteristics, the influence of environmental factors, situational factors, product type, etc. Some consumers are risk-averse, making purchases without extensive information search and evaluation of alternatives, while others, on the contrary, look for detailed information about the product, evaluate it, and choose. The main factors that influence the search for information:

- ✓ the volume and quality of available information;

- ✓ availability of time;
- ✓ product type, brand, and degree of product differentiation;
- ✓ the price of the goods;
- ✓ places of sale and the distance between them;
- ✓ salespeople and consultants at points of sale;
- ✓ consumer motives are rational and hedonistic;
- ✓ consumer interest;
- ✓ level of awareness, knowledge and experience of the consumer;
- ✓ ability to process information and make decisions;
- ✓ consumer confidence and mood;
- ✓ demographic characteristics of the consumer, etc.

The main sources of information search:

- □ consumer memory;
- □ personal sources - family, friends, colleagues, acquaintances, neighbors;
- □ materials in the media, news, specialized publications, directories, expert opinions, ratings, etc;
- □ marketing - means of a complex of marketing communications;
- □ experimental - review or testing of goods.

Knowledge about consumers' information search is necessary for the development of a marketing complex, marketing strategies and marketing communications tools of the enterprise. After conducting information search, collecting and obtaining the necessary information, the consumer proceeds to evaluate alternatives.

3. Evaluation of alternatives - evaluation of the choice options according to certain criteria and the final selection of one of the options.

Based on the results of the information search, the consumer compares and evaluates goods according to various criteria, norms, standards, and chooses one of the options. The evaluation begins with the selection of evaluation criteria and determination of their significance. Then the consumer evaluates each option according to the selected criteria by their importance or by the main criterion and makes the final choice. The process of evaluating alternatives is shown in Figure 1.7.

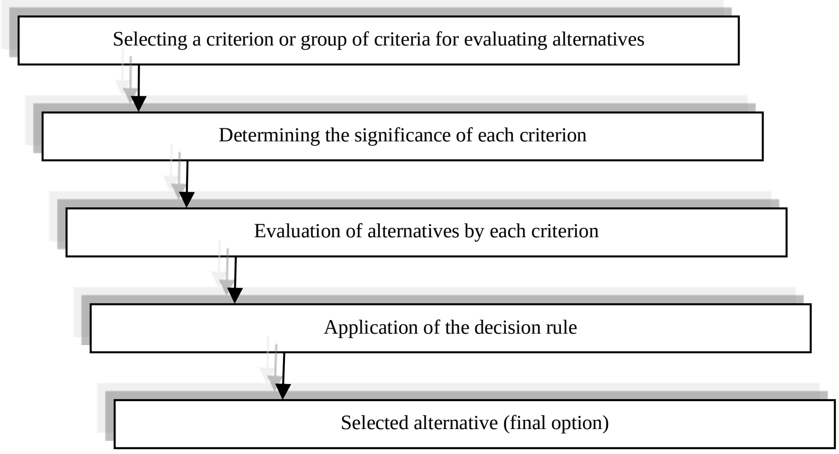

Figure 1.7. Schematic of the alternative assessment process

A consumer can evaluate a choice by one or more criteria. Criteria (indicators) are the desired results of purchase and consumption, expressed in the form of certain attributes that the consumer prefers. Such criteria may include: product design, color, price, place of purchase, manufacturer, brand or trademark, shelf life or operation, warranties, service, novelty of the product, functional characteristics, etc. Each evaluation criterion has a certain significance and weight for the consumer. The evaluation criteria depend on the individual and consumer characteristics of the consumer, the impact of the environment, and situational factors. In different situations, the consumer may choose different evaluation criteria and consider the importance of the evaluation criteria in different ways.

To make a decision and make the final choice or purchase, consumers use so-called decision rules (or information processing strategies) that are stored in their memory or built for each specific situation. The classification of decision-makingrules is shown in Figure 1.8.

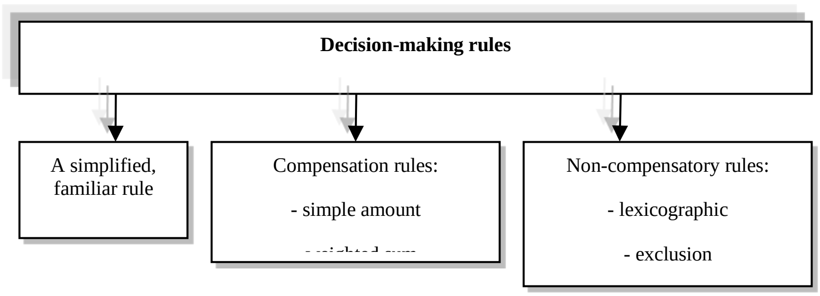

Fig. 1.8. Classification of decision-making rules

A simplified rule is an automatic decision-making and purchasing process, without considering options and evaluating alternatives; it is used when buying goods familiar to the consumer, making daily purchases.

Compensatory rules are characterized by the fact that the disadvantage of one attribute (indicator) of a product is compensated by the advantage of another attribute (indicator), which encourages the consumer to evaluate the choice more carefully and in detail. There are two types of compensatory rules:

- simple sum - the consumer chooses the product that has the greatest total number of advantages; used when the consumer's ability or motivation to process information is limited;
- weighted sum - when the consumer multiplies the relative importance of each criterion (criterion weight) by the corresponding product indicators (attributes) and, accordingly, chooses the product with the highest overall score.

Non-compensatory rules - characterized by the fact that the lack of one product attribute (negative product indicators) cannot be compensated for by the advantage of another attribute (positive product indicators). In other words, if a product does not meet the consumer's requirements according to at least one of the criteria chosen by the consumer, this alternative is rejected - the consumer does not buy such a product. There are three types of non-compensatory rules:

- lexicographic rule - provides for the evaluation of goods first by one of the most important criteria, if the product meets the requirements of the consumer according to this criterion, it is selected. If two or more products meet the consumer's requirements according to this criterion, the evaluation is carried out according to the second most important criterion, and so on, until one single product remains, and the consumer chooses it;
- exclusion rule - provides for a clear definition of the importance of evaluation criteria and the establishment of exclusion points for each criterion (for example, exclusion points - "No more expensive..." and/or "No cheaper"). If only one product is excluded by the most significant criterion, it is the one chosen by the consumer. If two or more products are excluded by this criterion, the consumer evaluates the products

according to the second most important criterion, for which the exclusion point is also set, and so on, until only one product is excluded, and the consumer chooses it;

- mixed (or joint) rule - provides for the establishment of a minimum level of requirements for each criterion and the evaluation of goods according to all selected criteria. The consumer chooses a product that meets his or her minimum requirements for each evaluation criterion. If at least one attribute of the product (according to one criterion) does not meet the minimum requirements, the consumer will not choose this product.

In the process of evaluating alternatives, a consumer can apply only one decision rule or several rules in a certain sequence. Knowing how the consumer evaluates alternatives, by what criteria he/she evaluates goods, what decision rules marketers use, with the help of marketing tools, can influence the consumer and help him/her make a choice.

4. Purchase means making a decision to buy, placing an order for the selected product, paying for it, and receiving the product.

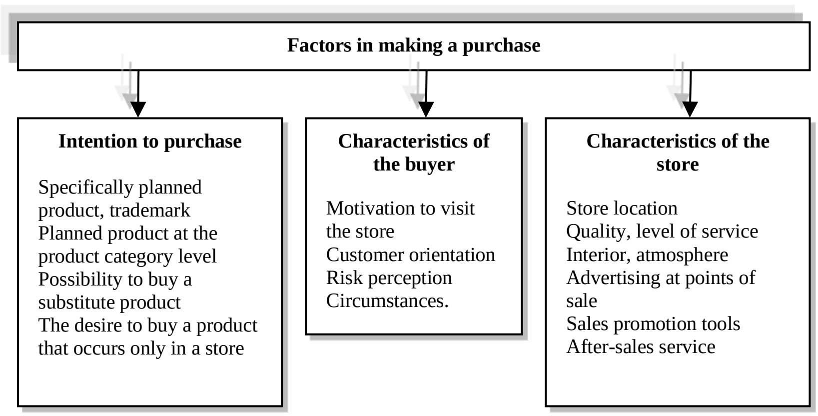

Fig. 1.9. Factors that influence consumer purchases

When making a purchase decision and making a purchase, a consumer is influenced by a number of factors (Figure 1.9). Marketers need to know which factors are guiding the consumer when making a purchase and what is the level of influence of these factors in order to effectively apply them and skillfully manage them. According to the intention to make a purchase, purchases are divided into:

▪ specifically planned product, brand - the consumer has planned to buy a product or brand before visiting the store;

▪ planned product at the product category level - the consumer has planned to buy a product but has not yet decided on a brand;

▪ the possibility of buying a substitute product - whether the consumer can buy a substitute product if the planned product or brand is not available in the store;

▪ the desire to buy a product that occurs only in a store - unplanned purchases of any product (impulse purchases).

The second group of factors that influence a consumer's purchase is the characteristics of the consumer. These include:

▪ motivation for visiting a store - the motives for a consumer to visit a store can be rational, emotional, or social;

▪ customer orientation - is determined by the customer's attitude to the purchase of goods. There are the following categories of buyers:

1) a rational buyer who is guided by the principle of expediency and rationality when purchasing goods;
2) a personalized customer who is driven by affection for the store itself or for the store staff;
3) indifferent customer, who does not enjoy shopping, does not like to shop, considers the shopping process as a necessary but unpleasant job;
4) a customer who treats shopping as entertainment or leisure.

▪ consumer risk perception - influences the choice of product, brand and place of sale; each consumer perceives risk differently and each type of risk has different meaning for each consumer. Risks are divided into the following types:

⇒ financial risk - the purchase of goods whose price does not correspond to the quality, the need to purchase additional parts, repairs at the expense of the consumer;

⇒ physical risk - the use of the product can lead to loss of health or be dangerous to health;

⇒ psychological risk - dissatisfaction with the product as a whole or with its individual components or functionality;

⇒ social risk - loss of image and prestige;

⇒ the risk of time loss - the need to repeatedly contact the seller, the absence of goods in the store, and the time spent on repairs;

- circumstances - the occurrence of unforeseen situations that force a consumer to buy a certain product or refuse to buy a product, even if such a purchase was planned.

Consumers can make a purchase of goods at various points of sale: in stores, online, by mail, from sales agents, etc. The choice of the place of sale is influenced by various factors, including the characteristics of the store:

- store location - distance to the store, ease of getting to the store, availability of parking space, etc;
- quality, level of service - friendliness of sales staff, competence and qualifications of sales staff, provision of consultations, number of cash registers in the sales area, etc;
- interior, atmosphere - the internal layout of the store, the arrangement of goods, the distance between the display cases, the design of the display cases, smells, music, lighting, etc;
- advertising at points of sale - the presence of advertising posters, signs, price tags, stickers, etc;
- sales promotion tools such as promotions, price discounts, gifts, etc;
- post-purchase service - delivery of goods, connection, assembly of goods, sale of goods on credit, etc.

Marketers should understand and take into account that these factors have different effects on consumers when they purchase goods. In addition, these factors also have different meanings for one consumer in different situations. Therefore, activities aimed at studying and understanding consumer behavior are a rather complex procedure, requiring significant time and the use of various marketing research methods.

5. Consumption is the use of purchased goods. Consumption of goods may take various forms - the goods may be consumed immediately or their consumption may be postponed for a certain period; the goods may be consumed for their intended purpose

or for a new purpose; the goods may be consumed by the buyer or another person; the goods may be consumed by one person or several, etc. To ensure consumer satisfaction and safety, the manufacturer of the goods must provide for all possible options for consuming the goods. To do this, it is necessary to inform consumers about the product, its properties, and methods of use, to attach instructions to the product or indicate instructions on the packaging, to provide special consultations, etc.

Quite often, consumers experience the so-called post-purchase dissonance after purchasing goods, i.e. doubts about the correctness of the choice. The main factors that cause post-purchase dissonance are: the impossibility of returning the product or exchanging it; the importance of the choice and purchase for the consumer; the complexity of choosing from possible options; a significant number of alternatives; high similarity of goods in terms of quality; high price of the product; consumer attitude to the choice and purchase; individual characteristics of the consumer, etc. To avoid such doubts, marketers need to confirm the correctness of the consumer's choice and ensure that the consumer is confident in making the right choice. Reducing the level of post-purchase dissonance among consumers will be facilitated by the possibility of returning goods, providing warranty cards, additional, repeated consultation of sellers, advertising that emphasizes the benefits of the product, etc.

In accordance with modern marketing science, the most important stage is the consumption of goods, so it is necessary to know and understand how the consumer uses the goods, what value the goods represent for the consumer, what is the significance of the goods in the consumer's daily life, etc. Marketers can use the factors of special events, apply various means of marketing communications to ensure the special meaning of the product for the consumer, develop and maintain the consumer's commitment and loyalty to the product.

6. Purchase outcome is the assessment and degree of satisfaction or dissatisfaction with the chosen alternative, i.e. the purchased product or service.

The evaluation of a product (service) is formed as a result of its consumption. The consumer is satisfied with the purchase if his or her expectations regarding the product are met, i.e. the purchased product and its actual characteristics meet the requirements that the consumer set for the product. Accordingly, the consumer will continue to buy the product or the product of this brand. The consumer is dissatisfied with the purchase if the product does not meet the requirements and expectations that were set for the product. In this case, the consumer will forever refuse to purchase this product or the product of this brand.

According to the theory of expectation fulfillment, consumer satisfaction or dissatisfaction with a product is the result of comparing the previous expectation with the actual result of using the product. Consumer expectations are divided into three categories: adequate quality - a normative assessment that reflects the quality of the product that corresponds to the price and effort spent on the purchase; ideal quality - the optimal or desired "ideal" level of quality; and expected quality - the level of quality that the consumer expects to receive.

Producers and sellers of goods should be interested in ensuring that consumers are satisfied with the purchase of goods and with the goods themselves in order to retain consumers and turn them into regular customers. Studies show that the cost of retaining an existing consumer is 4-5 times less than attracting a new one. In addition, a consumer who has bought a product can influence the opinions and actions of others - favorably for the manufacturer if he is satisfied with the purchase and unfavorably if he is dissatisfied with the purchase. In this regard, the provision of quality service after the purchase of goods and the use of various marketing measures play a significant role in retaining the customer and increasing his or her satisfaction. It is possible to retain a customer if:

- not to use exaggerations about the quality of the product, its functional characteristics and properties;
- maintain a sufficient level of product quality;
- the price of the product will correspond to its quality;
- respond to customer requests and complaints.

Manufacturers should regularly conduct surveys to determine the level of consumer satisfaction with the purchase and use of their products. In addition, producers should create special systems that would encourage consumers to share their views and opinions about the purchased goods, since most dissatisfied consumers do not complain about the goods, they simply do not buy these goods or the goods of this manufacturer anymore.

7. Disposal - getting rid of the product itself or its remains. Getting rid of a product is the last stage of the consumer's decision-making process. When a product becomes functionally unusable, outdated, expires, loses its attractive appearance, goes out of fashion, more attractive new product models appear on the market, or when a consumer changes his or her tastes, hobbies, social status, image, etc., the consumer faces the problem of getting rid of the product. At this stage, the consumer must decide whether to get rid of the product completely, resell it, recycle it, or dispose of it. There are many options for getting rid of the goods, in particular, the consumer can throw away the goods; recycle the goods or disassemble them into parts that may be needed for another product; give them to another consumer for further use or sale; exchange the goods for another; sell the goods; lease them, etc. The choice of a particular option depends on the type of goods, the value of the goods for the consumer, the reason for getting rid of them, and the desire and situation of buying a new product. In the developed world, considerable attention is currently paid to the problem of environmental protection when disposing of goods, their waste, residues and packaging.

Consumption of goods, the outcome of the purchase, and disposal of goods are closely interrelated. Knowledge and understanding of these processes is essential for marketers to implement marketing activities and apply appropriate marketing tools to ensure customer satisfaction, retention and conversion into a loyal customer.

The problems that consumers face differ in their degree of complexity and are divided into three categories: simple - familiar to the consumer, which can be solved without additional effort; limited - containing a small element of novelty and uncertainty; advanced - problems of high complexity, characterized by novelty and high uncertainty. According to the degree of complexity of problem solving, all consumer decision-making processes regarding the purchase of goods are divided into three types: usual problem solving; limited problem solving; extended problem solving.

The types of consumer decision-making processes and their differences are shown in Table 1.4. This division is rather arbitrary, since in practice, in real life, there may be many more options for making consumer decisions.

Table 1.4

Types of consumer decision-making on purchases and their differences

Stages of the consumer decision-making process	**Differences in types of consumer solutions**		
	The usual solution to the problem	**Limited solution to the problem**	**Advanced problem solving**
Recognizing the need	Selective	General	General
Search for information	Internal, passive	Internal Limited external	Internal External
Evaluation of alternatives	Simplified (usual) rule	A small number of alternatives Few evaluation criteria Simple decision rules	Many alternatives Many evaluation criteria Integrated solutions
Purchase	Automatic purchase of goods Brand loyalty Absence of risk	Average, limited influence of factors on the purchase Low, medium risk level	High level of influence of factors on the purchase High level of risk
Consumption.	No dissonance	Minor possible dissonance	Post-purchase dissonance
The result of the purchase	Low level of evaluation	Average level of evaluation	High level of evaluation
Getting rid of the goods	Habitual for the consumer	A large number of options	A small number of options
	Low level of interest and High level of interest and Involvement in the buying process Involvement in the buying process →		

Habitual problem solving is the simplest type of consumer decision-making regarding the purchase of goods, which involves making a purchase by inertia, automatically or on the basis of attachment, loyalty to a brand. In this case, the consumer searches for information only in his or her memory, without identifying alternatives, evaluating them, or experiencing post-purchase dissonance. The result of the purchase is evaluated only when the quality of the goods of a given brand does not meet the consumer's expectations. The habitual problem is solved when there is a low level of consumer involvement in the purchase process and no interest in it. It is used when buying everyday goods, such as food, detergents, certain types of cosmetics, etc.

Habitual decisions can be divided into two groups - repeat purchases, which are made by inertia, and loyal purchases, which are made by brand loyalty. Repeat purchases are characterized by low brand loyalty (no loyalty or very low loyalty) and are made by inertia. If the product of the respective brand is not available in the store or the price of the product increases, the consumer will easily switch to another brand, as he or she is not a fan of one brand. Loyal purchases, on the contrary, are characterized by a high level of consumer commitment to a brand. Consumer loyalty can be formed over a long period of time or by making only one purchase if the level of consumer satisfaction with that purchase was high enough. The consumer develops an emotional attachment to one brand and is convinced that the product of this brand best meets his or her needs, best meets his or her desires, has the highest quality, best functional properties, etc. It is difficult for competitors to lure away a loyal consumer because such consumers are loyal, devoted to only one brand and will go to another store if it is not available in the store, and will still buy goods of this brand if the price increases.

A limited solution to the problem is to use simple rules when making a purchase of goods, which involve buying goods of familiar brands or the cheapest ones. Buying goods in this case may involve some thinking, but the information is usually taken only from memory, i.e., an internal search for information is conducted. Sometimes, external information search may be conducted, but it is quite limited (for example, a product is selected among the available brands in the store). Only simple decision-making rules are used.

Limited problem solving in terms of complexity and level of involvement in the purchase process is intermediate between conventional problem solving and extended problem solving. In most cases, it is used when buying certain food products (tea, coffee, alcoholic beverages), simple household appliances (kettle, mixer), clothes, shoes, when the consumer is not motivated to search for information and conduct an extended evaluation of alternatives. In such a situation, the awareness of the need for something almost directly leads to a purchase action without an active search for information. Post-purchase evaluation is also limited. Significant attention is paid only when the purchased product is very different from the desired expectations.

Extended problem solving means going through all the stages of the decision-making process to purchase a product (although a different sequence is not excluded). After realizing the need, the consumer conducts an active, intensive internal and external search for information, identifies a significant number of alternatives, conducts a comprehensive assessment of them according to many criteria and attributes, and uses several decision-making rules. At the same time, the consumer is significantly influenced by a set of various factors of making a purchase, and after the purchase, the consumer always has doubts about the correctness of the choice - post-purchase dissonance. Extended problem solving takes place when making one-time and rare purchases, when the consumer's involvement in the purchase process is high and their interest in it is high, when the price of the goods and the risk of purchase are significantly high, when the goods or brands are little known to the consumer. It is used when buying expensive goods, prestigious brands - when buying cars, housing, jewelry, expensive clothes, expensive household appliances, furniture, travel packages, etc.

An impulse purchase is an unplanned purchase of goods that can be triggered by sales promotion, product promotion methods, special product exposure at points of sale, individual consumer characteristics, certain circumstances, etc. The consumer experiences an internal conflict and struggle of motives that are resolved by immediate action. The consumer's spontaneous desire to act causes a need for the product in question and a desire to acquire the product. Impulsive buying occurs when the emotional level of consumer involvement in the purchase process is very high, which motivates the immediate purchase without deliberation and evaluation. In such situations, the consumer makes decisions in a state of psychological imbalance, acts solely on emotions, is guided by emotions, does not control himself or her decisions, does not make an objective assessment, and does not think about the consequences.

Marketers need to know what types of decisions consumers make when buying what goods and what types of decisions they use to apply different marketing methods, tools, and instruments. After all, the same marketing methods and tools are not universal for all types of consumer decisions, each type has a different marketing solution. The use of marketing tools and the application of marketing methods is necessary at all stages of the consumer decision-making process, but at each stage in a different way, since each stage has its own characteristics and specifics.

An important factor that shapes the type of consumer behavior in the process of making a purchase decision is interest. The extent to which a consumer is interested in a product (service) and in making a purchase determines how the consumer will make a purchase decision, how he or she will collect and analyze information about the required product (service), how he or she will evaluate alternatives, how he or she will behave when making a purchase, and how he or she will consume or use the product. In other words, the level of consumer interest affects consumer behavior and determines all their further actions in the market. If the level of interest is high enough, the consumer will pay maximum attention to the advertising of the product in question, collect as much information as possible about the product, and search for and evaluate alternatives. If the level of interest is low or non-existent, the consumer may postpone the decision to purchase the product and the purchase itself for an indefinite period of time, and may not pay sufficient attention to information about the product.

Interest is the consumer's perception of the significance and importance of a product or service to meet their needs in a particular situation.

The level of consumer interest can be absolutely absent or as high as possible (consumer obsession). The type of consumer decision depends on the level of interest. At a low level of interest, the consumer makes a habitual solution to the problem, i.e. makes a decision to buy and makes the purchase itself automatically, by inertia or on the basis of attachment, loyalty to the brand. At a high level of interest, the consumer becomes obsessed and performs extended problem solving, i.e. goes through all stages of the decision-making process to purchase a product or service. Marketers need to know the level of consumer interest to properly model consumer behavior.

The level of interest is determined by the following factors:

- personal: the consumer will be interested in purchasing a product (service) that will have personal or symbolic meaning for the consumer or will increase his or her self-esteem;
- risk factor: in situations where the process of buying or using a product (service) is risky, the level of consumer interest increases;
- situational factors: in some situations, the consumer is not interested in the product (service) at all, while in others it becomes necessary, depending on how the product (service) will be used.

It is not uncommon for a consumer to be temporarily interested in purchasing a particular product or service, particularly before the purchase. After the purchase of the product (service), the level of consumer interest decreases or even disappears.

2.3. The process of making a purchase decision by an organizational consumer

Over the past decades, the market for industrial goods has been growing and developing rapidly in all countries of the world, which has led to certain changes in the economy of each country. The market for industrial goods is determined by the nature of the goods and services purchased. This is a market where goods and services are sold and purchased for business purposes: consumption in the process of production, processing, resale, lease, to meet government needs, etc.

The industrial market of the agricultural sector is a market for goods and services that includes enterprises, organizations, companies, and government institutions that purchase goods and services for their own consumption, use in the production of other goods or services, resale, or lease. Formation of the market for industrial goods: agriculture, forestry and fisheries; mining; manufacturing; construction; transport; utilities; communications; services; banking, finance and insurance, etc.

The industrial market and the procurement processes that take place there have a lot in common with the consumer market. At the same time, there are differences between them:

⇒ the industrial market has fewer buyers than the consumer market, but the buyers are much more powerful, so the loss of one consumer is more significant for the seller than the loss of an individual consumer;

⇒ The industrial market is geographically concentrated, unlike the consumer market;

⇒ The demand of consumer businesses for goods and services is heavily dependent on the demand of end users;

⇒ demand for goods in the industrial market is highly responsive to minimal changes in the consumer market;

⇒ buyers in the industrial market are professionals, have appropriate and highly trained in procurement and sales, and differ from end users in their technical competence;

⇒ the purchase of goods (services) by industrial consumers is rational, the procurement criteria are objective and explicit, while purchases in the consumer market are mostly emotional, driven by the influence of fashion;

⇒ The needs of consumer enterprises in the industrial market are production, industrial, social and economic;

⇒ Consumer businesses often purchase goods at competitive bidding, industrial exhibitions, and trade negotiations. They may require special services, such as price discounts, additional guarantees, technical changes, return options, preferential credit terms, etc;

⇒ Consumers in the industrial market sometimes produce the goods they need themselves if the terms of purchase or the alternatives offered are unacceptable to them;

⇒ The industrial consumer is characterized by a collegial structure at each level of the industrial chain, the purchasing decision of the consumer enterprise involves a group decision, and the decision of the end user is individual;

⇒ close interaction between the consumer and the seller, which continues after the transaction is concluded and the sale is made.

Table 1.5

Comparative characteristics of the industrial and consumer markets

Indicators.	Industrial market	Consumer market
Sales volume	significant	small
Procurement volume	significant	minor
Number of consumers	small amount	an extremely large number of
size of an individual order	significant	small
Customer placement	geographically concentrated	atomized
The nature of procurement	more professional	individual
Making a procurement decision	a significant number of people are involved	a sole decision is made
Type of negotiations	complicated	simple
Use of leasing	significant	minor
Promotion methods	personal sale	means of advertising
The nature of distribution channels	straight	multi-stage

The market of consumer organizations has its own specifics, sets special conditions and opens up wide opportunities for marketing management. Marketing managers working in the market of industrial goods serve the largest market, because the monetary volume of transactions in the industrial market significantly exceeds the volume of transactions in the consumer market, and the scale of procurement activities in the industrial market significantly exceeds the scale of activities in the consumer market.

Consumers of goods in the industrial market are enterprises, firms, organizations, companies in various industries, wholesale and retail trade, government agencies, public organizations, non-profit organizations, banks, insurance and investment companies, as well as individuals who buy for business purposes. In other words, it can be said that buyers in the industrial market are all those who purchase goods and services for personal or family consumption.

The market behavior of industrial consumers has certain differences from that of end users. It depends on the purchase goals, motivation, purchase criteria, and the nature of industrial consumers' activities. Consumer enterprises in the industrial market are divided into four categories: industrial producers, wholesale and retailers, government organizations and non-profit (non-commercial) organizations.

Manufacturing companies are primarily engaged in the production or processing of goods (raw materials, parts, equipment, etc.) for sale to other consumers. As consumers, industrial enterprises purchase numerous goods and services, including inputs, accounting, consulting, advertising, transportation, and other services.

Wholesale and retail trade enterprises are a set of organizations that purchase or store goods and resell them to retailers or end consumers, other trade and production entities, various governmental organizations, and non-profit organizations. Wholesale and retail trade enterprises purchase goods and services both for resale and for their own operation. Wholesale trade operates in the industrial market, purchasing and selling a variety of goods and services: warehouses, vehicles, equipment, spare parts, supply and insurance services, consulting, accounting, advertising services, etc. Retailers purchase goods both from wholesalers and directly from manufacturers. A large number of retailers in the market are consumer goods stores, various services, gasoline stations, service stations, catering companies, pharmacies, etc. As consumers, retailers purchase a huge variety of goods and services, including transportation, equipment, machinery, advertising, insurance, consulting, accounting, information services, etc. Among the goods that are mostly not purchased by wholesale and retail trade enterprises are the following: heavy engineering products, complex, unique equipment, products for individual orders, etc.

Governmental organizations consume goods and services in the exercise of their duties and responsibilities at the level of the top level of government, budget organizations, and local governments. As consumers, governmental organizations purchase goods and services to meet public needs, such as defense, education, science, culture, healthcare, etc. In most cases, government organizations purchase standardized goods (services). In some cases, the goods are made specifically to order. Government organizations are characterized by a high level of formalization of procurement, which is caused by a huge number of instructions.

Non-profit organizations, which include museums, educational institutions, public organizations, and churches, operate in the area of public values, promote a certain idea to the consumer, and do not try to obtain a financial result. If some additional income is generated, it is used to offset expenses and act in the public interest. Nonprofit organizations are more sensitive to pricing than other categories of consumers. For them, the availability, stability, reliability of the supplier, preferential terms of sale of goods, etc. are important. The state provides such organizations with a number of legal advantages, tax and other benefits.

Industrial goods are characterized by high complexity, technical completeness, standardization (at the national or international level), and strategic importance. In most cases, industrial goods have a huge number of different applications, and sometimes they can be unique. Goods are purchased with specifications, technical and other special documentation. The demand for industrial goods has several characteristics that distinguish it from the demand for consumer goods, and this determines the specific behavior of industrial consumers and also determines the specifics of decision-making regarding the procurement of goods or services.

Demand for industrial goods can be defined as: secondary, derivative; inelastic; unstable; paired.

The secondary nature of demand for industrial goods means that it is determined by demand for consumer goods and services. If the demand for consumer goods increases or decreases, this is reflected in changes in the demand for industrial goods. Even minor changes in demand for highly processed goods can lead to significant changes in demand from consumer enterprises. Studies show that a 10% increase in demand in the consumer market leads to a 5-fold increase in demand in the industrial market. The close interconnection of the industrial and consumer markets requires research of both markets due to the fact that the demand for industrial goods is secondary. Therefore, researching and forecasting demand for industrial goods is a much more expensive and complex process, as it is necessary to study trends in demand in the consumer market first.

Demand for industrial goods is inelastic, meaning that changes in the prices of industrial goods do not lead to significant changes in demand for them. The existence of elastic or inelastic demand is based on two criteria: the availability of substitutes and the importance of the need. If there are many similar goods and services available and there is no urgency in making a purchase, then demand is elastic and price-dependent. If the company's offerings are unique and there is an urgent need to make a purchase, then demand is inelastic and changes in price do not lead to changes in demand. In this case, neither price increases nor price decreases significantly affect demand. When procuring industrial goods, non-price factors are more preferred, in particular: the quality of the goods (services), their technical characteristics, service, guarantees, terms of use, terms and conditions of delivery, operating costs, etc.

The volatility of demand for industrial goods is associated with more dynamic changes in production processes, constant renewal of means of production, and changes in the consumer market. In this regard, there is a constant need for more technically and technologically advanced goods (services).

The pairwise nature of demand for industrial goods is due to the fact that in most cases, demand for an industrial good of one type simultaneously determines demand for another related good that is used in combination with the first good.

The procurement structure of consumer enterprises depends on their size, resources, diversity and level of specialization, as well as the degree of formalization and specialization of the procurement process. At large enterprises with significant resources and a high degree of diversification, the procurement structure is largely formalized, and therefore, special functional units, such as procurement centers, are responsible for conducting transactions. Procurement is usually handled by highly qualified specialists who work closely with design, engineering and production departments. In small businesses - in industry, wholesale and retail trade - the purchasing functions are often performed by the managers themselves.

For consumer companies in the industrial market, the main constraints on purchasing are the level of financial resources and demand. Lack of demand in the consumer market quickly affects demand in the industrial market. In such situations, it is advisable for enterprises to reduce production to a certain minimum or to re-profile the technological process to produce the products required by the consumer.

The market of public institutions and agencies has its own peculiarities in terms of making a purchase decision and procuring goods or services. For government organizations, it is not important to make a profit, reduce production costs or production costs. The main thing for them is that the goods or services they purchase meet the standards, have a sufficiently low price level, and that the purchase is made on the most favorable terms. In most cases, goods or services are purchased at open tenders, where preference is given to domestic products, and suppliers are required to prepare a large number of different documents. At the same time, suppliers must have certain capabilities and be ready to change their offers in accordance with the needs of government organizations. However, governmental organizations as consumers can create favorable conditions for the organization of enterprises in regions where economic, geographical, political and other conditions require state support.

In contrast to the consumer market, the industrial market involves a larger number of people in the decision-making process for the purchase of goods or services and applies a professional approach to the purchase of goods (services). To carry out procurement, companies set up special units - procurement centers - consisting of experts, managers or employees of various departments of the company.

A procurement center is a specially created department at an enterprise whose employees are authorized to make decisions on the purchase of goods or services.

The procurement center may include employees from different structural units of the company - engineers, technologists, marketers, financiers, quality specialists, experts and others - who consider the needs of the company in different ways, assess the procurement situation, use different evaluation criteria and make decisions on the purchase of goods (services) in different ways. The employees of the procurement center share common overall goals and share responsibility for the risks associated with making decisions on the purchase of goods (services). Interaction between employees of the procurement center is based on the role they play in the decision-making process.

When making a decision on the purchase of goods (services), procurement center employees perform 5 main roles:

1) the role of users - performed by employees who will use the purchased goods or services in the future. In some cases, they initiate procurement and help identify the goods needed;

2) the role of buyers - performed by employees who are officially authorized to select suppliers, negotiate contract terms and conclude contracts. In cases of complex procurement, they may be senior managers of the enterprise;

3) the role of persons influencing the decision to purchase goods or services - can be performed by technical personnel who help determine the list of goods or services, technical characteristics of goods, provide the necessary information to evaluate various options, etc;

4) the role of decision makers on the purchase of goods (services) - the so-called decision makers - is performed by employees who have formal or informal authority to make decisions on the requirements for goods, assess the characteristics of goods, select a supplier and finalize its approval, set the terms of delivery of goods, etc;

5) the role of support staff - experts, secretaries, procurement specialists and other employees who manage the flow of information in the procurement center and control the flow of information.

A procurement center at an enterprise may operate permanently or be temporary. In the latter case, the center is created if necessary for a certain period of time when purchasing new goods (services), a significant batch of goods, changing a supplier, etc. The size, structure, and composition of the procurement center may vary depending on the goods (services) to be purchased, the stage of their life cycle, and specific situations. For the procurement of new goods (services), the number of employees of the procurement center may be up to 20 people. For standard purchases, the functions of the procurement center may be performed by one or two people. The center can also be formalized, when the procurement procedure for goods (services) determines the list of persons who sign documents, or informalized.

The main functions of procurement centers of industrial enterprises are: researching the market for raw materials and supplies; determining the need for material and technical resources; drawing up a procurement plan; selecting suppliers; concluding agreements with suppliers and transport organizations for the supply of raw materials and supplies; accepting material resources into warehouses; monitoring the state of production stocks; ensuring the storage of material resources; preparing all necessary documentation; participating in industrial exhibitions, fairs, etc.

The marketing literature contains several different models that describe the behavior of industrial consumers in the industrial market when purchasing goods or services, as well as the tactics of suppliers of material and technical resources in various situations of purchasing goods (services) by industrial consumers.

According to the Baigrid model, the decision-making process of an industrial consumer regarding the purchase of goods (services) consists of six consecutive stages. Depending on the situation of purchasing goods (services) in the industrial market, the importance of some stages changes, while the purchase process itself remains unchanged (Figure 1.10). In a new purchase situation, the stage of realizing and identifying the need becomes important, because such a situation is characterized by an extremely high level of risk and uncertainty, and therefore requires the implementation of various functions of the enterprise's services and a significant amount of information.

Stages of the process of purchasing goods (services)	**Situations of purchasing goods (services)**		
	New purchase	***Habitual purchase with some changes***	***Habitual purchase without any changes***
1) Recognizing and identifying the need			
2) Determining the characteristics of the product (service) to meet the need			
3) Search and identification of suppliers			
4) Evaluation of purchase options, analysis of offers, preliminary negotiations			
5) Selecting a supplier or several suppliers			
6) Evaluation of purchase results			
- the importance of this stage when purchasing goods or services			

Figure 1.10: The buying process of an industrial consumer according to the Baygrid model

In the situation of a habitual purchase with some changes, the stage of searching for and identifying suppliers becomes important, since in this case the company wants to buy goods of a different quality, with different technical characteristics, at a different price, with different delivery terms, etc.

In the case of a habitual purchase without any changes, the stage of evaluating the results of the purchase becomes important, since in this case the company systematically orders goods or services from the supplier without evaluating purchase options or analyzing offers.

According to Sheth's model, two groups of factors should be given special attention in the general behavior of industrial consumers:

1) expectations of employees of the procurement center or procurement service, which are determined by personal characteristics and personality traits, competence of employees, various sources of information, the process of active information search, satisfaction with previous procurements, identified violations, etc. There may also be differences in the expectations of users, engineers, and technical staff of the procurement center or procurement service;

2) conflicts and their resolution in the process of collective decision-making. In the industrial environment, conflicts arising from different employee views on certain goods (services), expectations of certain goods (services), brands, suppliers, etc. often lead to an active search for new information, new sources of supply, new suppliers, a deeper analysis of new and existing information, new and existing purchase options, etc. These actions ultimately lead to the resolution of this type of conflict. Sometimes conflicts are the result of significant disagreements about the ultimate goal and objectives of purchasing goods or services. In this case, conflicts need to be resolved through negotiation and compromise.

Levitt's model describes the tactics of regular (existing) and potential suppliers, taking into account the behavior of industrial consumers in the industrial market in two situations - repeated purchases without any changes and repeated purchases with some changes (Table 1.6).

Cardozo's model suggests differences between the two directions in the procurement policy of an industrial consumer:

Table 1.6

Tactics of regular and potential suppliers taking into account the behavior of industrial consumers according to the Levitt model

Supplier tactics	**Situations of purchasing goods (services)**	
	A recurring purchase, without any changes	***A recurring purchase with some changes***
Tactics of a regular supplier	1) Incentives for automatic renewal of supply. 2) The desire to increase its market share (in depth)	1) Encourage the transition from occasional to regular procurement. 2) The desire to increase its market share (in width)
Tactics of a potential (new) supplier	Convincing the client to change the supplier	1) Supporting the consumer in their desire to change the supply or supplier. 2) Attempting to enter the circle of regular suppliers.

1) simultaneous assessment: an industrial consumer seeks to find the necessary goods (services), taking into account the acceptable levels of risk, while potential suppliers should be ready to provide such consumers with goods (services) that meet the necessary requirements and desired characteristics at any time;

2) recurring assessment: an industrial consumer periodically turns to familiar (existing) suppliers for the necessary goods (services) and periodically refuses them, thus seeking to find a supplier that can satisfy its requirements and desires for goods (services), taking into account the acceptable levels of risk.

According to the adapted model of industrial consumer behavior proposed by Ukrainian scientists O. Prokopenko and M. Troyan, marketing and other incentives (incentives are environmental factors) affect the buyer and cause a certain reaction on its part. Their model includes a marketing complex consisting of the "four P's", external environmental factors - economic, technological, political, cultural and competitive, internal environmental factors and the buyer's reaction (Figure 1.11).

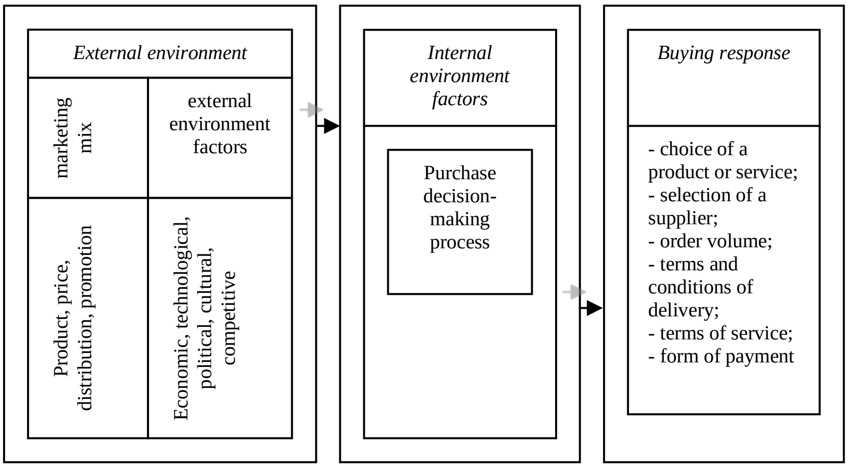

Figure 1.11. Model of industrial buyer behavior (O. Prokopenko, M. Troyan)

According to the scientists, under the influence of these incentives, a company has a purchasing reaction, which is expressed in the choice of a product or service, supplier, determination of the order volume, terms and conditions of delivery and service. In their opinion, in order to develop an effective and efficient marketing strategy, marketers must have a good understanding of the mechanism of transformation of incentives into a consumer's purchase reaction.

The decision to purchase goods or services in the industrial market requires considerable effort and an appropriate level of organization at the enterprise where such decisions are made. According to these criteria, procurement situations can be divided into three types: new procurement, usual procurement with some changes, and usual procurement without any changes. The procurement situation determines the parameters, tasks of the procurement center and the specifics of the industrial buyer's work.

1) New purchase or purchase for a new task - the purchase of goods or services that are new to the enterprise (purchased for the first time). A new purchase is a situation of a first or unique purchase of an expensive, complex, important good or service to be used in a new job or to solve a new problem. This type of procurement situation is the most complex and requires considerable effort, research, analysis, and evaluation of a significant amount of information. It is analogous to an extended problem solving for the consumer market (individual consumer).

Procurement for a new task requires the development of a complex product specification, highly qualified requirements for the supplier and high requirements for the procurement process of such goods (services). Such procurement requires a large amount of information, as uncertainty and risk are extremely high. In this situation, the procurement decision is a complex, lengthy, multi-stage process. Before making a decision, the buyer first collects information, studies it in detail, analyzes and evaluates alternative offers and suppliers. All decisions must be well-founded.

2) Habitual purchase with some changes or modified purchase - purchase of slightly changed goods or services, or change in the price of goods (services), or change in the quantity of supply, etc. (change in some terms of the contract). In such a situation, the buyer seeks to analyze and reassess the available transaction options. It is looking for certain advantages in alternative offers using existing procurement schemes. The buyer wants to change some technical conditions, price, payment terms, delivery terms or conditions, service level, supplier, etc. Uncertainty and risk in a modified procurement are present at a medium to low level. This situation arises when the quality of the goods (services) deteriorates, the price increases, the level of service decreases, the delivery time is violated, existing suppliers cease to operate, new suppliers appear offering goods on more favorable terms, etc. The usual procurement with some changes is analogous to solving a problem of medium or limited complexity by an individual consumer in the consumer market.

Marketers are constantly trying to persuade and stimulate their existing customers to make purchases without changes, responding to all their needs, requirements and wishes. At the same time, competitors are trying to convince and stimulate these customers to make modified purchases by offering certain advantages and favorable trade offers.

3) Habitual purchase without any changes or direct purchase - repeated purchase of goods or services without any changes to the terms of the contract (repeated purchase). If the buyer is satisfied with the goods (services) and the terms of the procurement, the consumer makes a habitual purchase without any changes (direct purchase). Such a purchase does not require the collection and analysis of new

information, does not take much time to make decisions, the buyer has no reason to look for other options, and the purchase decision is made in the usual manner according to the established format. Uncertainty and risk are virtually non-existent in this situation. The buyer orders the required product or service using a list of available suppliers. This is analogous to a regular purchase by an end user in the consumer market.

Marketers who want to ensure that their goods or services are purchased without change focus their efforts on maintaining good, friendly relationships with customers by providing high quality supplies and service, offering special discounts to regular customers, establishing favorable purchase terms, etc. In such a situation and under such conditions, it is extremely difficult for competitors to break the chain of repeat purchases, provide a unique selling proposition, offer more favorable terms, or lure such a customer to their side.

Many consumer companies find a comprehensive solution to the problem of purchasing from one seller. This approach is called integrated procurement. Integrated procurement is an approach to solving the procurement problem in which all the necessary goods are purchased from one supplier, which eliminates the need to make separate decisions that are inevitable when purchasing from different suppliers.

In the industrial market, any enterprise, firm, organization, or company must periodically study and analyze the value of its purchases and suppliers. Such an assessment should be carried out in order to identify outdated goods, technologies, equipment in time and replace them with new, more modern, more advanced, more efficient ones. The analysis of suppliers is usually carried out according to the following main criteria: quality of goods (services), price, payment terms, terms and conditions of delivery, level of service, guarantees, level of service, provision of additional services, etc. The results of such an analysis allow the consumer to make informed decisions about continuing procurement or changing procurement and suppliers.

When deciding on the purchase of goods (services) and making purchases, a consumer enterprise is influenced by various factors that comprise four groups:

environmental factors and internal organizational factors of the enterprise, interpersonal and personal factors of the enterprise's employees (Figure 1.12). The level of influence of these factors should be taken into account by sellers of goods (services) in the industrial market. Each factor should be considered in the context of a particular consumer enterprise.

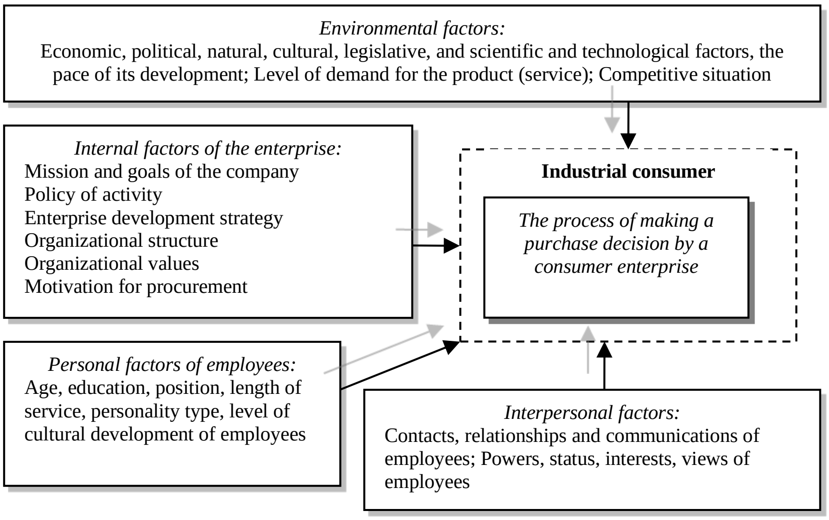

Figure 1.12: Factors that influence the decision-making process of industrial consumers

Important factors that influence the purchase decision-making process of industrial consumers are perception, motives, emotions and learning. The process of perception of an industrial consumer consists of the same stages as the perception of an individual consumer: exposure, attention, and interpretation. An industrial consumer forms his or her attitude towards goods, services, suppliers, and their image. Business consumers also have their own memory and make decisions based on the information stored in their memory. Organizational memory is a system of storing information in a group of people in a particular enterprise. It is quite difficult to change the attitude of a customer company to a supplier or its goods (services), as the information is stored by many people and maintained by them for a long time.

Enterprise motivation is a set of factors and incentives that push an enterprise to take certain actions to meet a need or lack. Any consumer enterprise is guided by certain motivations when making a procurement decision and making a purchase The motivations for demand for goods or services of a consumer enterprise in the industrial market may include

- meeting the need for material and technical resources for the production of traditional goods;
- decisions on the production of new products;
- reconstruction and renewal of the enterprise;
- replacement of worn components;
- conducting research and development activities;
- change of supplier on a more favorable basis, etc.

Organizational decisions have their emotional aspects, although they are less significant than in the purchasing decisions of individual consumers. Purchases by consumer enterprises are based mainly on rational motives and evidence. Therefore, the strategy of selling goods (services) of enterprises in the industrial market should first be formed on rational benefits, and then on emotional appeal to individuals who make decisions. To do this, it is necessary to study the personal motives, psychological needs and emotions of decision makers.

Just like individual consumers, business customers learn consumer behavior. A positive experience with a supplier significantly increases the likelihood of further cooperation and repeat purchases without changes, while a negative experience leads to termination of agreements, termination of cooperation, and search for new suppliers. Effective procurement schemes and processes eventually turn into procurement rules and policies of the consumer enterprise and are used in further activities. For organizational learning, the personal experience of each member of the procurement center or those who make procurement decisions is not necessary, as learning takes place in the process of organizational communications when making a decision or making a purchase.

The decision-making process of an industrial consumer regarding the purchase of goods or services includes a number of successive stages of work and decision-making. In general, the process of making a decision to purchase goods (services) by an enterprise-consumer consists of six consecutive stages: awareness of the need, determination of product characteristics, search for suppliers, evaluation of offers and suppliers, purchase of goods, use of goods, and evaluation of purchase results (Figure 1.13). In terms of the list of stages, it is quite similar to the process of making a purchase decision by an individual consumer, but the implementation of each stage is a more complex and time-consuming process of performing certain actions, and the purchase of goods or services in general is a more complex procedure.

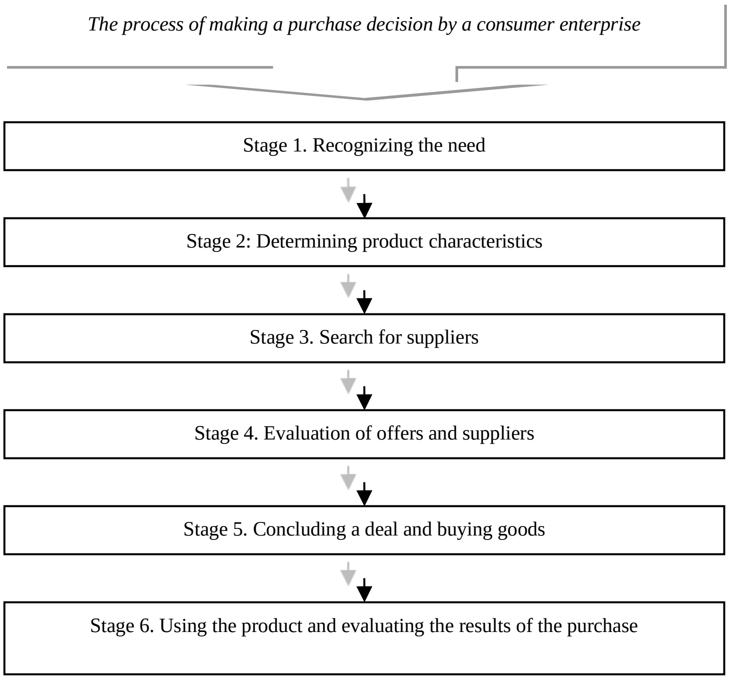

Figure 1.13. Diagram of the purchase decision process by an industrial consumer

The first stage is the realization of the need. From the moment a production need or shortage is realized that can only be satisfied by purchasing a product, the purchasing decision-making process begins. The need may be recognized by the heads of certain structural units of the company, relevant employees of the company, or even the owner or manager of the company. The emergence and realization of the need for something can be caused by the influence of certain factors and factors. These include increased competition in the market, which leads to the need to improve existing products and produce new ones, which require new materials, new equipment, etc.; development of science and technology, which leads to new technologies, higher quality machinery and equipment, which leads to upgrades at the enterprise; breakdowns of mechanisms, production lines at the enterprise, which require spare parts, components, etc.; dissatisfaction with the quality, price, terms of supply of certain goods or services; receipt of new products or services; and the need to improve the quality of the company's products. All the factors that lead to the need for something at the enterprise can be divided into external and internal.

The second stage is to determine the characteristics of the product (service). Once the need is realized, the technical parameters and properties that the product or service must have are determined, the relevant standards that the product (service) must meet are given, the optimal characterization is given, the level of quality is determined, the required quantity of the product or service is determined, and the cost analysis of the product (service) is carried out. A functional and cost analysis of a product (service) at an enterprise is necessary to find and identify ways to reduce production costs and production costs. A detailed description of the properties, technical parameters and characteristics of the goods (services) is necessary for further evaluation of proposals, selection of a supplier, conclusion of agreements, purchase of goods or services. Such procedures are carried out by engineers, marketers, employees of the procurement center, and other relevant specialists, external experts or consultants may also be involved.

Third stage: search for suppliers. After identifying and compiling a list of characteristics of the goods (services), the search for suppliers of the required goods (services) is carried out. Information about suppliers is obtained from external sources, such as trade directories, electronic databases, Internet information networks, trade and industrial exhibitions, specialized magazines, advertising materials, notices, direct mailings, etc. Information about suppliers can also be obtained from partner companies or from the company's own database of suppliers of certain goods or services, if the company has one. Sometimes the search for a supplier takes a long time and requires a lot of money and effort.

Accordingly, an important task of suppliers of goods and services in the industrial market should be to disseminate information about themselves and their goods or services, their quality level, their properties, technical characteristics, service, etc. as widely as possible, as well as to create a prestigious image and gain a reputation as a reliable supplier.

Fourth stage: evaluation of offers and suppliers. At this stage of the purchasing decision-making process, employees of the procurement center evaluate potential suppliers and their offers according to certain criteria and, ultimately, select one or more of them. The number of suppliers (one or more) with whom a consumer company plans to work depends on the internal policy of the company, the type of goods (services) required, their quantity, quality, price, delivery terms, etc. The evaluation of potential suppliers is usually carried out in several stages. First, a list of all known (found) potential suppliers is compiled, and then the most feasible potential suppliers whose goods or services meet the minimum requirements for each evaluation criterion are selected from it. After that, the suppliers are evaluated according to the importance and significance of the criteria, a supplier rating is compiled, and the best alternative is selected - the supplier that meets the most important and significant criterion. Initially, several potential suppliers may be selected and negotiated with, and only then is one selected to enter into an agreement. In cases where several potential suppliers offer almost identical goods or services (some types of raw materials), negotiations are held with them and the one offering the most favorable terms of supply, discounts, additional services, etc. is selected. In some cases, a supplier may be selected on a competitive basis.

At this stage, it is important to determine the criteria for evaluating potential suppliers, their importance and significance. All employees of the procurement center should use the same evaluation criteria. This will greatly simplify the supplier selection process and avoid conflicts between procurement center employees.

The fifth stage is the conclusion of a contract and purchase of goods (services). After evaluating alternatives and selecting a supplier, an agreement is concluded with the supplier. Depending on the scope of the buyer's business and the goods or services to be purchased, agreements vary in nature. However, in general, agreements specify the technical characteristics of the goods (services), quality level, total number of units, quantity of one order batch, price, payment terms, delivery terms, delivery conditions, return conditions, warranties, service, additional services, etc. In most cases, the agreements provide for long-term cooperation between the buyer and the supplier, whereby the supplier undertakes to supply goods (services) in the required quantity within the agreed timeframe at the agreed prices, and the buyer undertakes to make timely payments for the goods (services). The signing of a long-term agreement leads to the concentration of purchases from a single source and close cooperation between the buyer and the supplier. Such cooperation is beneficial for both market participants: no time and money is spent on searching for suppliers, concluding a contract, there is a regular buyer for goods (services), order volumes increase, etc.

The sixth stage is the use of the goods (services) and evaluation of the purchase results. The evaluation of the purchase results for consumer companies is formal. Employees of the procurement center collect information from employees of various structural units of the enterprise that use the purchased goods (services) regarding the quality of the purchased goods (services), timeliness of delivery, service, provision of additional services, etc. Based on the results of such research, a decision is made to continue further cooperation with the supplier and continue purchasing its goods (services), or to terminate cooperation with the supplier and reject its goods, or to make certain changes to certain terms of the contract.

In practice, the process of making a decision on the purchase of goods or services by an industrial consumer may be simplified or complicated, and may consist of fewer or more stages. It all depends on the specific situation, on the particular enterprise, its field of activity, the market in which it operates, organizational style, internal policy, types of goods and services, on the employees of the procurement center, their powers, personal factors, etc. Each situation and each enterprise has its own peculiarities and specifics, so in one situation different enterprises or one enterprise in different situations may procure goods or services in different ways.

2.4. Quantitative and qualitative marketing research on consumer behavior in the agricultural sector

To develop effective marketing strategies for influencing consumers, producing and selling goods or services, reducing risk, planning for the future and developing the enterprise as a whole, it is necessary to have significant and reliable information about the consumer behavior of the target audience. Each company should set itself the task of marketing research of its consumers' behavior, primarily based on its own interests. The study of a wide range of aspects of consumer behavior depends on specific conditions: the type and type of product, market situation, size of the target audience, marketing strategy of the company, etc. At the same time, the main objectives of marketing research of consumer behavior are: identifying the needs and deficiencies of consumers, identifying factors of influence on the consumer and determining the level of influence of these factors, measuring the behavioral response of consumers, determining how consumers make purchase decisions, how consumer attitudes towards goods change, what may be the reaction of consumers to marketing activities, how to influence the consumer.

Consumer behavior research is based on the basic principles of marketing research:

- Focus - consumer behavior research should be closely related to the goals and objectives of the company, its activities; focus on solving actual, clearly defined marketing problems;
- Comprehensiveness - consideration and analysis of all elements, factors, and drivers of consumer behavior in their interrelationship and dynamics; study of all major aspects of consumer behavior, analysis of consumer behavior in relation to factors influencing it;
- reliability - information and methodological support, accuracy of the data on consumer behavior;

- cost-effectiveness - the excess of benefits from the implementation of the data and recommendations obtained over the costs associated with conducting marketing research on consumer behavior;
- effectiveness - the presence of intermediate and final results that will help in solving marketing problems, making management decisions and effective operation of the enterprise in the target market;
- systematicity - logicality, consistency, and frequency of conduct;
- Scientificity - objectivity and validity of research.

When researching consumer behavior, in most cases, a company needs to obtain secondary and primary information. Secondary information is quite important, because its analysis helps to identify the problem of marketing research and develop an approach to its solution. In addition, the effectiveness of marketing research on consumer behavior, especially with a limited budget, can significantly depend on the analysis of secondary information, since answers to a number of certain standard questions can be obtained based on the analysis of secondary information. Therefore, before formulating a research plan for collecting primary information, it is necessary to analyze secondary information. Primary information is needed to solve a specific marketing problem.

Secondary information can be obtained from official sources, which are divided into two groups: printed information and electronic information. In most cases, printed information is public. These sources include statistical collections and yearbooks, directories, commercial, industry, news magazines and newspapers, catalogs, etc. Such publications contain information on the size of the target audience, demographic data of the target audience, consumption of certain goods, market segments, as well as environmental factors that influence consumer behavior (culture, religion, traditions), etc. The stages and procedure of marketing research of consumer behavior are presented in Table 1.7.

Table 1.7

The process of marketing research of consumer behavior

Stages	Name of the stages	The research procedure
1	Defining the problem and objectives of the study	Determining the need to conduct market research on consumer behavior in the market. Identification of research problems. Formulation of research problems. Building the structure of problems in a rational sequence of their implementation. Formulating the goals of marketing research of consumer behavior
2	Developing a research plan	Identification of research objects Building a research structure Development of a calendar schedule for the entire process Identification of personnel responsible for the study
3	Collection of secondary information	Identify sources of internal secondary information: general accounting, statistics, primary data from your own marketing department, other internal sources of information Identify sources of external secondary information: statistical information, reference information, commercial information, regulatory information, scientific and technical information Collection of secondary information
4	Collection of primary information	Choosing a method of collecting primary information: quantitative methods, qualitative methods. Developing a sampling plan and determining the sample size. Development of primary data collection forms: development of questionnaires, development of an observation plan. Collection of primary data
5	Data analysis	Systematization and scaling Analysis, forecasting and interpretation of results
6	Preparation of the report and its presentation	Preparing a report on consumer behavior research Preparing and conducting a presentation

The comparative characteristics of primary and secondary information are shown in Table 1.8.

Table 1.8

Characterization of primary and secondary information

	Primary information	**Secondary information**
The purpose of the collection	To solve the research problem	To solve other problems
Collection process	Requires considerable effort	Quick and easy
Collection costs	Large	Relatively small
Time for collection	Long-term	Short

The Internet provides an extremely great opportunity for an enterprise to study consumer behavior, as it allows to quickly collect all the necessary information. In relation to the enterprise, there are also internal sources of secondary information. Such sources include internal reports of the company. In this regard, each company should strive to keep all internal information in a systematic form, which involves the creation of a computer-based information system. Identification of sources, collection and analysis of secondary marketing information on consumer behavior consists in the sequential implementation of certain procedures (Figure 1.14).

The analysis of secondary information includes an assessment of its completeness, reliability and consistency for solving the tasks set before the researchers. A positive assessment of the above characteristics of secondary information allows to start its interpretation, formulation of conclusions and development of recommendations aimed at solving the tasks of marketing research of consumer behavior. In the case of an unsatisfactory assessment of the above characteristics of secondary information (insufficient completeness or reliability, its contradictory nature, etc.), the need for primary information on consumer behavior is determined.

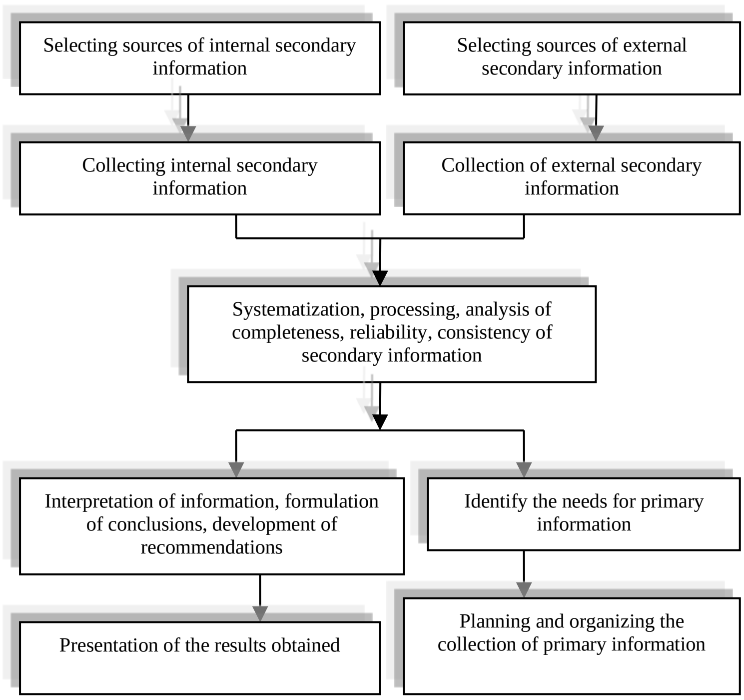

Figure 1.14 The process of identifying and collecting secondary information on consumer behavior

Further, the collected information is processed using statistical methods and mathematical models that facilitate optimal decision-making. Data is analyzed and summarized using manual and computer processing methods. Descriptive and analytical methods are used for processing. Among the analytical methods used in the study of consumer behavior, factor analysis, as well as indicators of variation, regression and correlation methods, cluster analysis, and others are most often used.

In the course of consumer behavior research, primary information is collected using quantitative and qualitative research methods. Quantitative marketing research is the receipt of clearly structured information about consumer behavior from a large number of objects. Quantitative research provides specific numerical data on the problem under study and is based on the use of clear mathematical and statistical methods and models. Quantitative research is the main method of obtaining the necessary information for making management decisions when the necessary hypotheses about consumer behavior have already been identified and formed. They are aimed at obtaining quantitative information (numerical data) from a large number of respondents, and the results of such studies can be extended to all consumers. When conducting such studies, numerical data must always be accurate, they are based on extrapolation of the sample population to the entire market or to all consumers, so the development of the sample population and the definition of research methods must be sufficiently justified. Quantitative research is used to determine market characteristics, market share of enterprises, to assess the popularity of enterprises and goods, to determine the frequency of purchases, the number of purchases of goods, etc.

In most cases, marketing research on consumer behavior first involves conducting qualitative research and then quantitative research. Sometimes, qualitative research is necessary to explain the data obtained from quantitative research. The data obtained after qualitative research cannot be considered final and conclusions cannot be drawn on their basis. Therefore, one of the most important principles of marketing research of consumer behavior is the complementarity of qualitative and quantitative methods of marketing research. Characteristics of qualitative and quantitative methods of consumer behavior research are presented in Table 1.9.

Table 1.9

Characteristics of qualitative and quantitative research methods

	Qualitative research	**Quantitative research**
Objective.	Determine a qualitative understanding of hidden motives and motivations	Present the data in a quantitative form and generalize the results of the study of the sample to the entire population
Sample.	Small number of representative objects	Small number of representative objects
Collecting information	Unstructured	Structured
Analysis of information	Non-statistical	Statistical
The result.	Get an initial idea	Recommendations for making final decisions

The priority areas of using quantitative methods in consumer behavior research are: identifying target market segments; creating consumer profiles of individual segments; studying consumption and attitudes towards brands; determining whether the parameters of the product offer meet consumer needs. Methods of conducting quantitative marketing research of consumer behavior are shown in Figure 1.15.

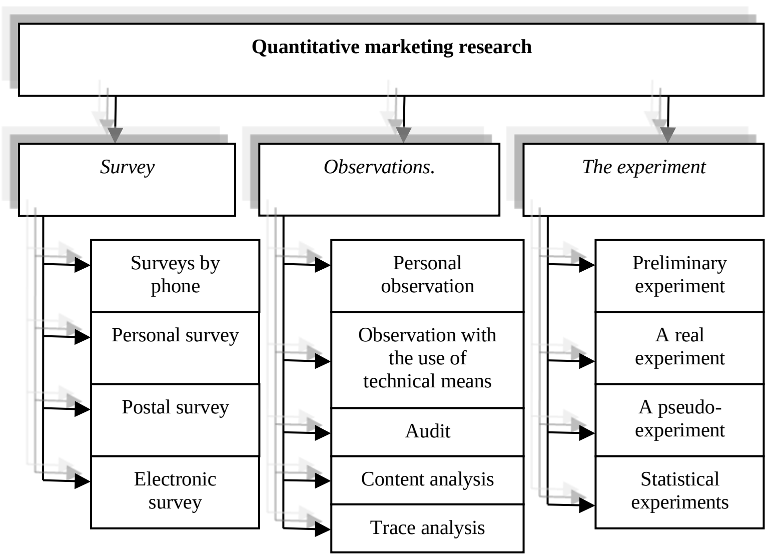

Figure 1.15. Methods of conducting quantitative research on consumer behavior

The main methods used to study consumer behavior are surveys and observations. The survey method is based on obtaining information from respondents who answer questions. It is conducted using a structured questionnaire offered to respondents who are part of a certain sample from the general population to obtain information from them. The respondents are asked a certain number of questions about their consumer behavior, intentions, attitudes, conditioning, motivations, demographic characteristics and lifestyle.

Survey methods are classified depending on their use. In consumer behavior research, the most commonly used methods are personal surveys and electronic surveys. Each of these methods has its own varieties, but they are rarely used in consumer behavior research.

The survey method has a number of significant advantages: it is easy to conduct; the answers obtained are reliable because of the limited number of answer options given; the use of open-ended questions allows eliminating discrepancies in the results caused by differences in survey techniques. The disadvantages of the survey method are: unwillingness, inability of respondents to provide the necessary information; answers to standardized questions and questions with multiple choice answers may be unreliable for determining data on the emotions and beliefs of consumers; difficulty in correctly formulating the questionnaire questions. But despite the disadvantages, surveys are currently most often used to obtain information when researching consumer behavior.

Observation methods are the second group of methods used in consumer behavior research. Observation is the registration of behavioral patterns of people, objects and scenarios on a systematic basis to obtain the necessary information. The observer does not come into contact with the people whose behavior he or she is observing. Information can be recorded during events or obtained from records of past events.

The main advantage of observation methods is the assessment of real consumer behavior. At the same time, potential "distortions" of records and procedures are minimized. The main disadvantages of observation are: the reasons for people's behavior cannot be determined, since nothing is known about motives, beliefs, values, attitudes and preferences; it is difficult to obtain information about certain types of behavior; observation is time-consuming and expensive; in some cases, observation is unethical. Although observational methods provide valuable information, they should be considered complementary from a practical point of view.

The main method of conducting a causal type of consumer behavior research is an experiment. An experiment is a scientific study in which the researcher deliberately manipulates one or more independent variables and observes the variation of dependent or independent variables that contribute to the manipulation of independent variables. It is used to identify the cause and effect relationship between phenomena. To collect primary information about consumer behavior, an experiment is used when the researcher already has a hypothesis about the cause-and-effect relationship of the object under study. The experiment is indispensable when studying the psychological motivations of consumers, since during the survey, the respondent sometimes cannot decide on the choice of a particular product based on abstract characteristics. The buyer needs to be put in a real choice between products, and then it is advisable to find out why this choice was made.

Experiments are divided into two types: laboratory and field. A field experiment is a study in a real-life situation that also involves manipulating variables under detailed control of conditions. In practice, it is the field experiment that is most commonly used, as it is conducted in normal environmental conditions.

Qualitative marketing research is the acquisition of detailed information about consumer behavior in relation to the purchase of goods. It involves collecting, analyzing and interpreting data on consumer behavior. Qualitative research is exploratory, based on the understanding, explanation and interpretation of empirical data, conducted to identify the problem of consumer behavior, is qualitative, non-standardized and is a source of hypotheses about consumer behavior. They allow us to understand the essence of the situation around the problem. Unlike quantitative research, qualitative research is aimed at studying a wide range of manifestations of the object under study, rather than quantitative patterns. In some cases, qualitative data can be converted into quantitative data, but this requires the use of special procedures. Qualitative marketing research can be used to study in detail the motives, opinions, and views of consumers regarding the purchase of certain goods, to understand the behavior and attitudes of consumers when buying certain goods, to learn about consumer values and perceptions, expectations of the purchased goods, etc. They provide a broad, in-depth view of the consumer's mindset and consumer behavior. The results of qualitative research contain opinions, considerations, descriptions, associations, justifications, arguments, as well as assumptions, ideas, suggestions, etc.

Qualitative marketing research is usually subjective in nature, as it is based on the interpretation of the information collected by the interviewer-analyst, and the data obtained as a result of their conduct cannot be transferred to the general public in most cases, as the sample is small. Therefore, the data obtained after qualitative research cannot be considered final. In such research, it is necessary to clearly understand the difference between what the respondent said and what he or she meant. The main advantage of qualitative marketing research is the free expression of respondents, which reveals their internal perceptions, feelings, opinions, views, values, motives, consumer needs, etc.

The main areas of qualitative marketing research of consumer behavior are: motivation research; research of perceptions and perceptions; product research; advertising research; target audience segmentation. Qualitative research is most often used to study the following tasks related to consumer behavior:

- identifying features and patterns of consumer behavior;
- studying the motivation of consumer behavior;
- determining consumer attitudes towards a product or brand;
- identifying hidden needs and desires of consumers;
- determining the subjective perceptions of consumers;
- studying the views, opinions, and values of consumers;
- getting ideas on how to promote the product on the market;
- testing new products, advertising materials, etc.

Methods of conducting qualitative marketing research on consumer behavior are shown in Figure 1.16.

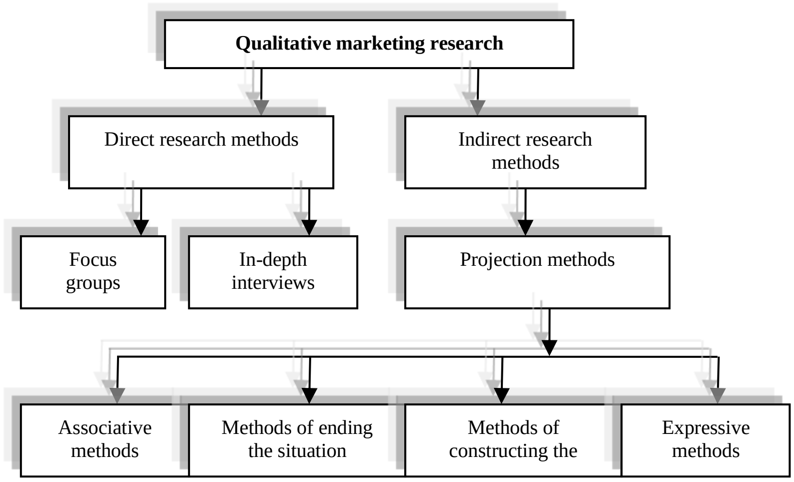

Figure 1.16. Methods of qualitative research of consumer behavior

The process of conducting qualitative research:

The first stage of qualitative research involves individual conversations. During the conversation, the researcher should take a neutral position, should not engage in discussion, exert pressure with his or her authority, or offer any solutions; in extreme cases, the researcher engages in a conversation in an attempt to dispel the respondent's uncertainty.

At this stage, group discussions are held. During the group discussion, it is impossible to achieve maximum completeness of statements from each respondent, but it is possible to obtain quite interesting information about the views on the goods and services under study. The group also helps to express some opinions that respondents cannot express in an individual conversation, but which may be revealed in a group discussion. A group discussion that reveals stereotypes is a natural complement to an individual conversation.

The second stage of qualitative research includes extensive interviews or tests. Individual and group conversations conducted at the first stage of the research allow us to identify the main areas of behavior of the surveyed consumers and determine indicators that should contribute to a more accurate orientation when studying consumer behavior. In the course of further research, the applicability of the previously obtained results is monitored by interviewing a larger number of people in accordance with the main ideas identified in the first stage.

Among the methods of studying consumer behavior, scientists identify a number of basic ones that measure different consumer reactions to the company's marketing activities (Figure 1.17).

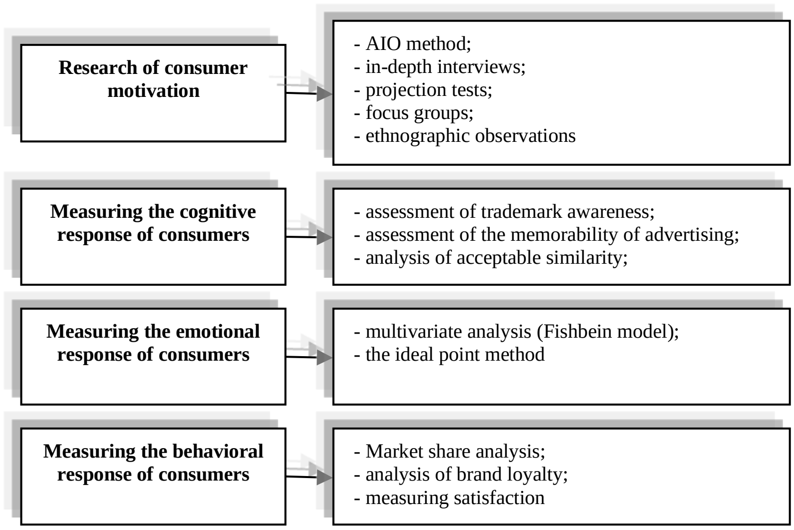

Figure 1.17. Methods of consumer behavior research

The main areas of consumer behavior research are also:

- research and study of attitudes:
  - studying attitudes towards the company;
  - studying attitudes towards a particular brand of goods;
- research and study of the consumer value system;
- studying the level of customer satisfaction:
  - determining the impact of product satisfaction on brand loyalty;
- research and study of consumer intentions;
- studying consumer behavior when buying a product (service) and after the purchase.

The main criteria for measuring the cognitive reaction of consumers are: brand awareness analysis, analysis of the ability to recall the advertisement, and analysis of perceived similarity.

Analysis of brand popularity. The simplest level of cognitive reaction is the awareness of the existence of a product, service, brand or its popularity, the level of awareness in the market. Information on brand awareness is used to identify the most famous (least famous) brands in the market, direct competitors, the share of potential buyers, compare brand awareness, compare brand awareness and market share, etc. This information is obtained by interviewing potential consumers and buyers. Types of popularity (fame):

- ✓ "popularity-recognition" - the consumer recognizes the brand and, based on this recognition, has a need for a product of this type;
- ✓ "popularity-recall" - the consumer feels the need for a certain type of product and buys a product of a well-known brand, i.e. the brand that he recognizes;
- ✓ "priority awareness" - ensures an exceptional position of the brand in the process of purchasing goods of a certain category, the consumer always recognizes, remembers this brand and gives it significant preference.

Levels of popularity (fame) of the brand:

⇒ "spontaneous popularity" - the questionnaire does not contain references to specific brands, but the respondent has to indicate the brands he or she knows;

⇒ "popularity with support" - the questionnaire contains a list of certain brands and the respondent has to choose the ones he or she knows;

⇒ "qualifying popularity" - the respondent must specify the level of familiarity with the brand on a scale with several gradations.

Analysis of the ability to recall advertising. Information about the ability to recall advertising is used by the company to determine the effectiveness of advertising, advertising tools and activities and to determine the level of acceptance of new goods (services). The scientific literature contains a significant number of different indicators that allow measuring the number (percentage) of consumers who correctly identify an advertising message after an advertising campaign. The most famous of them are:

- ✓ "visibility" indicator - the share of consumers who say that they have seen an advertisement for a product (service), if it is a product (service) in question;

- ✓ "proven by recall" indicator - the share of consumers who are able to correctly describe the main advertising message, i.e. they confirm the reality of their ability to recall the advertisement;
- ✓ Recognition rate is the share of consumers who recognize an advertising message when they watch it;
- ✓ next-day recall or beta rate - the share of consumers who remember the brand and at least one of the visual or textual elements of the advertising message when they first see it.

Analysis of perceived similarity. Information about perceived similarity is used to determine the positioning of a trademark in relation to competing trademarks, as well as to compare the actual positioning of a trademark with the desired positioning of that trademark. Multivariate similarity analysis is based on the following assumptions:

- a product or brand is perceived as a combination of features or attributes that correspond to the benefits sought by the consumer;
- These properties are imaginary criteria for comparing brands that are part of the set under consideration;
- If each of the *k* characteristics is geometrically represented by an axis, i.e., a dimension in *a k-dimensional* space, each brand or product can be represented as a point in this space with coordinates corresponding to the brand's scores for each attribute.

To analyze similarity, a multidimensional scaling method is used to identify general judgments about the degree of similarity between different brands. The method is based on the assumption that potential buyers perceive and remember a small number of macro characteristics of a product and these macro characteristics are used as criteria for comparing brands. The method is carried out by building a perception map (Figure 1.18). When constructing a perception map, macro-characteristics are depicted as axes and, having evaluated each brand for each characteristic, its location in this coordinate system is determined.

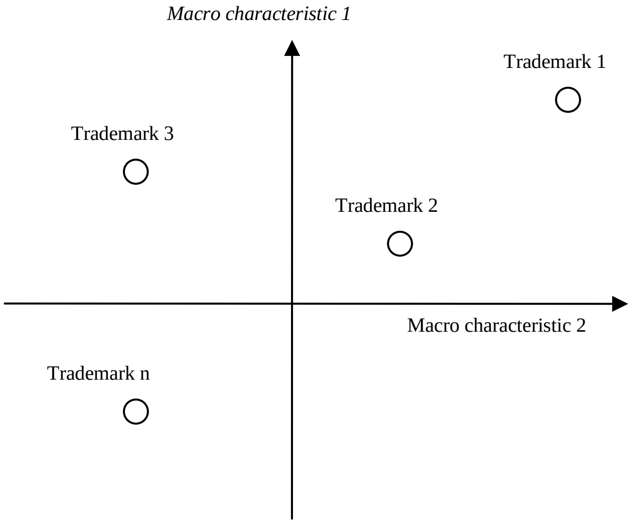

Figure 1.18. Map of perceived similarity (similarity)

On the perception map, each brand is represented by a dot, and the distance between the dots characterizes the degree of similarity of the brands perceived by the respondents. As a result of analyzing the data obtained when building a perceived similarity map, it is possible to identify the market structure of each product group, identify substitute brands and direct competitors of brands.

One of the areas of consumer behavior research is measuring the emotional response of consumers, including feelings, attitudes, intentions, commitment/aversion, etc. To measure attitudes, the most commonly used models are the multi-attribute model (or Fishbein model) and the ideal point model. Fishbein model. The main provisions of the model:

- people perceive a brand or product as a set of attributes;
- different people attach different meanings to attributes;
- people have certain views on the degree of presence of attributes in each brand being evaluated;
- people form a utility function for each attribute, associating the degree of satisfaction (utility) with the degree of presence of a particular attribute in the object;
- people's attitudes are based on the information stored in their memory.

According to this model, a consumer's attitude toward an object of attitude depends on his or her views on several attributes of that object. Attitudes toward a product can be predicted by identifying these attitudes and combining them to obtain a general consumer attitude.

To determine the general attitude of the consumer to the facility, Fishbein combined the following components:

- attributes - characteristics of the object of the relationship;
- people's views or judgments about this object;
- the level of importance (significance) of a certain attribute of the object for the consumer.

The Fishbein model can be represented as follows:

$$A_{ij} = \sum_{k=1}^{n} W_{jk} \times x_{ijk},$$

Where A_{ij} is the attitude of buyer *j* to brand *i*;

W_{jk} is the relative importance of attribute *k* for buyer *j*;

x_{ijk} - consumer *j*'s assessment of the level of presence of attribute *k* in brand *i*, points;

n - the number of defined attributes.

The total attitude score is obtained by adding the scores for each attribute (after evaluating each attribute by its relative importance).

To apply this model, it is necessary to use as initial information the score of the level of presence of each attribute in each brand being evaluated. The relative importance of the attributes is measured using an attitude scale. To obtain this information, consumers distribute 100 points among the main attributes of goods in proportion to the degree of importance they assign to each attribute.

When using this method, it is first necessary to identify the product properties that are most significant (important) to the target market. To obtain this information, consumers should be asked what criteria they choose to evaluate products in this category. Criteria (properties) that consumers will name most often and will be significant.

Using this research methodology, it is possible to assess consumer opinion on each of the characteristics for different models of different competitors in order to determine the significance of the characteristic and identify the leader. If a brand or model is truly superior to its competitor in a particular characteristic, a competitive advantage appears that can be used to set the price. In addition, multivariate analysis also provides the information needed to perform sound market segmentation.

The ideal point model provides information about the "ideal brand" and about consumers' views and attitudes toward the brand. In this method, the attitude toward brand A_t is determined by the formula:

$$A_t = \sum_{i=1}^{n} W_i |I_i - B_i|$$

where W_i is the relative importance of *the i-th* brand attribute;

And$_i$ *is* the "ideal" value of the *i-th* brand attribute;

In$_i$ *,* the consumer's assessment of the actual value of *the i-th* brand attribute;

n - number of significant brand attributes.

To apply the ideal point model, initial information is required - a score for the degree of presence of each attribute in the trademark. This score is determined by using a rating scale. Respondents place the "ideal" brand on this rating scale. A separate scale is used for each indicator.

The relative importance of the attributes W_i is measured by the attitude scale. It shows how confident consumers are that the brand has a given characteristic. To determine the relative importance, the respondent should distribute 1, 10 or 100 points among the main attributes in proportion to the importance they attach to them.

The most common methods of measuring consumer behavioral response are: 1) market share analysis; 2) brand loyalty analysis; 3) methods of measuring satisfaction/dissatisfaction.

Market share analysis. A simple analysis of sales dynamics is necessary but not sufficient to assess brand performance because it does not take into account competition. Therefore, sales analysis should be complemented by market share analysis for each segment. The calculation of market share assumes that the company has accurately identified its target market and the set of products or brands with which it directly competes.

The market share of each brand is generally determined by the following formula:

$$\text{Market share} = \frac{\text{Number of products sold}}{\text{Total sales in the target market}}$$

The essence of measuring market share is to exclude the influence of external factors that have the same impact on all competing brands, and thus to enable a more accurate and correct assessment of the competitive strength of each brand. Market share can be calculated in various ways, including

- market share by volume - the number of goods sold in relation to the total sales volume (in physical terms) in the underlying market;
- market share in value terms - calculated on the basis of revenue, i.e. the number of goods sold in relation to the total sales (in monetary terms) in the underlying market;
- market share in segments - calculated in relation to sales in the segments where the company operates, and not the entire market as a whole;
- Relative market share - compares sales of a particular brand of the company with sales of brands of all or some competitors;
- market share relative to the leader - is determined by comparison with a large (main) competitor, i.e. the ratio of the absolute market share to the share of the largest competitor.

For a deeper analysis, market share can be divided into several components:

1) penetration rate - the share of customers of a particular brand in the total number of customers who buy goods of a certain category;

2) level of exclusivity - the level of brand loyalty, defined as the ratio of the average volume of purchases of a particular brand compared to the average volume of purchases by the same customers of all other brands of a given product category;
3) intensity level - comparing the average number of purchases of all brands by customers of a particular brand with the same indicator for all customers of this product category.

These three components can be used to express the market share for a brand using the formula:

Market share = Penetration rate× Exclusivity rate× Intensity rate.

Let *c* denote the category of goods to which brand *x* belongs:

N_X is the number of buyers of brand *x*;

N_C - number of buyers of category *c* products;

Q_{XX} is the quantity of brand *x* purchased by buyers of brand *x*;

Q_{CX} is the quantity of products of category *c* purchased by buyers of brand *x*;

Q_{CC} - the number of products of category *c* purchased by buyers of products of this category *c*.

Then the market share held by brand x can be calculated as follows:

$$\frac{Q_{XX}}{Q_{CC}} = \frac{N_X}{N_C} \times \frac{\dfrac{Q_{XX}}{N_X}}{\dfrac{Q_{CX}}{N_X}} \times \frac{\dfrac{Q_{CX}}{N_X}}{\dfrac{Q_{CC}}{N_C}}.$$

To express market share in value terms, it is necessary to introduce a relative price index: the ratio of the average price of a brand to the average price of all competing brands.

This methodology for determining market share allows identifying various reasons for changes in market share, namely:

- A decrease in penetration means that the brand is losing consumers;
- A decrease in the level of exclusivity means that customers allocate a smaller share of their total purchases to this brand;

- A decrease in the intensity level means that buyers of a given brand purchase it in smaller volumes compared to the average amount of products in this category purchased by the same buyers.

Analysis of brand loyalty. For each brand, the level of commitment and the level of involvement (attraction) are determined. These levels can be defined as follows:

1) commitment rate - the share of customers who, having bought a brand in the previous period, continue to buy it in the future;
2) attraction rate - the share of customers who, having bought a competing brand in the previous period, then switch to another brand.

These levels characterize the likelihood of customers switching from one state to another and can be determined by questionnaires.

Methods of measuring satisfaction/dissatisfaction. After purchasing and using a product, a consumer forms a new attitude based on the level of satisfaction or dissatisfaction with this product. The study of satisfaction is based on the multi-attribute model of attitude. This model considers the importance (significance) of each attribute and the degree of acceptable presence of the attribute. In general, the analysis involves three stages:

1) assessment of the degree of integral satisfaction with a product (service) or supplier;

2) assessment of the level of satisfaction for each attribute and its importance;

3) assessment of the intention to make a repeat purchase.

For these assessments, a rating scale is used, to which the option of "I don't know" is added.

To analyze satisfaction, we calculate the average value and standard deviation for each attribute. The obtained estimates are compared with the average values for the segment under study. The comparison determines the market's perception of product quality, service level, etc.

The answers to the attribute questions are distributed along two axes, one corresponding to the average satisfaction scores and the other to the standard deviation of the scores. A significant enough deviation means that a small number of consumers share a certain opinion. To select the point of intersection of the axes, the average result of the total scores for the sector's manufacturers or the result of the most dangerous competitor is taken. This is how the matrix is constructed (Figure 1.19).

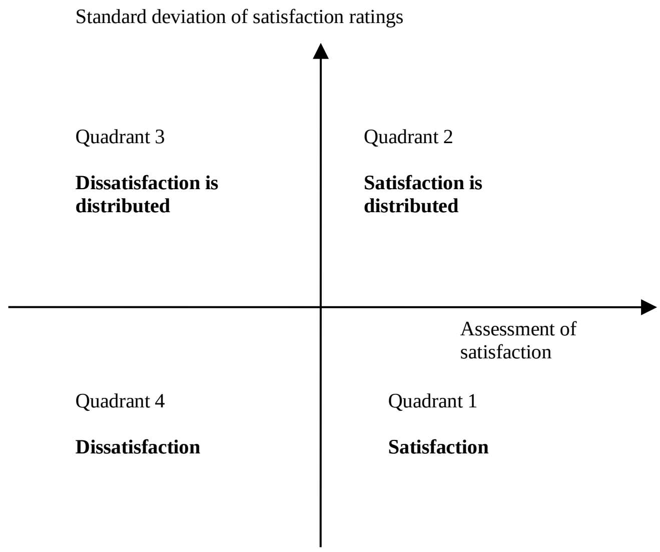

Figure 1.19. Satisfaction/dissatisfaction matrix

The average rating of a brand, product, or service in quadrant 1 is higher than the average for the sector as a whole, and their standard deviation is lower. Accordingly, customers are quite satisfied and recognize this. In quadrant 2, the brand, product or service also receives a high average score, but the high standard deviation shows that consumers' ratings do not coincide. Accordingly, some consumers are satisfied and some are not. Identification of dissatisfied customers will allow you to determine the causes of dissatisfaction and take certain actions before customers switch to competitors. In quadrant 3, the average score is lower than in the sector, and the standard deviation is significant. Thus, most consumers are dissatisfied, although some of them are less so than others. In quadrant 4, consumers are completely dissatisfied and agree.

The main direct methods of qualitative marketing research of consumer behavior are: focus groups (group); in-depth interviews (individual); observation; experiment; protocol analysis; physiological measurements; interpretive research; mystery shopping.

A focus group is a relaxed, unstructured interview conducted by a competent, specially trained moderator in the form of a group informal conversation, discussion according to a pre-designed scenario with a small group of consumers representing a specific target market segment and meeting the criteria selected based on the research objectives. This is a group research method aimed at identifying the motives of consumer behavior, peculiarities of consumers' perception of various marketing information and gaining insights into consumer behavior issues of interest to the researcher.

The focus group method is the most common and considered the most important among the methods of qualitative marketing research of consumer behavior. The value of this method lies in the free nature of the conversation, which allows you to get unexpected, interesting information from consumers.

Focus group features: number of people in the group - 8-12 people; group composition - homogeneous, pre-selection of respondents; location - informal, relaxed atmosphere; time - 1-3 hours; recording - audio and video recording; moderator - observant and communicative. The main features that a focus group moderator should have:

- ✓ Friendliness, sensuality, patience;
- ✓ Flexibility and determination;
- ✓ Ability to maintain a friendly atmosphere;
- ✓ Ability to engage focus group participants in discussion;
- ✓ Ability to get respondents to speak in detail.

The focus group should be homogeneous in terms of demographic and socioeconomic characteristics of its participants. All participants should clearly meet the selected criteria. It is desirable that respondents have previously encountered the problem to be discussed. All participants should be pre-qualified. Also, special attention should be paid to the environment - the setting and the premises of the focus group. The atmosphere should be relaxed, informal, and conducive to free conversation among the participants, the expression of different opinions and views, and the expression of emotions and feelings of the respondents. In most cases, focus groups last 1-3 hours. During this time, it is necessary to achieve mutual understanding with the focus group participants, to clarify and understand in detail their views, opinions, perceptions, statements, judgments, behavior, etc. The course of the focus group is recorded on audio or video tape. Sometimes, the focus group is observed by the customers of this study from the next room or any other place with the help of modern technology and equipment. The results and effectiveness of a focus group largely depend on the moderator, his/her ability to work with a group of participants, to discuss a particular problem, the ability to interest respondents in the problem, etc.

Focus groups allow us to address the following questions about consumer behavior:

- identify consumer preferences, wants and needs;
- to get ideas for new products and their promotion on the market;
- determine the attitude of consumers to the product or brand;
- study consumer reactions to products, advertising, etc;
- clarify and analyze the data obtained as a result of quantitative research;
- obtain information useful for researching consumer behavior;
- learn about consumer perceptions of the product, brand, means of product promotion, etc.

In-depth interview - an unstructured, direct, personal interview conducted by a highly qualified interviewer with one respondent to obtain detailed answers to the questions posed and determine the respondent's basic beliefs about the problem. This is an individual research method aimed at identifying views on a given problem, finding out the reasons for such consumer behavior, studying the behavior of individual consumers, determining their personal characteristics, gaining insights into individual consumer decision-making, etc. An integral part of it is the probing method, which is used in all in-depth survey methods.

An in-depth interview is another method of studying consumer behavior and obtaining information in the course of conducting qualitative marketing research on consumer behavior. The value of this method lies in the individual nature of the conversation, which allows you to get a frank, personal response from respondents and allows you to better understand the internal experiences of consumers. Unlike focus groups, in-depth interviews are not often used in marketing research.

The following types and methods of in-depth interviews are most commonly used in consumer behavior research:

The "ladder method" is a method of conducting in-depth interviews in which the questions asked first relate to the characteristics of the product, and then to the characteristics of the user. That is, this method is characterized by a sequence of questions: first, questions are asked about the characteristics of the product, and then about the characteristics of the user of this product. This method allows you to determine the value that consumers associate with a particular item or problem.

The method of uncovering hidden problems is a type of in-depth interview that aims to identify a person's weaknesses that correlate with his or her personal experiences and concerns. When identifying hidden problems, the main thing is not social values, but personal "weaknesses"; not the way of life in general, but the deep personal feelings and worries of a person.

Symbolic analysis is a method of conducting in-depth interviews when comparing objects with their opposites, their symbolic meaning is analyzed. In order to understand what is hidden behind a certain phenomenon, it is necessary to identify what is not typical for this phenomenon. The logical opposites of the studied product are not the use of this product, but the signs of an imaginary "anti-product" and types of products that are opposite in their properties.

Imaginative interviewing is conducted in the following way: the interviewee is asked to tell what a character would do in a given situation. The respondent answers the questions, transferring his or her attitude to the character in question.

An in-depth interview allows you to address the following questions about consumer behavior:

- discuss confidential issues;
- understand complex, non-standard consumer behavior;
- to identify the consumer's personal views on a particular problem;

- get information from professionals, experts, and competitors;
- study consumer behavior, which can change depending on mood and emotions;
- to study consumer behavior that depends on social norms;
- to study the behavior of consumers who are difficult or impossible to gather into groups, etc.

Indirect methods of collecting information on consumer behavior include projection methods, which are characterized by the concealment of the purpose and goals of the study. In other words, when studying consumer behavior using projective methods, consumers are not told about the purpose and goals of the study and are asked to tell about the consumer behavior of other people, not their own behavior. At the same time, vague and ambiguous questions are asked. The more ambiguous questions are asked, the more respondents reveal their thoughts, views, motives, show emotions, express their attitudes and demonstrate their values. By analyzing respondents' answers, you can determine their personal attitudes, opinions and views on a given issue or problem.

Projective methods *are* an unstructured, indirect form of consumer survey that helps respondents express their hidden beliefs, opinions, views, motives, and attitudes about a particular issue.

Conducting projection methods is a rather complicated procedure. They are used in cases where it is impossible to investigate and study consumer behavior using direct qualitative research methods. The value of projection methods is that they do not involve disclosing the purpose and goals of the study and thus allow you to get more truthful answers from respondents. The main projective methods of marketing research are:

- associative methods;
- methods of ending the situation;
- methods of constructing a situation;
- expressive methods.

Associative methods involve identifying objects with which a given product, brand, idea, etc. is associated. When using associative methods, the respondent is shown a certain object and then asked to say the first thing that comes to mind. In this way, a person's associations with this object are determined.

The most well-known of the associative methods is the verbal association method, which involves the selection of associative words. The method of verbal associations is a projective method when the respondent is given a list of words and asked to select (name) another word that comes to mind first for each word. The words related to the research topic are called test words. In addition to them, the list should contain many more neutral words that hide the real purpose and goal of the research. The respondent should think about each word for no more than three seconds.

In this way, associative research methods allow respondents to express their feelings, emotions, and thoughts about the research topic. Responses are analyzed based on the number of repeated word associations; time spent on selecting word associations; and respondents who were unable to select word associations within the allotted time. In practice, there are several variants of the word association method, in particular, respondents are asked to select not one, but the first two, three, etc. words.

Situation completion methods are projective methods that involve the respondent arbitrarily completing a certain invented situation, sentence or story. In situation completion methods, the respondent is asked to come up with an ending to the situation - the first thing that comes to mind. Sentence completion method - when the respondent is asked to come up with the end of a sentence using the phrases and words that first come to mind. An extended version of sentence completion and paragraph completion is called story completion. In story completion methods, the respondent is offered an excerpt from a story on the topic under study and asked to complete the story in their own words.

Situation construction methods are projective methods that require the respondent to come up with a story, dialog, or describe a situation. They are very similar to situation completion methods, but with situation construction methods, the respondent is shown less background information and asked to give a more detailed answer. The most commonly used two main methods of situation construction are picture response and animated tests. The picture response method is when the respondent is shown a picture and asked to tell a story that describes the picture. The pictures can be either clear or fuzzy, and they can depict both real, ordinary things and unreal, not quite ordinary things. The respondents have to come up with a story that describes the picture or tell what the picture shows. This is how the individuality and personality of the respondent is determined. The animation test method - when the pictures depict different cartoon characters in different situations and the respondents have to respond to the comments of one of these characters. In this way, the respondent's views, emotions, opinions, beliefs, and attitudes toward a particular situation are recognized. Animated tests are easier to use than picture tests.

Expressive methods also belong to projective methods. When these methods are used, respondents are presented with a certain situation orally or visually, and third-person respondents are asked to express feelings, emotions, thoughts, i.e. to tell how other people feel in this situation. The two main expressive methods are role play and the third-person method. Role play is when the respondent plays the role of another consumer in a certain situation and explains his/her behavior in this situation, but is guided by his/her own emotions and feelings. The third-person method involves the respondent describing the thoughts, reactions and behavior of another consumer in a certain situation, which is presented to the respondent orally or visually. When describing the behavior of another person, respondents are also guided by their own feelings and emotions.

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3. Study of the potential of internet marketing in promoting brands in the fast moving consumer goods market in Ukraine

PREFACE

Internet marketing tools are especially important in the context of limited budgetary resources during transformation processes. Its customer-oriented approach, which is not inferior to traditional marketing, allows changing the very paradigm of doing business, creates favorable conditions for the functioning and development of enterprises of various sizes, forms and industries. Today, almost the entire population of developed countries has access to the Internet environment and each user can quickly find the necessary information. At the same time, the dynamics of Internet expansion continues. This is mainly due to countries with a relatively low level of development.

Internet marketing can be considered a new marketing concept of the 21st century, while at the same time acting as a means of promoting and selling goods and services. At the same time, its significant drawback is that its systematic application today is impossible without a full scientific justification. In practice, Internet marketing is often used in a fragmented manner, without the formation of integrated systems for promoting and selling products. In addition, new tools and means of promoting and selling products are constantly emerging in the field of Internet marketing, and some outdated tools are losing their relevance. This situation requires constant monitoring of Internet marketing effectiveness evaluation systems. That is why research in this area is highly relevant.

The scientific achievements of Internet marketing are presented in the works of numerous Western scholars: I. Ansoff, B. Berman, R. Blackwell, S. Dibb, E. Dichter, P. Doyle, P. Drucker, F. Kotler, A. Koshkin, X. Meffert, J. Nielsen, A. Thompson, D. Trout, R. Wilson, X. Hershgen and many others. The study of Internet marketing among domestic scientists is carried out in the works of E. M. Azaryan, L. I. Arkhipova, L. V. Balabanova, N. Y. Vlasova, A. N. Germanchuk, O. M. Oklander, O. V. Tkachuk, O. O. Sevonkayeva and many others.

The purpose of this paper is to form a system for the development of Internet marketing at domestic processing enterprises based on the data of theoretical and applied research.

The object of research in this paper is the system of Internet marketing of Bayadera Ukraine LLC in the field of fast moving consumer goods.

The subject of the research in the monograph combines a set of indicators, properties and features of Internet marketing in the activities of a trade and production enterprise.

The theoretical and methodological basis of the study includes scientific publications in the form of published scientific articles, scientific notes, and materials of scientific conferences. Textbooks, monographs, collections of scientific works of domestic and foreign scholars, etc. are used. Expert publications in the field of activity, materials of statistical services, regulatory legal acts, etc. are used. The information base also includes web analytics data, thematic and industry-specific portal data, and analytics of Internet services.

The study involves the use of a wide range of methods, including: structural, logical and semantic analysis (to clarify and organize terminology in the system of Internet marketing categories), logical method (study of marketing paradigms and concepts), comparative economic analysis (analysis of indicators of dynamics and structure of enterprises); statistical methods (forecasting of expected results). Microsoft Office and Microsoft Excel packages were used to generate tables, graphs, charts, flowcharts and general processing of statistical information.

The monograph consists of an introduction, three chapters, a conclusion, a list of references and appendices.

3.1. Theoretical foundations of the study of internet marketing in the activities of processing enterprises

A special feature of marketing activities and its role in ensuring the company's functioning is the overall complexity and breadth of the activity. Thus, marketing activity has a direct or indirect impact on most elements of the structure of the organization's activities, starting from the planning stage (determining the market, scope of activities and planning its organization, etc.) to direct product promotion, after-sales service, etc.

The importance of understanding the role and place of marketing within the functioning of a modern enterprise determines the need for their disclosure from the point of view of scientists and industry professionals. Only after that, we will be able to focus more specifically on the disclosure of its specific features in the online environment.

The most general and classical approach to the definition of marketing was applied by F. Kotler, who noted that marketing is a special specific type of activity aimed at meeting the needs of the organization's consumers through exchange. It is noted that this process should be more effective than that of competitors [1, p. 47].

The American Marketing Association defines marketing as a system of methods and tools used to effectively sell through the formation of. Positioning, as well as displaying the benefits of the organization's goods and services, thereby creating value for consumers and other contact audiences [2, p. 102].

According to H. Maffet, marketing is a type of management activity that includes planning, coordination, implementation and control in the market environment in the current and potential markets of the enterprise, while this activity is constant [3, p. 51].

According to the domestic scientist S. V. Mocherny, marketing is a kind of system for managing and organizing the company's activities in the development and sale of new products, based on the results of market research, and aimed at end users in order to best meet their needs, in order to make a profit [4].

According to the definition of E. P. Golubkov, marketing is a socio-managerial process that forms the conditions under which individual consumers satisfy their own needs by obtaining the goods and services they need through exchange [5].

Summarizing these studies, we can define marketing as a certain philosophy of doing business, which is manifested in the analysis and research of the market environment in order to determine its characteristics and adjust its own activities to best meet the needs of consumers to maximize profits.

Innovations play a key role in this process. It is innovations that determine the general specific features and peculiarities of collecting and analyzing material about the internal and external environment, as well as enable the company's goods and services to stand out from competitors and better meet the existing needs of consumers. Innovations are manifested in all areas of the company's marketing activities and are a key component of ensuring the availability of competitive advantages, which helps to strengthen the overall market position and contributes to the company's sustainable development.

In the context of innovation, the Internet environment plays a special role, and its role and place in the activities of a modern enterprise can hardly be overestimated. The active development of the Internet has created a convenient and effective channel for finding and influencing consumers. At the same time, the overall dynamic development of the sphere determines the constant emergence of new means and tools of influence, which makes it more effective and dynamic.

The overall development of digital tools for influencing consumers is directly related to the overall technical development. The active evolution and increasing role of marketing has created a situation in which, in the activities of a significant number of companies, the role of Internet marketing is not inferior to traditional marketing methods and tools, and in some cases, has a much greater impact or is characterized by the use of exclusively online tools.

The standard interpretation of Internet marketing is based on the fact that it is a type of marketing that uses elements of traditional marketing, but is adapted to the online environment [6].

The global pandemic and related quarantine measures, which resulted in a significant number of people being restricted in their physical movement and made Internet technologies the most effective means of communication with the “outside world,” have become a major impetus for the development of digital technologies in the field of communication. The use of the Internet has also become more frequent in business operations, not only due to restrictions on employee movement, but also due to a significant decrease in the level of certain traditional communication channels, which has led to the need to find alternatives [7].

In order to provide a more accurate description of the enterprise's activities in the Internet environment, we need to consider its main components. Thus, the general specificity of the enterprise's marketing activities in the field of classical marketing is considered through the prism of the marketing complex. The classic and most popular approach in this area is the 4P marketing mix, which is formed from such components as product, price, place, promotion. The use of these tools is also appropriate in the context of Internet marketing. At the same time, their use in this environment determines certain specific conditions of their application.

The specifics of operating in the online environment, in some cases, allow companies to operate in the absence or minimization of their own warehouse stocks. In such cases, the company acts as an intermediary between the manufacturer and the customer. In addition to its own delivery service, a company can use couriers, postal and logistics operators to transport its products.

Among the main positive aspects of using marketing activities in the Internet environment is the absence of physical barriers and restrictions in the provision of its own services. Thus, a company can sell its own products both in the country of its base and abroad. It is also worth noting the significant potential for finding a target audience and attracting it, as the company is not limited by its physical location. This aspect makes it possible to develop even a very limited company on a large scale. As part of the implementation of specific types of services and products.

Among the positive components is the presence of general flexibility, which is characterized by the ability to make changes within the framework of its online activities, in accordance with the needs of the external environment, changes in market conditions, consumer demands and tastes, changes in the competitive environment, etc. Flexibility in the operation of the enterprise is also determined by the total set and the possibility of combining various communication methods and tools in order to build the most effective system of communication influence on the target audience. It is also necessary to determine the availability of a wide range of payment options, which can be made through a bank card or specialized payment services [10].

To summarize the main positive and negative features of the use of marketing methods and tools in the online environment, we present their main components in Table 1.1.

In addition to the positive aspects. It is also worthwhile to identify in more detail the existing disadvantages of its use. One of the main problems is the extremely wide opportunities for deceiving users and using fraudulent schemes. Thus, the user is exposed to a significant number of risks for him or her, and a general distrust of various little-known resources is formed. It is also possible to identify wide opportunities for the use of unfair competition in the Internet environment, among which it is worth highlighting the use of DoS attacks.

The problem with using this tool is that it may have a limited impact on certain categories of users, such as pensioners and people living in remote areas who do not have access to the Internet or the ability to receive goods.

Table 1.1 - The main positive and negative features of the use of Internet marketing by a modern enterprise

Positive features	Negative features
• Wide potential for reaching the target audience; • Possibility of extensive real-time tracking of performance indicators of all tools; • Lower costs to support the operation of the enterprise; • Providing convenient access to the company's offer for consumers; • The potential for an extremely large number of different methods and tools of communication influence;	• Wide opportunities for deception and fraudulent schemes; • Wide opportunities for unfair competition; • Lack of physical contact, which impairs the perception of products; • Effective use of online tools requires appropriate skills and competencies; • Lack of access to certain categories of consumers and geographical areas;

Continuation of table 1.1

• Possibility to apply individualization and personalization of the company's communication process, wider opportunities to form and maintain consumer loyalty; • Cheapness of application, compared to most traditional marketing tools.	• Active growth in the cost of using certain tools, as well as increased competition.

Source: Compiled by the author based on [6]; [8]; [9]; [11];

Today, the Internet component of an enterprise's marketing activities is an indispensable component of ensuring sustainable development and effective functioning in the modern dynamite environment. It is worth noting that the digital environment itself is also characterized by a significant level of dynamism of development, which is associated with general technological progress and increased computing power of technical means. All of this leads to the development and change of certain types of communication activity, as well as the active implementation and development of new communication areas.

The combination of individual ties that connect the consumer and his target audience on the Internet forms a set of communication tools that can be defined as a complex of marketing Internet communications. With a view to a general disclosure of the features and essence of this concept, we propose to analyze the theoretical information on this material, which was formed by individual industry experts.

Thus, as a result of the analysis of the theoretical approaches of various scholars, we can summarize the general ambiguity and lack of unified approaches to defining the main directions and tools of communication activities in the online environment. It is also worth noting the general mixing of these concepts, which is determined by the lack of a sufficiently established methodological framework, as well as the general dynamism and ephemerality of the Internet environment. As a result, we can point to ample opportunities for further research in this area.

Given the lack of a single approach and interpretation of certain areas of Internet marketing, we will try to summarize certain areas of this type of communication activity, which will be summarized in Table 1.2.

Table 1.2 - Key areas of Internet communication of the enterprise

Internet communications direction	**Main tools**	**Features**
Website	Online resources of various types (landing page, business card site, online store, promo site, etc.)	A key integrated communications tool that contains a variety of information and represents the company.
SEO optimization tools	External and internal optimization of the company's website to improve its position in the search engine.	It is used to strengthen the position of the website in the search engine, as well as to increase the level of interaction with website users.
External communication tools	Email marketing, aggressive marketing, viral marketing, RSS	The activity is aimed at increasing the overall recognition of a brand or its product in the online environment in order to increase the level of popularity and sales.
PR-activities	Online advertising (search, contextual, banner, video, etc.), sponsorship, online branding, and online PR.	The use of advertising tools to promote own products and communication outlets (website, mobile application, etc.) by combining different types of flow and combining them within the framework of interactive communication.
SMM-communications	Own social media presence, bloggers, etc.	Building and maintaining the brand image, increasing awareness, increasing the level of loyalty and building it, ensuring increased sales, etc. through the use of social media.

Source: based on [12]; [14]; [16]; [17].

The basic element of most communication complexes of individual companies on the Internet is an Internet site. This area is an integrated communication channel that acts as the core of the company's communication core, uniting all other components. This role is associated with the wide possibilities of customizing the website and the potential to use and combine various forms of communication impact of text, video, audio and their combination. General multimedia and the ability to interact between the user and the resource in real time also play an important role [19].

Describing a promo website and a business card website, it can be noted that these types of web resources are characterized by the presence of a small amount of information that is more for reference and contains a presentation of a certain project or company contacts.

A landing page is a single-page website that is used to visualize a certain product or company events. This site is used to present information in a concise but informative form in order to effectively influence the consumer. This tool is used to encourage the user to take an action, for example, to register, purchase a product, provide a link to the main web resource, etc.

The online environment is characterized by a significant level of opportunities for ensuring the functioning of an organization's PR activities. An enterprise can run its own blog, engage in sponsorship, charity, and raise awareness through participation in public events. A key role in using these tools in the online environment is played by their coverage using available online communication tools. One of the key roles in this area is played by the online media, which can help a company shape its image and increase awareness through publications, articles, interviews, etc.

It is also worth noting one of the key roles of social networks, which have an impact on a large audience, regardless of its geographical location, interests, social status, income level, etc.

The use of social networks is characterized by the application of advertising activities, which are quite effective due to the ability to customize a large number of segmentation parameters. Thus, the overall effectiveness of social media advertising is quite efficient.

Businesses can also use their own social media accounts, which are used to keep in touch with their audience, as well as to keep them informed about the company's life and activities, its products, congratulate them on holidays and provide useful information for consumers. In addition, the company can communicate with its consumers through correspondence in comments or personal messages.

A rather effective means of influence in social networks can be the use of opinion leaders who have their own stable audience that trusts the blogger and which he or she can influence for advertising purposes. Significant audience engagement with the blogger's content allows you to achieve a high level of conversion of the advertising message.

When analyzing online communications, it is impossible to ignore the place and role played by mobile devices as a means of accessing the Internet environment, as well as through the use of specialized applications. This type of communication allows you to reach a large audience, as mobile devices generate the bulk of traffic on the modern Internet. Thus, forms of communication through mobile devices include specialized applications, mobile advertising, SMS and push notifications, etc. [20].

The overall effectiveness of an enterprise's communication activities in the Internet environment is determined not by the effectiveness of using one particular channel or indicator, but by determining the effectiveness of the complex impact of all available methods and tools that should be combined into a single integrative structure.

The specifics of applying various methods of assessing the effectiveness of using various tools of the enterprise's marketing communications complex remain extremely relevant. Thus, the traditional components of marketing communications are characterized by the lack of unified effective approaches to their definition and analysis, the results of which can be presented to the management.

Analyzing SEO optimization activities, it can be noted that they are aimed at ensuring the effective functioning of the company's website. Therefore, the effectiveness of this activity is reflected in the overall efficiency of the resource. In addition, the main task of SEO optimization is to ensure that the position of a web resource in the overall ranking is increased, and therefore the overall position in it will demonstrate the results of the effectiveness of this type of communication activity.

A generalized indicator of the effectiveness of advertising activity in monetary terms is the return on advertising campaign or ROAS, which demonstrates the overall ratio of revenues generated from advertising activity to the total level of expenses for it. This indicator is calculated as follows:

$$\text{Payback rate} = \frac{\text{Advertising revenue}}{\text{Advertising costs}} * 100\% \qquad (1.1)$$

In the context of assessing the effectiveness of certain marketing tools, it is necessary not only to know the necessary indicators to be calculated, but also to know which methods and tools for analyzing and collecting information are best used. For example, a key tool for collecting and analyzing information about your website is Google Analytics, which contains a significant number of results that are easy to track over time. As part of the effectiveness of advertising campaigns, it is appropriate to use the tools in which they were launched, demonstrating their overall cost and effectiveness, so the most popular tool in this area is the Google Ads ad customization service. In addition to these services, there are many other tools for analyzing performance. They can be relatively free, built-in, or paid, and they can be used for web pages, ad campaigns, social media, and more.

Returning to the assessment of the effectiveness of the email itself, it is also worth noting such a component as Click-to-Open-Rate. It shows the ratio of the number of clicks on the link in the email to the total number of opens [27].

The overall conversion rate also characterizes how email is used. It shows the percentage of users who performed the targeted action relative to the total number of users to whom the message was sent. To assess effectiveness, you can also use the average number of sales after the campaign, the percentage of messages that reached the recipient, etc.[28].

Social media is also actively using performance indicators. This area is characterized by a large number of different indicators that can be grouped into four key blocks: user interaction; feedback effectiveness; specialist performance (responsible for this area of the company's activities); traffic generation and conversion efficiency.

Thus, when analyzing the effectiveness of user interaction, we can note the importance of such indicators as the number of likes, subscriptions, unsubscribes, subscriber growth rates, the number of views of publications over a certain period of time, as well as the reach of its own audience (the ratio of views to subscriptions). The assessment should also take into account the reach through free or organic channels and paid methods [29].

Ensure the process of effective feedback evaluation. There are a number of indicators that demonstrate a certain reaction to the firm's publications. For example, there is the “attractiveness coefficient,” which demonstrates the share of users who have “liked” a publication. Another important indicator is the level of audience activity in the comments to individual publications, which allows you to determine both the effectiveness of the publication itself and the level of audience engagement in general. From this point of view, it is also worth highlighting the user indicator. This is the number of people who have shared a post with other users.

Among the performance indicators, you can also determine the frequency of publishing new posts, the average duration of the audience's reaction to the post, the overall frequency of responses, the % of requests that were answered by company representatives, etc.

Social media also uses standard indicators, both quantitative and qualitative: traffic; number of clicks; % of targeted actions, etc.

The collection and evaluation of the effectiveness of indicators can be carried out both manually (this may be appropriate in the case of competitor analysis) and with the help of internal social media analytics services and specialized services (Socialstats, Popsters, etc.).

These indicators are evaluated using internal social media tools and special free and paid information resources (Socialstats, Popsters, etc.).

It is worth noting that the assessment of the effectiveness of the use of Internet communications should be carried out not only at the level of individual areas or tools, but also generalized in the overall performance indicators of the company's communication activities in the Internet environment. These evaluation indicators can be quite diverse (increase in market share, recognition, image, growth of loyalty, number of attracted customers, etc.) However, the most common and effective indicator is the return on investment (ROI). This indicator is universal in terms of its use in the business environment, with the help of which it is possible to assess the economic efficiency from each specific tool to the assessment of the company's activities as a whole. The indicator is calculated as follows:

$$\text{ROI} = \frac{\text{Revenue level} - \text{Expenditure level}}{\text{Level of expenditures}} * 100\% \tag{1.2}$$

The main advantage of this indicator is its general universality. It is worth noting that when assessing the effectiveness of Internet marketing communications using this method, it is necessary to take into account the amount of money spent on this type of activity and the income received from it [27].

Summarizing the work carried out in this section, we can note the general complexity and ambiguity of the concept of “Internet marketing”, which is due to its versatility, breadth of application and active transformation. This area of communication activity is being actively studied due to its relevance and growing role. The most classical approach to understanding this concept is to define it from the standpoint of a traditional marketing complex used by an enterprise, which acquires specific features in the online environment.

As part of the practical activities of enterprises, Internet marketing is used as an additional system within the overall communication marketing system of the enterprise, in order to influence consumers and as an additional channel for selling products. At the same time, in the online environment, issues related to product and pricing policy are largely similar to these activities in the offline environment. Thus, the main focus of the company's orientation is communication activities. Its effectiveness is based on a significant number of methods and tools that try to attract as many audiences as possible, inform them, retain them and encourage them to take certain actions. It is within the framework of these activities that it is necessary to build a company's communications system in the online environment.

Currently, the Internet environment provides an extremely large number of different methods and tools for influencing the audience, which leads to the existence of a significant level of approaches to their analysis and classification in the scientific environment. Within the framework of a generalized approach, the following key areas of activity can be distinguished: website, SEO optimization, external communications, PR activity in the online environment, social networks, mobile applications, etc. It is worth noting that each of these areas and tools is characterized by its own specific features that distinguish it from other types of communication tools. This also means that each of the channels has its own specific audience, which necessitates the use of several tools at once. The formation of an integrated complex of marketing Internet communications should be based on the totality of all areas of communication activities in this area, which should actively interact with each other and create a comprehensive impact on the target audience.

The specificity of using Internet communications lies in a significant and wide range of tools for tracking and analyzing their effectiveness. Each of the existing areas and tools is characterized by both general and specific performance indicators. General performance indicators are related to tracking general indicators of resource popularity, user engagement, specific forms of contact, conversion rates, financial performance indicators of a particular communication channel, etc.

It is also important to determine other performance indicators, both within individual tools and in general areas, as well as for online communications in general. For this purpose, it is most appropriate to use universal indicators of economic efficiency, such as ROI (return on investment). Let's consider the results of applied research in the rapidly changing consumer goods market.

3.2. Studying the effectiveness of internet marketing in promoting the products of enterprises in the fast moving consumer goods market

Let us consider the path of successes and failures of the Bayadera Group, the largest alcohol holding in Eastern Europe, which was established in 1991. The company's website: https://bayaderagroup.com/uk/.

"Bayadera Group unites core assets in the alcohol industry - distribution companies and several of its own production sites. The company owns a popular portfolio of its own alcohol brands in various categories and is an exclusive importer of the world's most famous alcohol companies. One of the main exporters of alcoholic beverages in the world, the company's export map includes more than 45 countries. The company is also the largest employer in the industry, employing more than 6 thousand people worldwide. The company's distribution network in Ukraine includes more than 30 representative offices across the country. The company is a major taxpayer and budget contributor in the industry.

The well-known brand 'Kozatska Rada' is currently the world leader in terms of growth among vodka products. Official website: https://kozatska-rada.ua/.СторінкаFacebook (Fig. 2.1).

It should be noted that the share of the Kozatska Rada brand in the overall sales structure of vodka of Bayadera Group has already reached 35 percent. According to some industry experts, the success of this brand is largely due to a significant increase in public support for patriotic brands (Fig. 2.2).

It should be noted that in some markets the brand is represented under other names, while maintaining the brand identity. The second most common brand name in the world is Kozak https://bayaderagroup.com/en/catalogue/vodka/kozatska-rada. The need to use a different, somewhat simplified brand name is due to the difficulty of pronouncing the original name in the markets of other countries.

Fig. 2.1. Total sales of the Kozatska Rada brand in the world in 2021.

Source: https://edition.pagesuite.com/html5/reader/production/default.aspx?pubname=&edid=99b53229-8276-4b6e-a2db-f3608b972a25

The brand is positioned as a premium brand. The price on the market is 10%-20% higher than vodkas in the mid-price segment. Due to the higher price, approximately the same cost of production and unit costs, the brand's financial result accounts for 50% of the total profit.

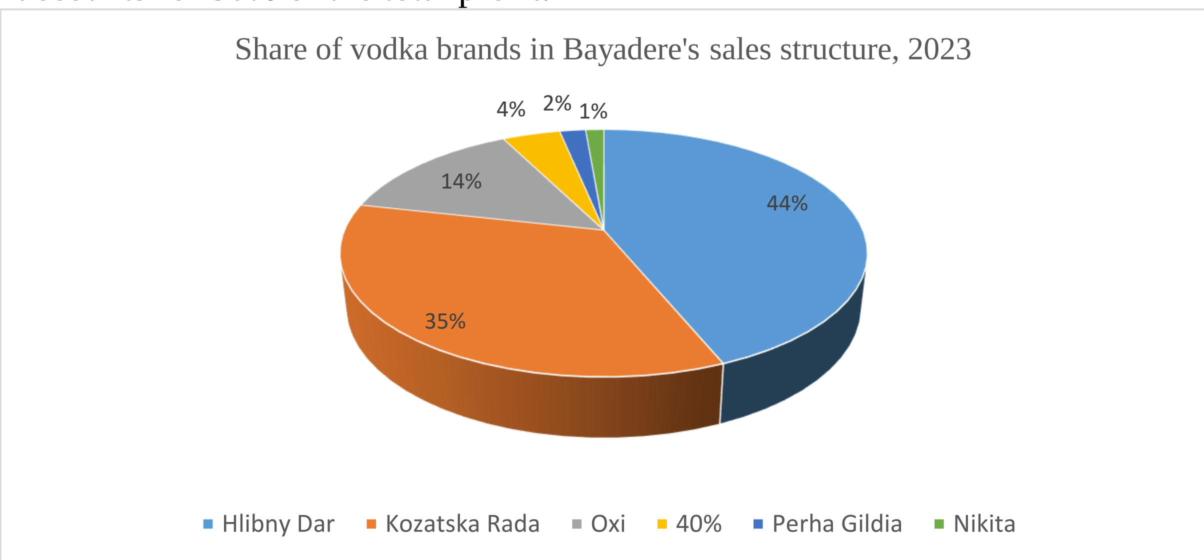

Fig. 2.2. Structure of the vodka market by individual brands.

Source: Data from the Bayadera website https://bayaderagroup.com/en/. Author's research.

In other markets, the brand is represented under different names, while maintaining the brand's identity. The most widespread brand name in the world is Kozak https://bayaderagroup.com/en/catalogue/vodka/kozatska-rada, which was a prerequisite for using a different, simplified and well-known history of our people, and due to the difficulty of pronouncing the original name in foreign languages.

The domestic market occupies a predominant share in the sales structure of these products and has already reached more than 80 percent of the total sales of this brand. In 2023, after the full-scale invasion of the Russian Federation, the brand was forced to change its logo, removing the letter Z, which was actively used by the occupying forces. As part of the Brand Health Diagnostics study, an additional stage was conducted to investigate the knowledge of the new logo of the Kozatska Rada brand. As a result, it was found that half of the consumers paid attention to the logo change, and the vast majority perceived these changes positively.

The study confirmed an increase in knowledge, trial and consumption of the Kozatska Rada brand over 3 months. The share of regular customers of the brand remained at the level of 2021 - the new audience of consumers could not be retained. As a result, there is a decrease in conversion from consumption in 3 months to loyalty. However, the brand demonstrates positive potential, as there is a significant increase in the level of spontaneous knowledge and the share of those who are ready to consider Kozatska Rada products before buying. 46% of consumers of the brand who have purchased it in the last 3 months have noticed the change in the logo, and the vast majority of them (78%) said they liked the change.

However, there was no impact of the logo on brand knowledge, consumption, and loyalty - the brand's performance at all stages of the consumption funnel is identical to the previous measurement (Fig. 2.3).

As part of the consumption study, a map of the potential of vodka brands in Ukraine was built. It was based on the ratio of brand awareness and consumption. The brands were divided into four groups: Newcomers, Developing, Fading, and Leaders.

The Kozatska Rada brand is included in the Leaders group and has the potential to grow by increasing knowledge gained through advertising.

Given the perception of the brand as the most expensive in the portfolio of other vodkas of Bayadera Group and its share in the company's financial results, it can be considered the most successful, profitable and attractive for investment (Fig. 2.4).

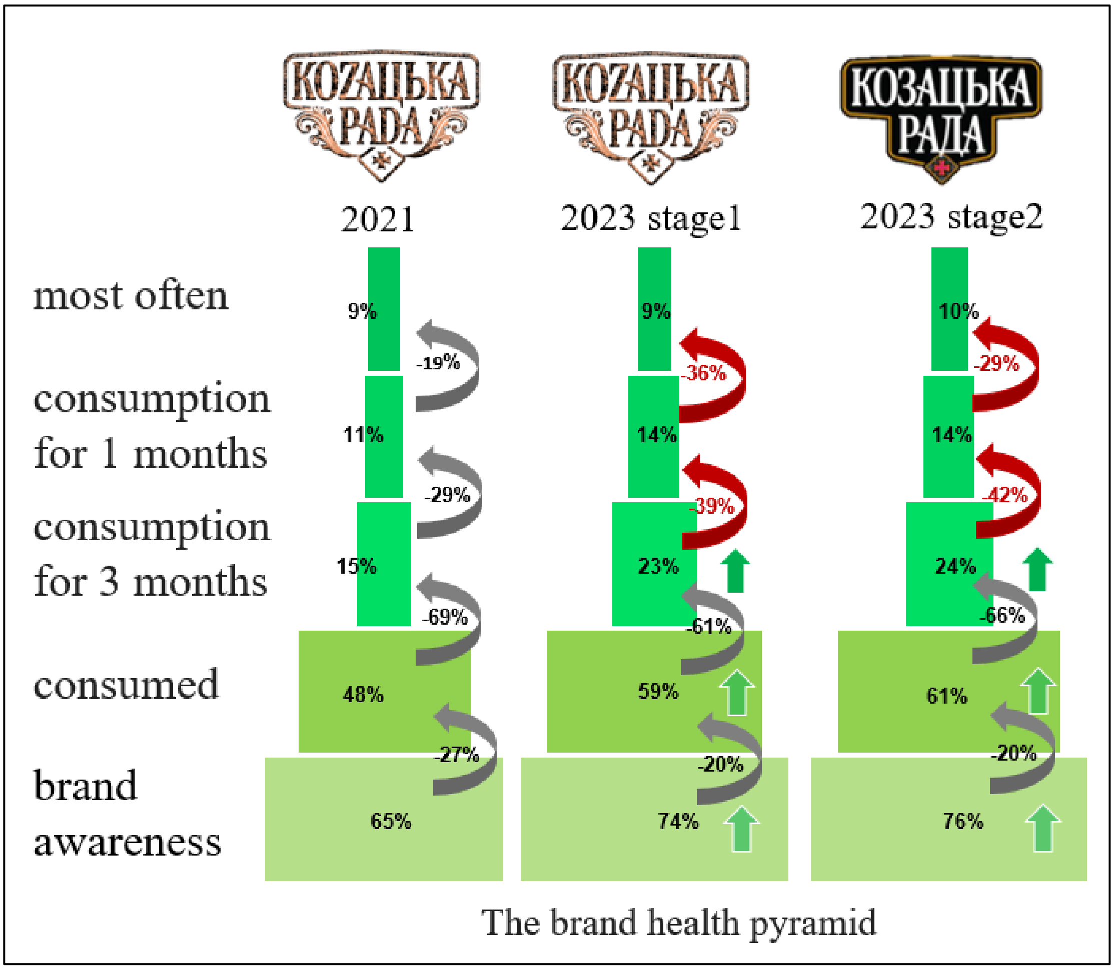

Fig. 2.3. The results of the quantitative research “Diagnostics of brand health in the vodka category”. 2023.

Source: Author's research.

Our research convincingly proves that in the vodka market, it is the brand that is of primary importance, not any quality features of these products, and therefore its recognizability is an equally important integral indicator of successful sales. Let's conduct a small experiment: let's try to name the most technologically advanced car, the coolest cell phone, or the largest online store. We are confident that all contact audiences will think of Tesla, iPhone, and Amazon. These are the companies that have developed simple and clear strategies for promoting their own brands on the market. This list of successes in various fields can be continued, but the bottom line is that when choosing two similar products on the market, consumers will most often prefer the product of a better known brand. Therefore, increasing brand awareness is one of the key tasks in promoting domestic products on the market. Next, let's take a closer look at the fundamental principles, methods and principles of communications management even under martial law.

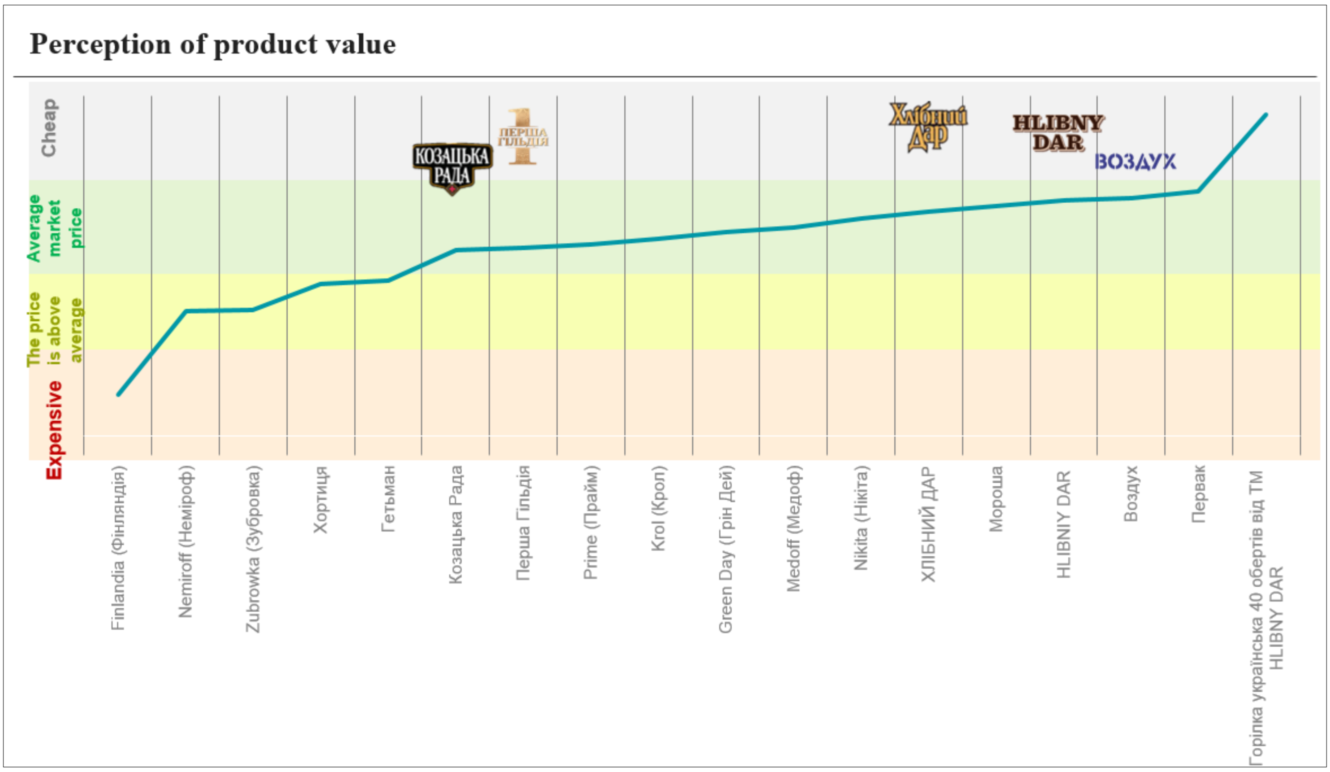

Fig. 2.4. Ranking of vodka brands by investment attractiveness. 2023.
Source: Author's research.

What does brand awareness in marketing mean to the authors? Brand awareness is a definition that indicates the degree of familiarity of the target audience with the company. Brands with high brand awareness are often called "trendy," "noteworthy," or simply "popular." Working to make a company famous is of great importance in promoting its products at almost all stages of business development.

Some people consider brand awareness to be a relative and fuzzy concept. For marketers and entrepreneurs who prefer to measure success with concrete numbers, it can be difficult to quantify. However, the fact that it can't be measured unambiguously (although we'll offer you some ways to do so later) doesn't diminish its importance.

So why work on increasing brand awareness? In a world where consumers thoroughly research the market before making a choice and make decisions based on reviews and recommendations, trust in a company is a key factor. When users get to know your brand and associate it with quality, it becomes easier for them to make purchasing decisions. In other words, brand awareness builds trust.

Another important point. When a brand becomes famous, users have associations with it. Using the brand name instead of the generic name of the product shows a strong connection between them in people's minds. In general, businesses should definitely set a goal to increase brand awareness in order to:

- draw users' attention to their product;
- inspire a sense of trust among consumers
- maintain sustainability in a competitive environment;
- consolidate its value in people's minds;
- attract investments and business partners.

The level of recognition is an indicator of the effectiveness of marketing efforts. If this indicator does not increase, it is necessary to review the promotion strategy. It is also important that customers associate your company with positive impressions.

To understand what level your company is at, we suggest you familiarize yourself with the 4 stages of its development and how to measure brand awareness.

Absolute obscurity. At this level, consumers are completely unfamiliar with the brand and have no idea about the products or services offered by the company. This level is typical for new brands that have just appeared on the market.

Recognition with a hint. At this stage, consumers can recall the brand when they have some clues (e.g., logo, corporate colors, slogan, packaging, and other associations with the product). Without external reminders, consumers do not come to the brand. This level of recognition is most often characteristic of small companies. Such an association can also occur when choosing inexpensive products.

Spontaneous recognition. This stage is evidenced by the fact that consumers can identify a brand without external cues and reminders. The brand name is associated with specific goods or services. This level of recognition is most often characteristic of large companies.

For example, when people in Ukraine hear the word "chocolate," some consumers think of Roshen, others think of Milka, and others think of Toblerone**.**

Top of Mind (the first brand). We mentioned such examples above. At this level of recognition, consumers associate an entire product category with a particular brand, and the company name often becomes generic for these products. For example, there are many manufacturers of copiers, but consumers can name only one - Xerox. The same is true for the name of a search engine or, for example, an electric car.

How can we measure brand awareness and how exactly can we do it? The importance of the benefits of a quantitative approach is indicated by the fact that tracking this parameter can help our businesses

- understand how they are perceived by consumers;
- assess the effectiveness of marketing campaigns
- identify the main problems in product promotion and analyze the influence of competitors;
- understand how to improve marketing strategy and brand positioning.

More precisely, the final conclusions can be drawn by analyzing the dynamics of changes in these indicators.

There are several methods for measuring brand awareness:

Polls. They can be conducted on social media and other platforms. For example, ask people to fill out a questionnaire. The list may contain questions without hints, asking respondents to name companies related to a certain category of goods or services. You can also show logos and ask for brand names.

Collecting analytical data. Google Analytics tools allow you to track how often users search for a brand in search engines, what keywords they use, and how changes traffic to the company’s website. Here you can see how often people use branded queries and evaluate user engagement.

Monitoring social networks and other media. On platforms like Facebook, Instagram, and other social networks, you can analyze your audience's reach and mentions of your brand. The information obtained will allow you to assess consumer attitudes toward the company and its products. This method will allow you to establish prompt feedback, resolve possible disputes, and establish communication with your audience. To track brand mentions on the Internet, we recommend using tools such as Google Alerts, Mentionlytics Brandwatch, and others.

Brand Lift research. This method is used when launching video ads on YouTube and allows you to evaluate the memorability of the advertising message, the level of brand knowledge, interest in it, and changes in consumer preferences after advertising (Fig. 2.5).

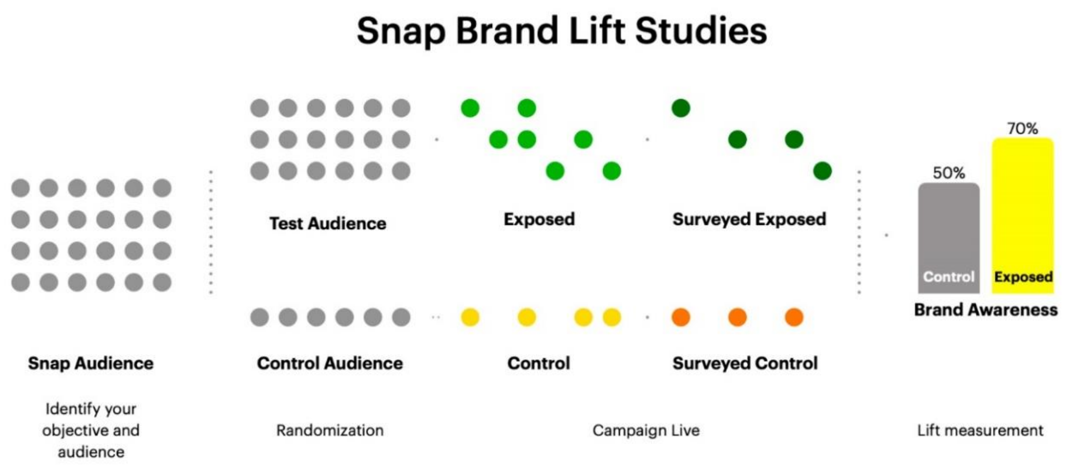

Fig. 2.5. Stages of brand marketing research.
Source: https://businesshelp.snapchat.com/s/article/brand-lift?language=en_US

Once the data is collected, you need to analyze brand awareness. It is important that there are no unambiguous indicators that would directly indicate the success of a campaign to increase awareness. To analyze the effectiveness of such marketing efforts, a correlation with other parameters is often used: profit growth, increased traffic, or conversion. For example, a company may notice that after launching contextual advertising, there has been an increase in brand name searches and traffic to its website. This suggests that advertising has had a positive impact on brand awareness.

In our opinion, it is advisable to use various brand awareness metrics, including the number of impressions, the number of unique users, CTR, engagement rates, and others, and measure them after each campaign. This will allow you to understand which channels of communication with customers have proven to be the most effective and make timely changes to your marketing activities.

Increasing the company's awareness among the audience is not an instant process. This result cannot be achieved through a simple advertising campaign. To have a long-term impact on target audiences, you need to take many simultaneous steps that go beyond mere attempts to attract customers.

Let's take a closer look at some of the principles of brand development:

1. Present yourself as a person, not a company. Just as we take an interest in the life and personality of a new friend, your brand should define its characteristics and promote them. You should position yourself as something more than a company that sells goods or services. Try to present your brand as you would recommend it to a new friend.

2. Establish contacts. Active exchange of information with the audience is an important factor. Communicating on social media, answering questions, commenting and sharing content can significantly increase the company's awareness.

3. Tell a story. Storytelling is a powerful marketing method. It makes a brand much more human and adds depth to it. It can be a story about the founder, the origin of a product idea, or a business success story.

4. Make information sharing easier. Allow the audience to share content easily. Word-of-mouth marketing, where people share information about a brand with others, is one of the most effective ways to build trust among customers.

If your company is focusing on increasing brand awareness, remember that it's not just about talking about increasing sales, but rather about building long-term, mutually beneficial relationships with your customers. Our research suggests that the following tools can help with this.

Contextual, targeted, video, and other advertising will help you convey brand information to a wide audience. Professionally prepared and memorable creatives can significantly help raise awareness of your company. The key is to make the brand stand out from the crowd.

Partnerships and sponsorships. A company can help movements, campaigns, or events by providing financial or informational support. This allows the brand to access the audience that is interested in these events. For example, Swarovski supported the international forum Design Miami for interior designers, where it created a unique installation using crystals.

Posting content on external platforms. This type of marketing involves the use of third-party platforms to promote a company: niche media resources, blogging platforms, and others. It can also include guest posts on social networks. This method of promotion helps to expand the audience reach and increase brand trust.

Social media. An active presence on social media can significantly improve a company's recognition in the eyes of the public. Due to the close interaction between the brand and the target audience, social media activity helps to remember the brand name even for those who have not yet become its customers.

Organizing events. Events to increase brand awareness are a great way not only to draw attention to a brand, but also to communicate its values and position. For example, Nova Poshta recently initiated the World's Longest Marathon. This charity race is intended to support the memory of the heroes who defend Ukraine's freedom. In connection with this event, a collection of charity sports merchandise was released in collaboration with Ukrainian brands PAKA and DF Original.

SEO optimization. Reaching the top of organic search results is the main goal for a website. People trust those companies whose web resources are at the top of search results the most. The advantage is that the site will be displayed to users in response to their queries when they show interest in the company's product or services. Search engine optimization is not the fastest way to optimize your website, but it is one of the most reliable, and you don't have to pay extra for traffic coming to your website from search engines.

Referral programs for regular customers. Referral programs are cooperation between a company and its customers, who are rewarded for attracting new ones. In fact, it is a way to increase brand awareness with the active support of existing customers, which is a profitable and reasonable solution.

Maintaining an informational blog. Creating and maintaining your own corporate blog not only helps to improve your website's position in search results. It also provides users with answers to their questions, shares useful information, and up-to-date news. This approach allows a brand to shape its image, increase its level of trust, and remain recognizable.

We considered the analysis of existing mistakes in the work on improving brand awareness on the Internet to be an important stage of this study.

As we have found, there are cases when companies work very hard and try to solve the problem of how to increase brand awareness, but make significant miscalculations. Such problematic cases include situations where:

seek a sharp increase in recognition and set unrealistic goals for marketers. In this case, we recommend that you remember that the process of increasing awareness usually starts with the level of awareness of the tip, then moves on to the next stage. And in order to become the "first" brand, you will need an appropriate budget and expertise;

try to involve celebrities in advertising the company at the initial stage of promotion. This can be not only expensive, but also not always a justified decision. When celebrities are used in advertising, people are likely to remember the person better than the brand they advertise;

acting mechanically. Sometimes publications about a brand look lifeless. Such information quickly becomes information noise, and users skip it. Remember that people want to communicate with other people and buy from real interlocutors, not robots.

In the end, every trademark strives to become a brand, but not always the manager is ready to work constantly to improve the reputation. Check every action with how much it affects the company's reputation and whether it works to increase brand awareness. If you always keep this in mind, success will surely come.

Thus, brand awareness is the extent to which consumers can identify which company is the manufacturer of a particular product. The logo, name, corporate colors, and packaging design are used as identifiers. The extent to which a person can recall the existence of a brand often determines his or her decision to purchase a product.

One of the most effective methods for assessing brand awareness is the recognition rate. It is calculated as the ratio between the number of potential customers who know about the brand and the total number of such customers. One method of measuring brand awareness is the frequency of brand-related search queries. This metric can be calculated using Google Trends.

It should be borne in mind that the level of brand awareness demonstrates how well people can identify a company by its name, logo, and other external characteristics. This indicator shows the level of trust and loyalty to the company. Before a buyer makes a decision to choose a particular product, he or she finds out who created it. Therefore, brand awareness is the first step on the consumer's path to a decision to interact with the brand. Depending on how quickly consumers can identify a brand, several levels of brand awareness are defined. These are the stages of absolute obscurity, recognizability with a hint, and spontaneous recognizability. And, of course, top brands dream of becoming Top of Mind - the "first" brand.

Marketers characterize the Ukrainian vodka market as a "red ocean" - fierce competition and significant and often unpredictable limitations to growth opportunities. Market leaders have very strong positions in the key indicators of their brands in Top of Mind. They built their knowledge many years ago on a relatively low level of advertising noise and without specific restrictions on alcohol advertising. In today's environment, it is unfortunately almost impossible for "young" vodka brands to build such a high level of awareness.

According to the knowledge activity coefficient (spontaneous knowledge/knowledge with a hint), four Ukrainian vodka brands should be distinguished, in order of their rating: Nemiroff, Khortytsa, Hlibny Dar and Kozatska Rada. According to the above, these brands are also in the sales ranking and make up the so-called "first tier" of vodka brands. These four brands account for 80% of total vodka sales in Ukraine. That is, knowledge equals sales (Figure 2.6). Based on the knowledge of brand advertising, we can track the impact of advertising on the growth of spontaneous knowledge and knowledge with a hint. This is a direct correlation. Knowledge of the brands whose ads have been seen has increased. After the coronavirus epidemic spread in Ukraine, almost all brands with FMCG products tried to work through marketplaces. As a result, some businesses were very satisfied, while others were disappointed. So we tried to figure out what is happening in FMCG at Rozetka, the largest marketplace in Ukraine. In November, this service received 22 million audience members. The analysis of the collected data showed a significant stratification of the positions of certain categories on the Rozetka marketplace.

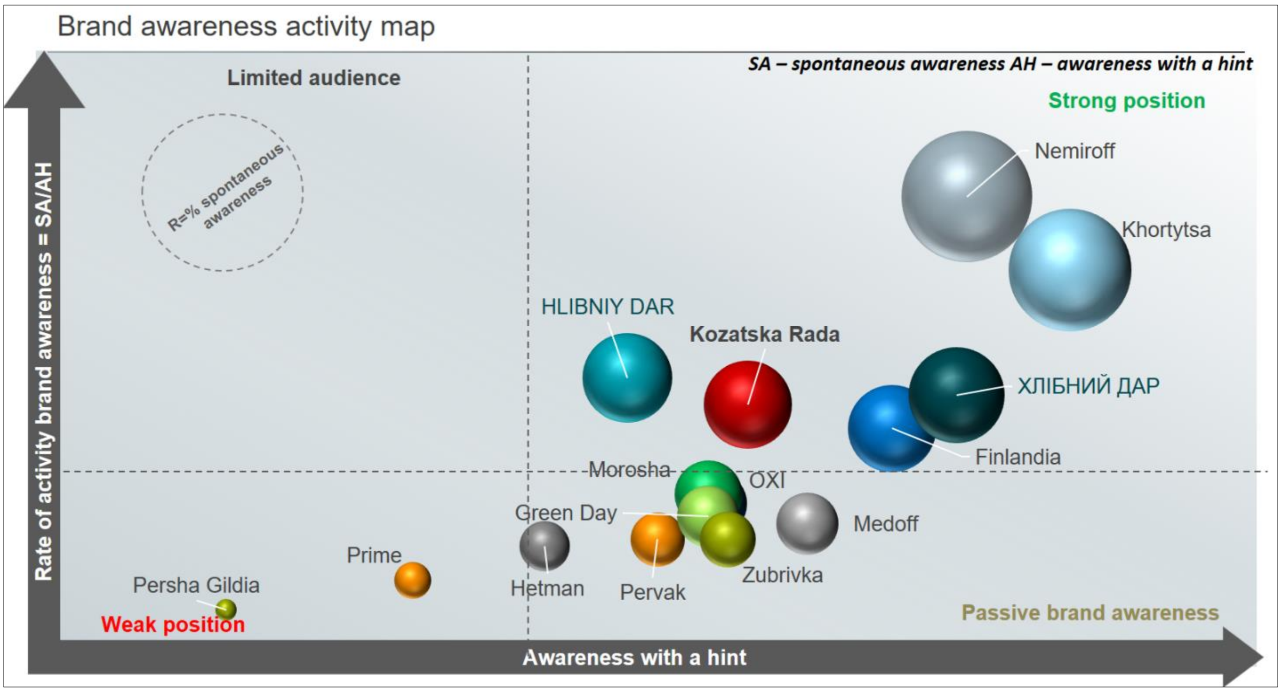

Fig. 2.6. Rate of activity brand awareness. 2023.
Source: Author's research.

In terms of the dynamics of brand awareness with a hint, imported vodka brands Zubrovka, Finlandia and Ukrainian "second tier" brands are growing in Ukraine GreenDay, Hetman (Fig. 2.7.).

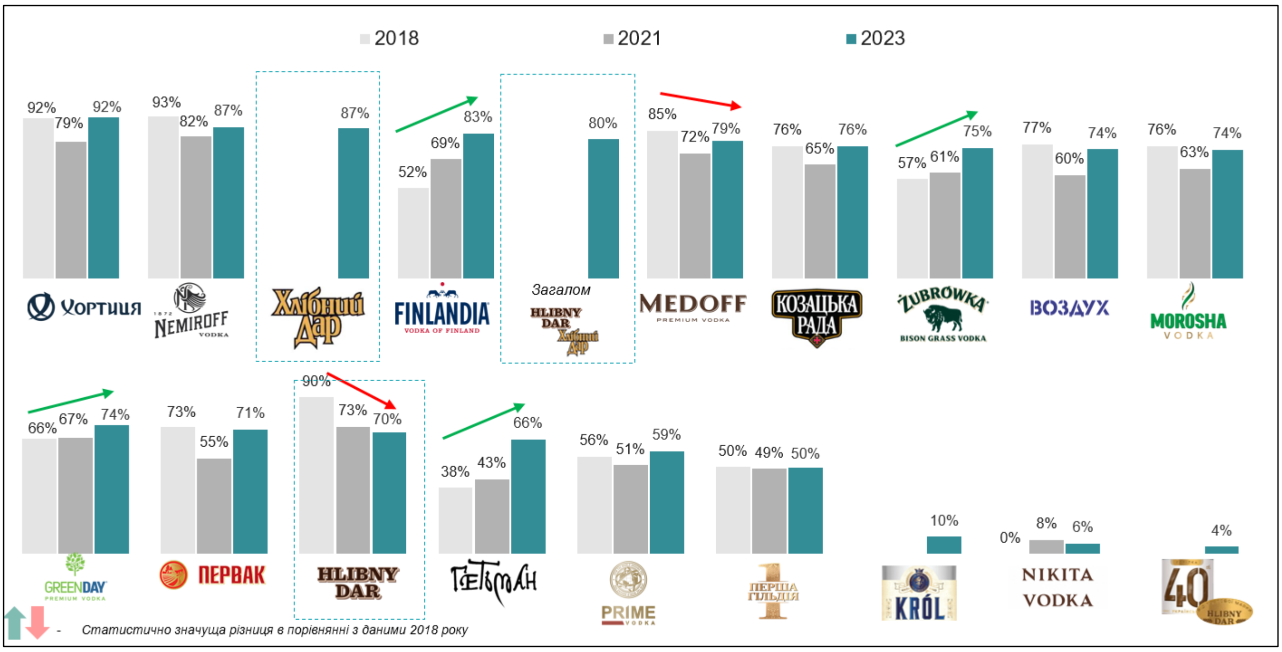

Fig. 2.7. The dynamics of brand awareness with a hint. 2023.
Source: Author's research.

Based on the knowledge of brand advertisements, we can track the impact of advertising on the growth of spontaneous knowledge and knowledge with a hint. This is a direct correlation. The increased knowledge is related to the brands whose ads have been seen.

Consumers see most vodka brand ads on the Internet. These are mostly video ads on YouTube. It should be noted that direct advertising of alcohol and tobacco is prohibited in Ukraine. The use of digital tools allows us to circumvent these restrictions within the framework of Meta's alcohol advertising policy (Google, Facebook, Instagram). In traditional ATL tools (TV, Radio), alcohol advertising is allowed only at night from 23:00-06:00. Outdoor advertising of alcohol is completely prohibited. Thus, in order to reach the largest share of the audience in Ukraine, the brand uses Western digital tools that allow advertising during the day, although there are no significant restrictions on audience targeting and the "alcohol" label for such advertising (Fig. 2.8).

Sources of advertising

		YouTube commercial	The brand sponsored a TV program (movie)	The brand was a sponsor of the event	Advertising on the Internet	Advertising on the radio	I saw this brand in a movie	Advertising elsewhere
Khortytsa	98	41%	27%	16%	63%	9%	10%	7%
HLIBNIY DAR	88	35%	29%	5%	55%	11%	7%	11%
Nemiroff	86	46%	16%	24%	65%	6%	16%	13%
Finlandia	84	51%	25%	8%	51%	8%	10%	8%
Kozatska Rada	74	42%	32%	12%	55%	5%	4%	12%
Green Day	63	35%	25%	12%	60%	8%	7%	8%
OXI	37	32%	21%	13%	61%	3%	0%	8%
Morosha	35	33%	24%	6%	52%	9%	6%	12%
Hetman	31	45%	27%	18%	61%	6%	0%	18%
Zubrowka	31	42%	18%	13%	53%	5%	18%	26%

Fig. 2.8 Sources of vodka brand advertising. 2023.
Source: Author's research.

Statistics show that 85% of Internet users access the World Wide Web regularly. According to various studies, Internet penetration in Ukraine ranges from 76 to 82%. Thus, the Internet is becoming a real addiction among the population (Figure 2.8).

Fig. 2.8. Internet coverage of the Ukrainian population by age, 2023
Source:https://www.undp.org/uk/ukraine/press-releases/ukrayintsi-staly-chastishe-korystuvatysya-internetom-80-onlayn-shchodnya-sotsopytuvannya

The Internet has become the first communication tool in terms of population coverage. FMCG brands most often start their communication with TV. However, we see that in Poland, Hungary, Romania and other neighboring countries, this dynamic is gradually slowing down.

Teenagers and children are "born with a phone in their hands," so they start interacting with a product or brand directly from a smartphone... The Internet coverage of the Ukrainian youth audience under 25 is almost one hundred percent. But the older audience aged 45 to 55 is covered by the Internet by 60-70%. This segment of consumers watches not only TV but also YouTube.

Those brands that seek to communicate with their target audiences only through television need to finally realize that integrated communication channels work much better. And even the one-third of people who prefer television are willing to work with other media and become preferred users of Internet communication providers. They check their email, watch news and videos, and interact in some form when discussing information from computer networks. The intersection of these channels of information always has a very influential and significant effect on changing modern patterns of human behavior.

From the perspective of modern business practice, which defines development alternatives, there are 4 common promotion strategies and methodological approaches used by FMCG brands, depending on the company's portfolio. Usually, these strategies are conditional for the agricultural production and processing industry, as the advertising and contextual activities of enterprises may overlap.

The first of them (a rather rare method) is the company's website. For example, these are the central websites of Coca-Cola or Pepsi that promote beverages. They contain both communication tasks (representation of branded companies) and advertising tasks. They have a part of advertising and search traffic.

The second and most popular strategy is the brand's website, where the team attracts an audience through social media, display advertising, newsletters, etc., up to mentions on television or outdoor advertising. It is actively used by FMCG brands.

The third strategy is the use of special projects. To do this, a separate website is created that is tailored to a specific target audience and usually contains competitive activation mechanisms, etc. Currently, YouTube, TikTok, Instagram channels, Facebook, chatbots, messengers are used for special projects, i.e., new options are tested. But in this strategy, it is important to understand how to evaluate these opportunities for perception and reach of target audiences.

The fourth strategy is the logic of presence on marketplaces. Almost all major players in the FMCG segment have had experience in entering Rozetka or other popular marketplaces over the past two to three years, and have accessed the websites of other retailers. Thus, first of all, it is reasonable to talk about the introduction of additional promotions on websites (for example, food delivery for food retailers) as part of this strategy. Figure 2.9 shows data on the traffic dynamics of websites of leading brands in the vodka market.

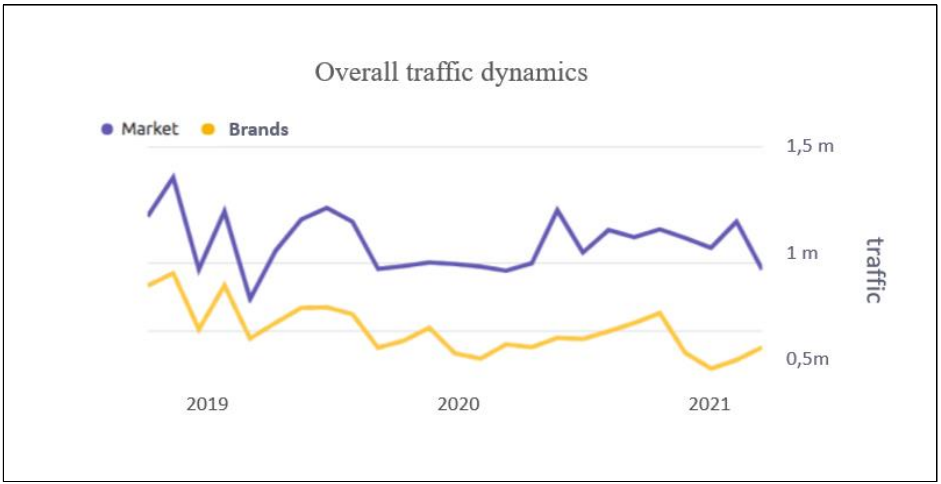

Fig. 2.9. Trends in the development of Internet traffic of the leading websites in the FMCG brands market, 2021

Source: https://webpromoexperts.net/ua/blog/prodvizhenie-fmcg-tovarov-v-2021-2022-gg-chto-delayut-izvestnye-brendy-v-digital/

3.3. Increasing the efficiency of using internet marketing tools in the fast moving consumer goods market

The main issue for modern marketers is measuring the effectiveness of FMCG brand promotion. Back in the days of television advertising, the analytical field of FMCG brand formation was based on a correlation approach. However, the problem with this approach was that the first branding attempts usually took place on a very limited budget. Therefore, it was extremely difficult to evaluate the results qualitatively. Accordingly, it was not possible to get the same result and direct correlation with a budget 10 times smaller than the budget of a TV campaign, which was caused by TV advertising.

Correlation analysis still works today. Many brands evaluate the effectiveness of their communications by reaching the audience on YouTube and through banner ads. Experts already note good results of brand promotion on TikTok. This correlation is difficult to calculate. However, this is a classic methodology that FMCG companies are used to working with and continue to interact with it confidently.

Among the four strategies discussed above, the largest FMCG brands usually use all four, not just one or two. In addition to them, FMCG brands also use other strategic solutions.

Their own e-commerce, special projects, their own delivery, company resources. These are the key areas where you can clearly measure roles and calculate efficiency, gather your base and understand who your customers are.

A special task for any company is always to understand the target audience and its needs. The insights that can be gained about the target audience provide a sufficient number of ideas and options for promotion.

A significant amount of customer data has already been collected online. In Google Analytics, Facebook and Instagram statistics, YouTube, and third-party services. Now is a great time for FMCG brands to accumulate this data, process it, and build their online presence properly based on insights.

Large providers are starting to reduce the amount of information available about their users. Everything is going to the point where we will know less and less about a specific user, more, and more about a faceless audience.

To plan effective digital advertising campaigns, you need to take into account five important trends in FMCG strategies.

1. Many small businesses that have previously paid for advertising without VAT will have to pay another tax. On top of our standard 35% inflation, there is an additional 20% cost. If you don't have a clear system for measuring the power of online advertising, the question of cost-effectiveness becomes more acute;

2. A huge amount of value in digital is contained in Google and Facebook data. The systems have strengthened automation and optimization tools and are killing manual targeting;

3. Targeting significantly limits organic reach and, accordingly, there will be no reach on Facebook and Instagram without spending on promotion. The only social network with organic traffic is TikTok, but its policy is also that paid coverage will grow and become more expensive. The challenge is not only to create relevant content, but also to allocate and properly target the budget for its promotion;

4. The fourth trend is the strengthening of Google's SEO. This is not popular channel for promoting FMCG products. Nevertheless, at the same time, we have seen that the largest brands ranked this item second or third in terms of audience engagement;

5. The fifth trend is that Google is strengthening its programmatic jmps and allows you to effectively build outreach to a wide audience. You should use this tool.

Given the ban on alcohol advertising in traditional media, modern digital tools should be considered as the main platform. According to research, before the full-scale invasion of the Russian Federation, 24 million out of 31 million adults in Ukraine used the Internet, which is 77.4%. In 2023, due to population migration and loss of territory, the number of Internet users decreased by 6 million, while the penetration rate increased to 78.3%.

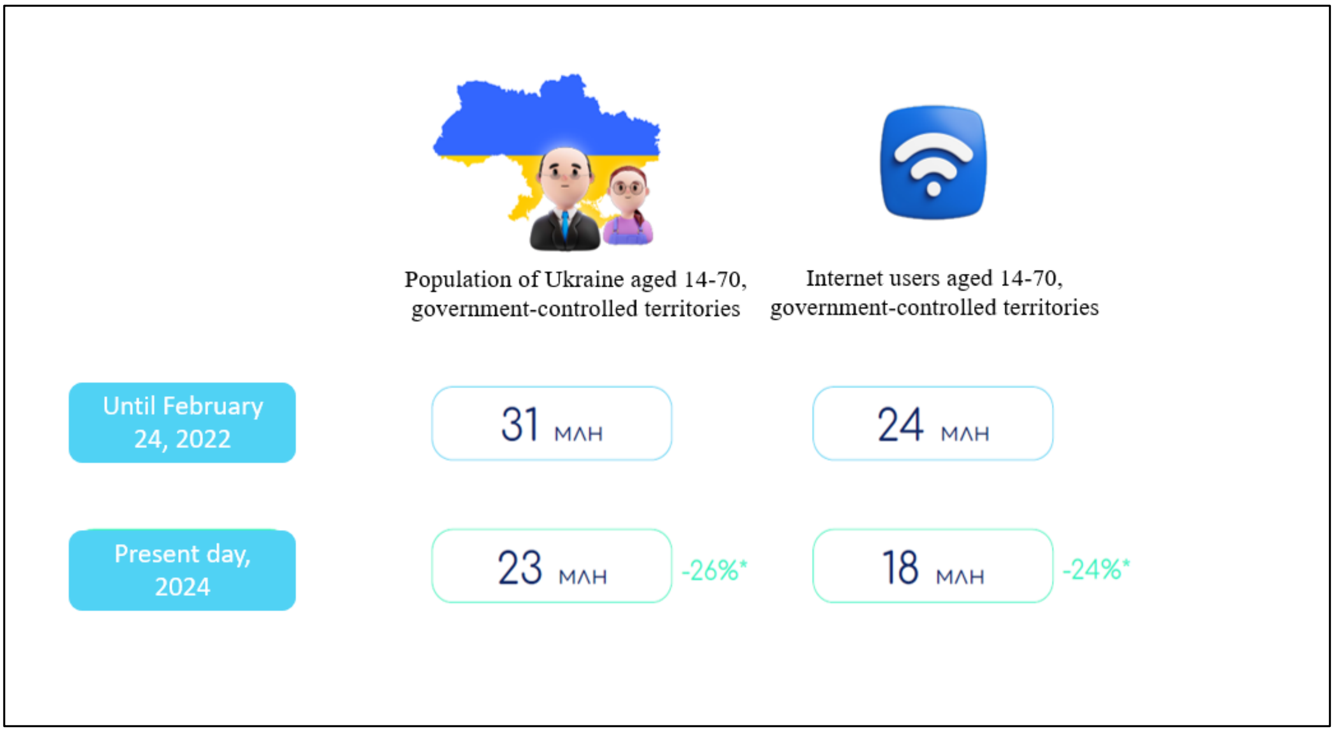

Figure 3.1. Dynamics of the number of Internet users in Ukraine.
Source: Kantar CMeter data, State Statistics Service of Ukraine, age group 14-70, data without occupied territories

The most popular platform among Ukrainians is YouTube, which is used by 69% of the adult population of Ukraine every month. Thus, to solve the problem of increasing brand awareness through its popularization through advertising, an advertising campaign is launched on this platform.

When planning an advertising campaign in Digital, we consider it necessary to determine:

1. Digital strategy
   - Methodology for creating a digital strategy: structure, main steps.
   - Mathematical models for calculating the optimal advertising budget.
2. Tactics in Digital
   - Key settings of Google and Facebook advertising tools in FMCG.
   - Managing the frequency of contacts in online advertising.
   - Monitoring of competitors' advertising activities.
   - Creative management: idea - production - placement - performance evaluation.

- Control points.
- The place of content marketing, SMM and email in your digital strategy.
- Working with reviews and SERM.

3. Methods for evaluating the effectiveness of online advertising
   - Web analytics: key reports for those who do not sell online.
   - Brand Lift marketing research by Google and Facebook.

Thus, before the launch of advertising for the Cossack Council brand, the main KPIs, targeting, and tools were determined (Fig. 3.2).

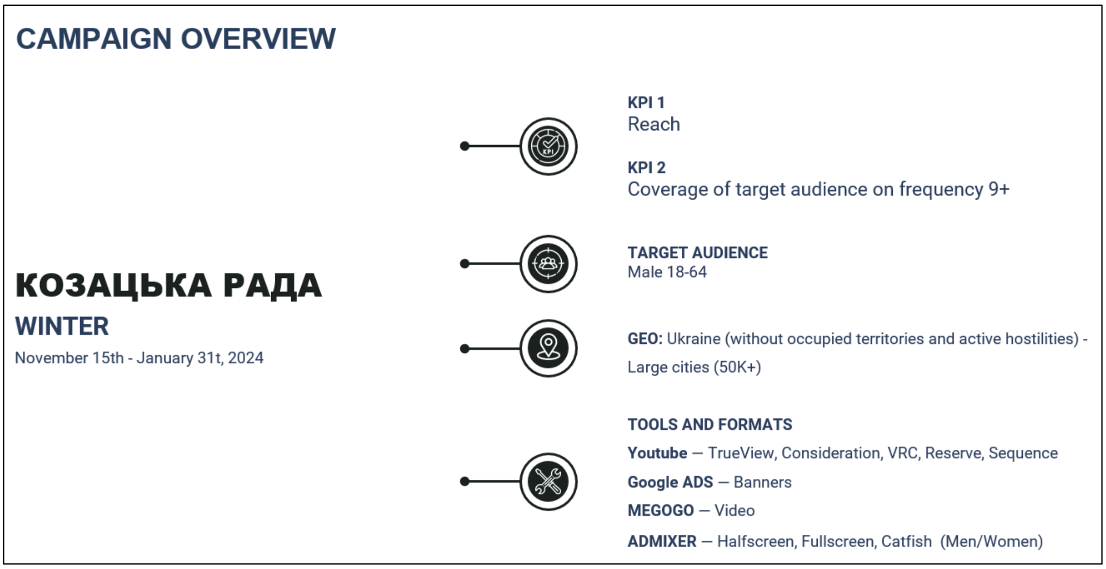

Figure 3.2. Methodological approaches to assessing the effectiveness of a digital advertising campaign of the Kozatska Rada brand.
Source: Author's research.

An important step in planning an advertising campaign is the media strategy. This is how the interaction between the advertising message and the audience will be built (3.3). There are a lot of variations in setting up digital advertising and, unfortunately, there is still no single right solution.

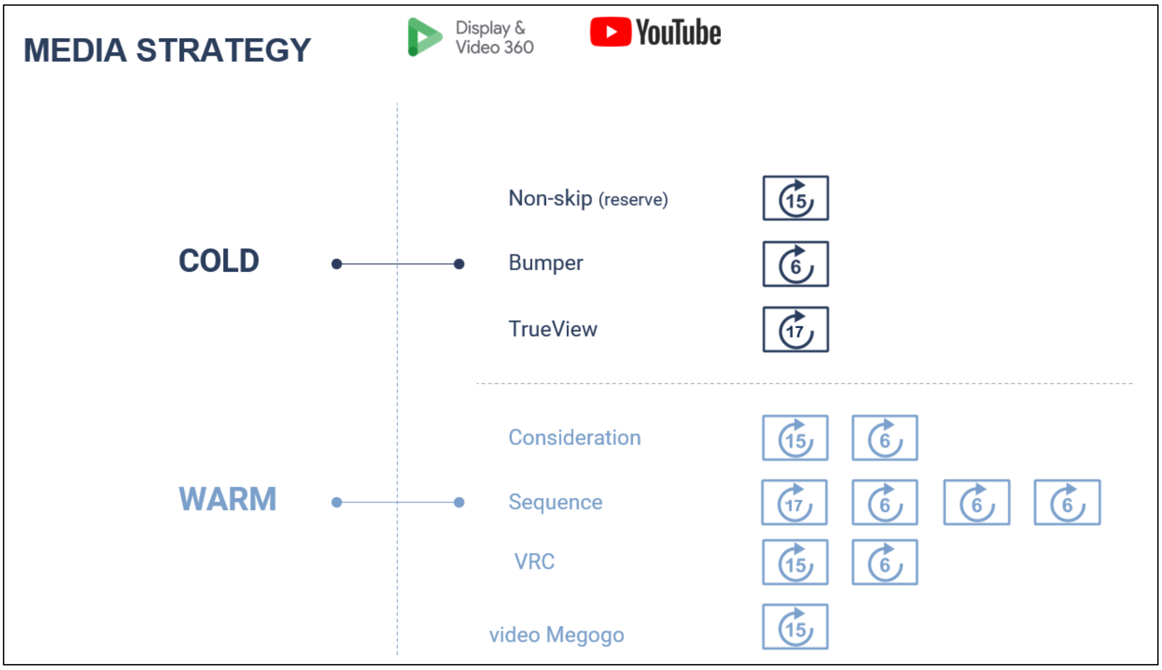

Figure 3.3. Media strategy of the Kozatska Rada brand..
Source: Author's research.

The specificity of Internet marketing is that we can't just pay a certain amount of money and show our ads to the whole world, like on billboards. To get your creative seen, you need to participate in auctions, for example, on Facebook, where there is competition with a large number of advertisers promoting similar products and their own creative.

The challenge is to create a creative that will win in the marketplace and attract the attention of consumers.

The second task is to make sure that users remember ours among all the ads shown to them on social media, and that it motivates them to perform a specific action.

Here are some factors to consider when creating an effective creative:

1. Target audience. When we scroll through a feed or watch a video, we pay attention to what resonates with us the most. Therefore, it is important to take into account the age, gender, interests of the target audience, nationality, language, etc.

2. Simplicity and clarity. Users receive a very large flow of information every day, including advertising. Therefore, they scroll very quickly. In order for users to understand what we want to convey with our creative in 2-3 seconds, it must be clear and understandable.

3. User engagement. The algorithms of digital advertising platforms are designed in such a way that it is important for them to understand how much the audience likes your ad. If a creative has a large number of likes, comments, and shares, the platform starts showing it to a larger audience. You can artificially provoke engagement, ask questions, and select visuals that will make the audience write comments or tag friends.

4. Originality and uniqueness. We compete on all platforms with a large number of products and creatives. If our creatives are visually very similar to others, they will not work. It is worth looking for non-standard ideas.

5. Emotion, pain, problem. Creative should evoke emotion, appeal to the audience's “pain” and promise to solve their problem. For example, many people can't sleep because they are disturbed by thoughts at night. They spend their evenings on social media, and if they see a creative for an app in the Calm category, it will probably encourage them to click.

6. Virtue. It is important because, in fact, you can bring a free audience. If your creative is such that the audience wants to like it, share it, and test the functionality, you get a lot of coverage for free. The difficulty is that it is quite difficult to make a viral creative, and it is influenced by numerous factors.

The effectiveness of creative is measured not only by how the audience clicks on the ad, but also by product metrics. For example, the number of click-through from a creative to a website may be high, but the conversion rate may be low. You should focus on the second metric. Because the purpose of creative is to bring results. In addition, if it brings an irrelevant, insolvent audience, it will be ineffective.

There are several metrics of effective creative in modern communications:

- CTR - conversion from view to click;
- Conversion Rate - transition to the targeted action, for example, from a click to the shopping cart;
- The number of targeted actions.

To understand whether our creative is working, and not the weather or the day of the week, we need to collect data over a long period and conduct regular monitoring.

Creatives can also be used to test your own product hypotheses.

Product companies work through the full product development cycle. Creatives can be used not only for marketing and user engagement, but also to identify hypotheses that are more workable.

Conducting interviews and surveys is time-consuming. To understand what habits people want to form, we can create creatives, run ads, analyze what people click on, and we will get some information on which to start working on our product.

Creatives can also be used to test new functionality or design to understand how the target audience will perceive the innovation even before it is created.

Having carefully analyzed all these factors, the Kozatska Rada brand creates a series of creatives aimed at a specific audience. According to the results of test studies, the storyline stands out among other advertising. As a result of the advertising campaign, we received results for each created creative. This made it possible to evaluate which one worked best. The indicators that were worth analyzing for different creatives were:

- engagement of the target audience;
- cost per click (transition from advertising to the sales site);
- the percentage of click-throughs to the website from a specific advertising message.

According to the data, V1 worked more efficiently than the others did, with a click-through rate of 0.33%, which is 10% higher than the other creatives (Fig. 3.4).

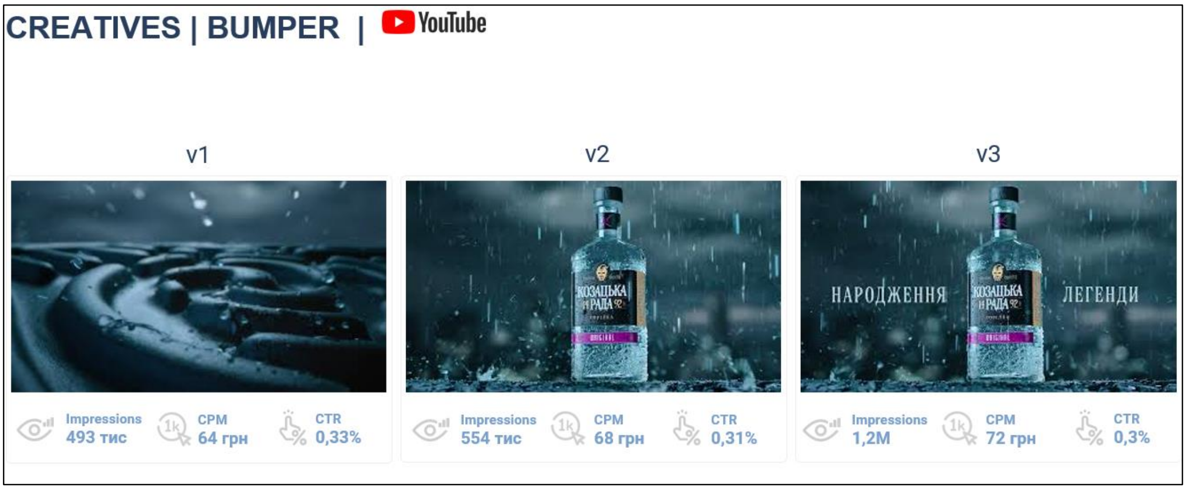

Figure 3.4. Advertising creatives for the video advertising of the Kozatska Rada brand.

If we compare advertising formats, we see that the percentage of click-through from banner ads to a website is significantly higher than video ads. The size of the banner also plays an important role: the larger it is, the higher its click-through rate. In this case, you should take into account the ratio of the cost of placement and the click-through rate (Fig. 3.5).

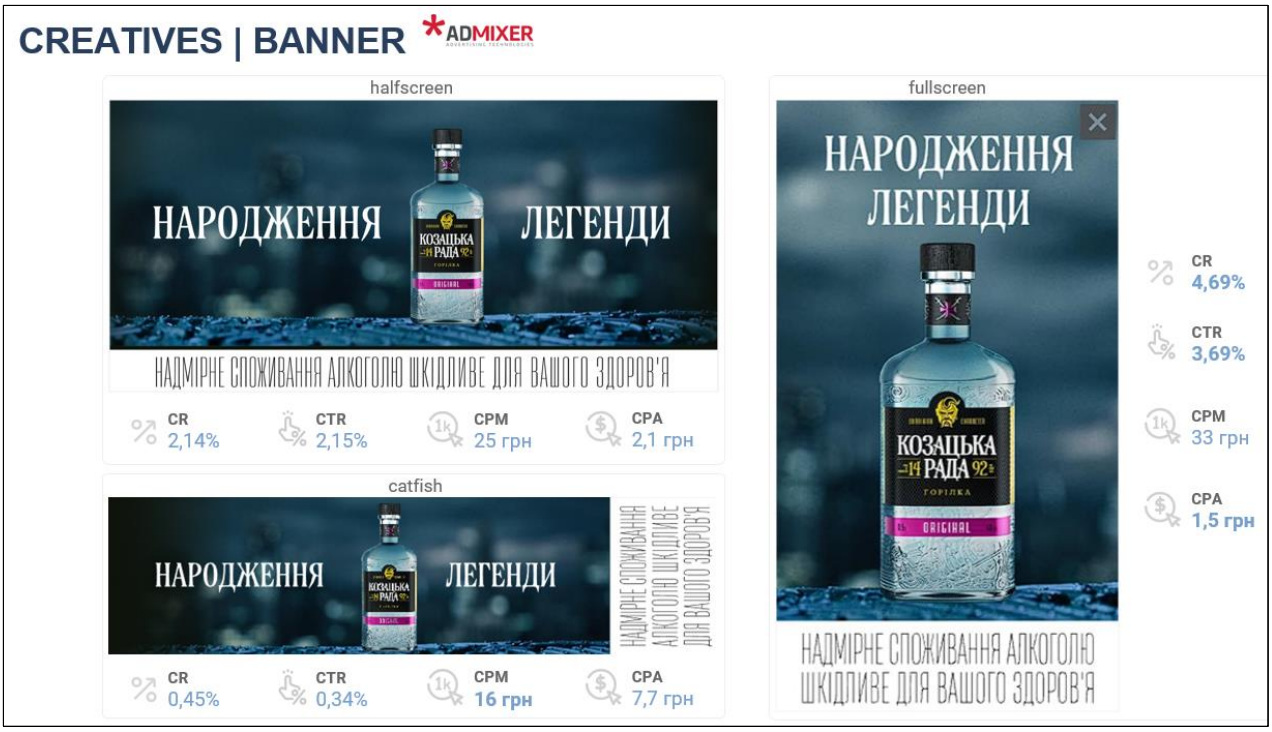

Figure 3.5. Advertising creatives for banner advertising of the Kozatska Rada brand.

In order to maximize the audience coverage at the required frequency of the advertising message, different formats of advertising purchase and placement are used.

For example, in the advertising campaign of the Kozatska Rada brand, the budget was divided into 11 different formats, which are distributed according to the procurement system and its format (Fig. 3.6).

Advertising message formats can vary significantly:

- in terms of image size and video duration;
- with or without the option to skip ads;
- by static or dynamic banner advertising;
- by banner size and full-screen format.

In this case, regardless of the format, the advertisement must be executed in a uniform style and solve the communication task. In the case of the Kozatska Rada brand, it is the formation of knowledge and the presentation of a new bottle.

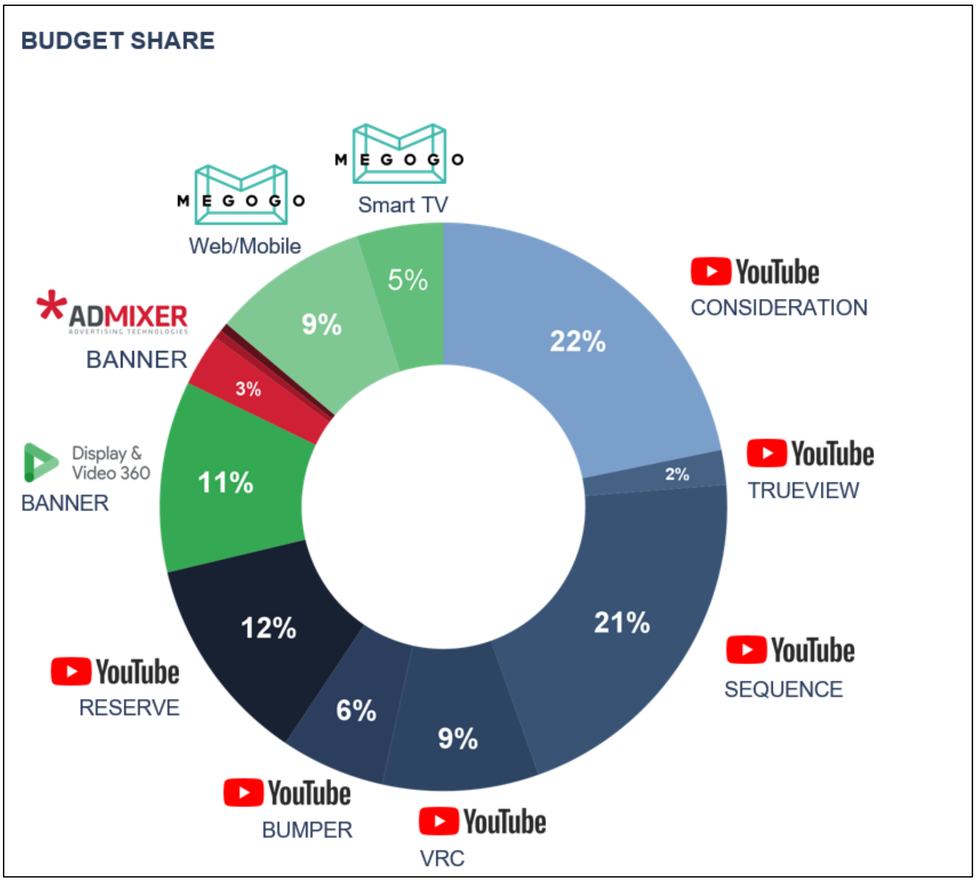

Figure 3.6. Budget allocation by formats of advertising creatives of the Kozatska Rada brand.

The key indicator of the effectiveness of advertising communication is the frequency of contact with the advertising message. In display advertising, the average frequency is determined by how many times a person should see your ad on average. In digital, there are no advertising companies where the planned average frequency is equal to the actual frequency. There will always be those who have seen your ad only once and those who have seen it hundreds of times. Correct setup of advertising tools allows you to bring the maximum number of audience members closer to the average frequency of contact with the advertising message.

In the advertising campaign of the Kozatska Rada brand, with a planned average frequency of 4+ and reaching 8.2 million people, 52% of the audience saw this ad less than 4 times (Fig. 3.7). That is, it can be assumed that 4.3 million people saw the ad not enough times to remember it. It is likely that the level of awareness of the Cossack Council brand among this audience will not increase.

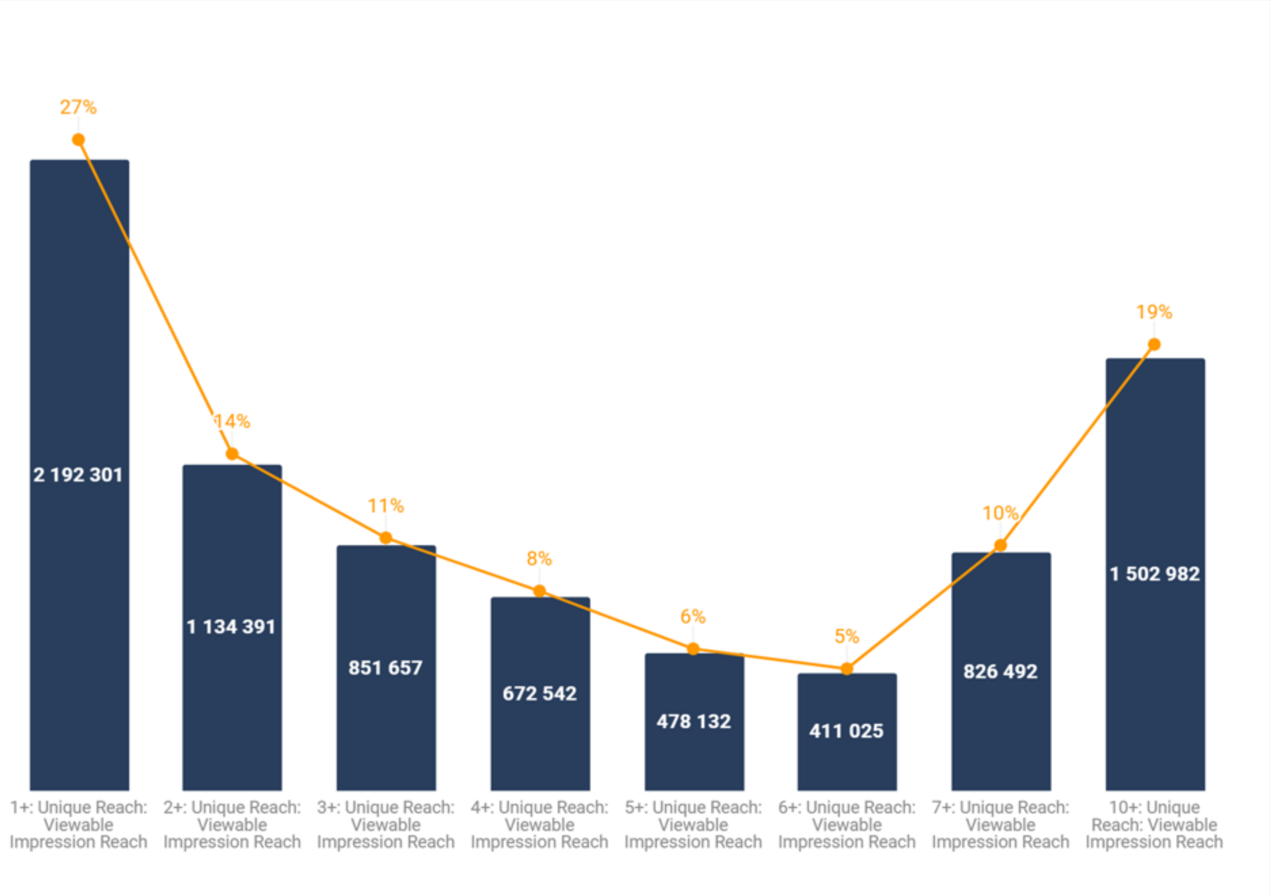

Figure 3.7. Actual frequency of advertising messages of the Kozatska Rada brand.

There is no consensus among scholars and practitioners on the minimum number of contacts with an advertising message. Some studies suggest that two contacts per purchase cycle is an effective level of contact. At the same time, they point to the expediency of abandoning the concept of "optimality" of the frequency of contacts, since the nature of the distribution of contacts during the cycle of an advertising campaign is essential. The significance of one contact per cycle is obvious for well-known brands that occupy a large market share. Subsequent contacts increase the likelihood of purchasing a product, but this "contribution" tends to decrease.

The "Three Contact Concept" is useful for addressing this issue. In the widely known works of H. Kragman, it was argued that three contacts with the video are the necessary minimum to ensure that potential buyers pay attention and are aware of the brand. On the one hand, the value of this author's work was that he confirmed the conclusions drawn by other scholars on solid empirical material (R. Grass). On the other hand, these works offered a clear psychological explanation of the concept of three contacts. According to the author, the first contact ensures the addressee's initial attention to the message and provides an answer to the question “What is it?”. The second contact has a more personal character, during which the answer to the question “What does this advertisement mean to the addressee?” is formed. The third contact serves as a reminder. At the same time, the third contact is the beginning of the process of “removing” attention from the subject of interest.

When creating display advertising campaigns on YouTube and Facebook, it's almost impossible to calculate their direct impact on a company's revenue. However, you can check how they affect brand awareness, brand loyalty, and purchase intent. This can be done, in particular, with the help of the Brand Lift tool.

The Brand Lift methodology is a measurement of the effectiveness of advertising messages, namely how they change and shape consumer perception and behavior. The methodology allows you to get the results that a brand has received after launching a digital media advertising campaign, demonstrating the interaction of consumers with a particular brand. For this purpose, a sociological survey is conducted when the network asks users multiple-choice questions during the ad demonstration to get direct feedback on such indicators as memorability of the ad, its recognition, and readiness to choose, preference for the brand over others, and purchase intent.

The Brand Elevator methodology involves dividing respondents into two audiences:

- People who have seen the ads - the test group.
- People who could have seen the ads but did not - the control group.

Then a representative sample is created. Usually, this is from 4,000 users who are divided into approximately two equal groups (those who watched your video and those who did not see your ad).

The Brand Lift study is conducted within three hours to days after watching the video. During this period, users are asked to answer several questions. The results of the surveys are compared with each other.

The number of questions and their type depend on the budget. In campaigns with a small budget, Brand Lift will not even be launched because the number of people will be too small to create a representative sample.

Research is available for all advertising formats on YouTube. Usually, these can be 6-second Bumper Ads or In-Stream videos of 10 or 15 seconds with or without the option to skip. Surveys are not conducted for banner and Discovery ads. Another advantage of this methodology is that the organizer can optimize his campaign at an intermediate stage based on the results of almost real-time research and adjust advertising messages by demographics, age, consumer interests, etc.

All values of Brand Lift indicators are calculated qualitatively, not quantitatively.

The main indicators of YouTube Brand Lift research include:

- Ad Recall is a study that shows the number of people who remembered an ad within 2 days of viewing it.
- It is important that this indicator does not exceed 50-55% - this is the maximum achievable level of brand perception.
- Brand Awareness is an indicator that shows how much users know about a particular brand or product after seeing an advertisement.
- Consideration is an indicator that characterizes the extent to which users consider a brand as a potential choice when making a purchase decision.
- Favorability is an indicator that shows how positive users feel about a brand or product after viewing an ad.
- Purchase Intent is an indicator that demonstrates the extent to which users intend to purchase a product or service after viewing an ad.

In addition to the above, let's focus on the key differences between the Brand Lift methodology on YouTube and Facebook (Table 3.1):

- YouTube has a younger audience than Facebook.

- Content: YouTube is a video-sharing platform, so evaluating Brand Lift campaigns on YouTube can be more visually appealing and interesting than on Facebook.
- Targeting: YouTube offers more targeting options than Facebook.
- Reporting: YouTube offers more detailed reports than Facebook.
- Ultimately, the best platform for evaluating an advertising campaign with Brand Lift depends on the specific goals and objectives of the business.

In general, Brand Lift on Facebook is rarely launched in video format.

By launching an ad campaign to a wide audience, we can see the most effective audience segment (gender, age, etc.) during the fly-through and adjust it for better effect. For example, when we launched the ad, we chose the age of 18-55. Nevertheless, Brand Lift showed that the 18-24-year-old audience responded better. So we made changes to the audience segmentation and got a better effect.

There are virtually no mistakes with Brand Lift. However, there is a high risk that it will not be able to collect the relevant data due to insufficient budget. Alternatively, it may not show an increase in the metric we measured due to a not-so-successful video.

In addition, thanks to Brand Lift, we can confirm a hypothesis or completely destroy it. For example, a survey may reveal that brand advertising has a significant impact on women and no impact on men. Based on this, we can draw conclusions.

Table 3.1 Comparative analysis of Brand Lift methods on Youtube and Facebook.

Features	Brand Lift on YouTube	Brand Lift on Facebook
Budget	It's a free tool, but you need to have a sufficient budget to launch a video ad campaign.	A free tool, but campaigns and ad sets may have certain budget requirements.
Conditions of use	You need to be a YouTube partner	You need to have a Facebook business page
Audience	26.7 million users in Ukraine as of the beginning of 2023	12.85 million users in Ukraine as of the beginning of 2023

Continuation of table 3.1

Special features	- The study is available for any type of video ad up to 30 seconds. - Creatives do not need to be pre-approved by the platform. They are checked by an automatic system that can refuse ads if they violate YouTube's rules. - Provides dynamic campaign optimization for key results in near real-time. - Once completed, the report can be viewed in the Google Ads interface.	- The study is available only for video ads, but no longer than 15 seconds are. - You can add up to three queries, one of which must evaluate Ad Recall. - Creatives need to be agreed with the platform in advance. Check the team of experts, leave feedback and recommendations. It will take about five business days to complete this survey. - After the Brand Lift report is completed, another team of Facebook employees is supported.

By launching an advertising campaign to a wide audience, we can identify the best segment of the target audience (by gender, age, etc.) during the flyout and adjust it for better effect. For example, at the beginning, the ads were aimed at the age group of consumers from 25 to 55 years old. However, Brand Lift showed that the 18-24 year old audience responded much better to this ad. Therefore, it is advisable to make changes to the segmentation of the target audience, which will allow you to get a much greater effect.

There were virtually no errors in the practical application of the Brand Lift methodology. However, there is still a risk that this methodology will not allow collecting relevant data due to insufficient budget. Or it will not demonstrate a real increase in the indicator we measured because of a bad video.

It should be noted that thanks to the tools of the Brand Lift methodology, we could confirm the working hypothesis of an advertising campaign or cancel it completely. For example, a survey may reveal that a brand's advertising has a significant impact on women and no impact on men. Based on this, it is advisable to draw appropriate conclusions.

In a practical example of using the Brand Lift methodology to evaluate the results of promoting the Kozatska Rada brand, we can note a significant increase in the percentage of people who saw the brand's advertisement. We can also evaluate other coverage indicators for different audiences. Moreover, despite the fact that more advertising options were shown to adult consumers, it was the young audience of brand supporters that grew the most (Figure 3.8). In our opinion, this is due to the original creative idea of the writers and directors of the ads, which was aimed at young people, and that is why they paid much more attention to it.

The analysis of the practice of applying the Brand Lift methodology on the example of the Kozatska Rada brand allows us to draw conclusions about the effectiveness of demonstrating an advertising message for each category of consumers. It will also be appropriate for us and the company's managers to conduct a comparative analysis of the indicators of the Brand Lift methodology in past advertising campaigns, if they were conducted in other periods. We can also compare the advertising memorability and brand awareness among different consumer audiences.

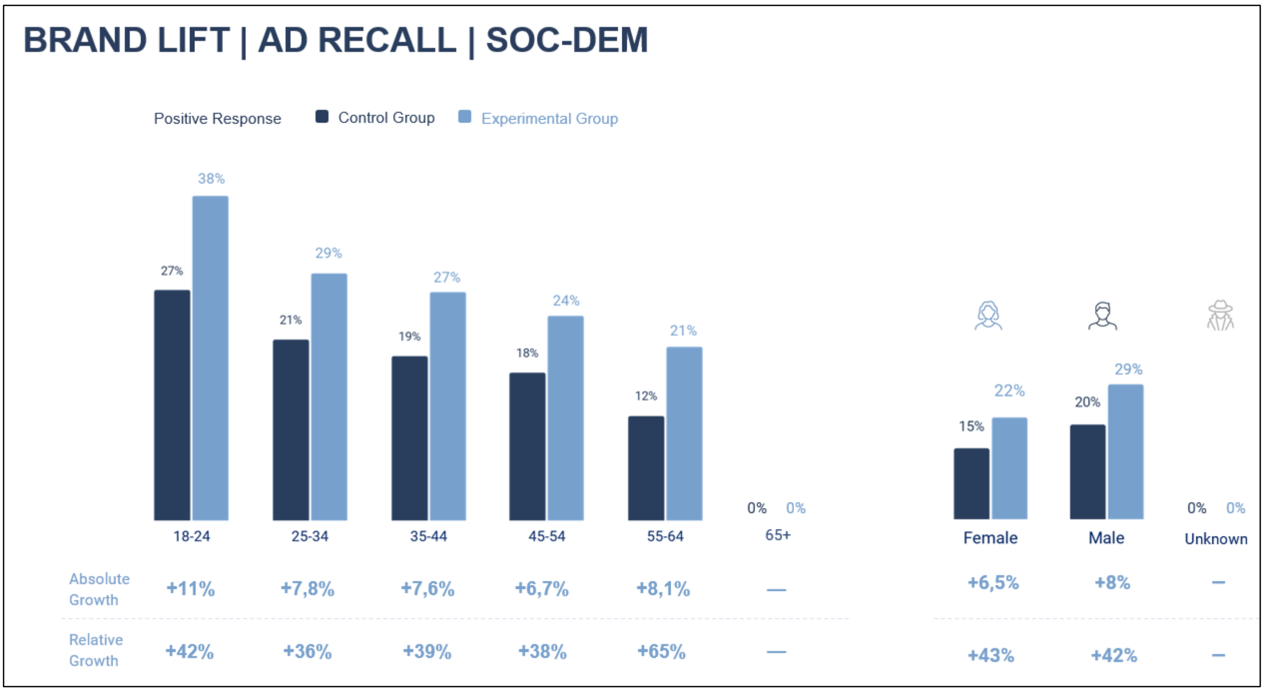

Figure 3.8. Attitude of different age groups of consumers to the Kozatska Rada brand.

It is worth noting that the awareness of the Kozatska Rada brand increased by 3.7%, i.e. from 76.4% to 80.1%, due to the advertising campaign. This is a fairly high growth rate for those brands that have such a high level of awareness among the target audience. Unfortunately, the higher the brand awareness, the more difficult it is to gain additional points of recognition.

Because of the advertising campaign, it was possible to track the conversion of clicks to the store's website and subsequent purchases. It should be noted that this indicator is not key for the Kozatska Rada brand. This is due to consumers' habits of buying vodka in a store near their homes. Online ordering requires time to wait for delivery and additional costs for this service. Therefore, the brand's advertising campaign was aimed at maximizing the coverage of the target audience in order to convey the idea of the advertising message about the new product to the widest possible audience and to increase the level of brand awareness, which directly affects sales.

However, every digital advertising campaign has room for improvement and optimization.

Thus, using the example of the report for the Kozatska Rada brand, we can summarize the following results and provide some recommendations.

General results.

To optimize the campaign, several adjustments were made to the plan during its implementation. The results were better than expected in both the initial and final versions of the media plan. With the budget fulfilled by 97%, 100% of impressions were received, the average frequency was 3% less than expected, and CPM was 3% lower than planned. The plan for clicks was exceeded by 1%, the CPC is 4% cheaper than expected. In total, 100% of the target audience was reached (which is 89% of all Internet users in the GEO), CPU is 4% cheaper than planned. Direct placements were the best in terms of reach (126% of the plan in banners and 112% in video).

Media results.

The highest CPM was recorded in video reserves, but the CTR of this placement was also the highest among DV360 video segments. Overall, we achieved good results in terms of full video views. The coverage plan was exceeded in the Direct banner segments, with the highest CTR recorded for these placements.

In Video Reach and Video Consideration, campaigns targeting women showed a higher CTR than those targeting men, indicating the potential interest of the female audience in the brand.

Reach.

The highest share of impressions (78% for DV360, 44% for Direct) and reach (85% for DV360, 53% for Direct) was achieved on smartphones. The highest frequency of impressions for DV360 was also recorded on smartphones, and for Direct - on PCs. The cheapest (in terms of cost per view) DV360 ads were on PCs, while the most expensive were on TV.

The highest percentage of complete views of video ads in DV360 (88%) was recorded on TV.

As for Direct, the lowest CPU was recorded on tablets, and the highest on PCs.

The overlap between Direct placements is quite insignificant (14-18%), which indicates that these segments reach a unique audience.

The gender split (men/women, %) for DV360 ads was 60/36, while for Directs it was 44/51.

The highest frequency of impressions was recorded among men, in DV360 in the 55-64 age group, and in Directs - 65+.

Brand Lift.

Ad Recall increased by 8.3%. The growth was recorded across all age groups; the highest growth was among young people (18-24 years old, +11.2%), the lowest - in the 45-54 years old segment (+6.7%). Memorability increased more among men than among women (+8.4% and +6.5%, respectively).

The growth in brand awareness was +1.7%; the absolute value of the metric among those reached by the ad was 51%. The growth was recorded in the age groups 18-24 (+6%) and 35-44 (+3.3%). The increase in the metric was recorded among men (+1.9%).

Purchase Intent increased by 2.8% in the 35-44 age group.

Ad memorability increased the most among PC users, and the least among smartphone users. However, the latter recorded a 2.4% increase in brand awareness.

The video sequence increased Ad Recall by 10.1% (abs.) and brand awareness by 6.1%.

The increase in both indicators was also recorded in the Video Reach campaign for men (+8.3% in memorability, +3.1% in awareness).

In addition, Ad Recall growth was recorded in In-Stream Non-skip Reserves (+8.7%), 6-second Bumpers (+8.5%), Video Reach campaigns for women (+8%) and Video Consideration campaigns (+5.9% in the campaign targeting men, +4.7% in the campaign targeting women).

Organic search on Google

During the campaign, organic search traffic to the website for branded queries increased compared to the previous period and its position in Google search results improved.

Online sales.

0.4% of those reached by the advertising went to the website; 0.3% of the latter added the product to the cart, 4% completed the purchase. Post-Click conversions accounted for 52% of conversions and 40% of Post-View conversions.

The dates of the sharp increase/decrease in traffic to the landing page coincide with the start/finish dates of the campaign. During the campaign, more than 175 thousand users visited the landing page; the peak of traffic occurred on the last days of December before the New Year.

Half of the traffic to the landing page came from Android devices, 36% from PCs, and 13% from iOS. The dynamics of impressions is in line with the advertising strategy. In November, we worked on building awareness with a focus on maximum coverage. In the early days of the campaign, we had problems with ad impressions in video segments due to insufficient inventory, which was fixed by expanding Whitelists. Due to cyber-attacks on Kyivstar, there were fluctuations in impressions on Direct placements. In December, we warmed up the audience and worked with maximum intensity in the last days of the year. Since the New Year, we have only shown ads on DV360.

Platforms.

The largest share of video ad views came from blogger/reviewer channels, news channels, and channels with movies and TV series/entertainment. The combination of low CPM and high View Rate was recorded on news channels.

The majority of banner ad impressions were received on websites with Ukrainian and international news. The share of impressions on sports news sites and automotive websites was also significant.

Geography.

Advertising in Odesa region was the most expensive (in terms of CPM and CPC). The lowest CPM was recorded in Kyiv region (9% of impressions), but CPC in this region is above average. The combination of low CPM and CPC was recorded in Zakarpattia and Ternopil regions.

Frequency.

The recommended frequency of impressions for Direct placements to attract people to the site is 2-4.

Segments.

The highest CR for website click-throughs is in the segment of 6-second sequential videos. It is also worth noting Video Consideration campaigns (for men and women). Cross-Device conversions prevail in video segments, and Post-View conversions are practically not recorded. In the banner segments, In-Market targeting of the audience and users by interest topics worked better. For these placements, most of the recorded conversions are Post-Click.

For lower-level conversions, the banner has a higher CR, with Post-View conversions dominating. However, due to the small total number of these conversions, the results are of low statistical significance.

For conversions to the site from DV360, Post-Click conversions have a higher share (87%), while Post-View conversions are more common for adding products to the cart and purchasing. We can see a quick response to advertising in terms of conversions to the site: 88% of events occur on the day of contact, 96% within a week of viewing.

Lower-level conversions show that interest is maintained over a longer period. To maintain interest, we can use creative rotation for users who have already seen our ads for a week or two.

For clicks to the site from Direct placements, almost 100% of conversions are in Post-Click, and for adding products to the cart and purchasing, the majority are in Post-View. We see a very fast response to advertising in terms of click-throughs: 99% of events occur on the day of contact, 99.7% - within a week of viewing.

For lower-level conversions, we see that interest is maintained for a longer period.

Conversion.

Direct placements brought almost 80% of conversions to the site and more than half of the additions to the cart. The highest CR for these placements was shown by Megogo video (impressions on PCs and smartphones); AdMixer fullscreen banner also performed well. Bumpers showed the highest CTR among YouTube.

Creativity.

Women have a higher percentage of full 15-second video views in Video Reach campaigns than men. Similarly, the rate of complete video views in Video Consideration campaigns is higher among women. This indicates the potential interest of the female audience in the brand, and we recommend running a test campaign for the female audience. Short video formats (6-second bumpers) work better for increasing Ad Recall, while longer ones (17 seconds) are more effective for increasing brand awareness.

Among the bumpers, the first version of the 6-second video worked better than the second and third (lower CPM, CPU, CPV, and higher CTR).

Effective frequency and GEO.

To attract people to the site from YouTube and banners, DV360 recommends working at high frequencies: 9-16 conversion rates for All Site Unique are significantly higher, with almost 38% of conversions to the site at these frequencies.

The recommended display frequency for Direct placements to attract people to the site is 2-4.

The combination of low CPM and CPC was recorded in Zakarpattia and Ternopil regions. It is worth trying to work with these regions separately to see if this is a scalable story.

Knowledge.

The Brand Lift study showed brand Awareness among the target audience at 51%, but Purchase Intent at only 21%. It is recommended to work on increasing Consideration and Purchase Intent. Customers know the brand but choose competitors. Accordingly, creatives should focus on the USP/benefits of the product (for example: "crystal clear, classic mild taste and compatibility with almost any dish"), rather than making general emotional videos (as in this campaign).

Targeting the audience.

We recommend working more with the female audience, because tests have shown that women in some cases convert better than men. That is, they are a prospective target audience that has not yet been well developed by the brand.

Creatives.

We recommend using additional videos that will be adapted for YouTube moderation. This will help improve your planning strategy and optimize your cost performance.

For long-term campaigns, we recommend using creative rotation (replacing the plot). Or use more stories in general. This will help us understand which story is more effective for our target audience. It also reduces the chances of creative burnout, especially at high frequencies.

If you plan to work on increasing website traffic or landing pages, we recommend trying the SOMPLO creative format for Admixer. It provides very high engagement due to its interactivity.

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4. Marketing and logistics approach to the functioning of agri-food markets in conditions of instability

4.1. The impact of government marketing on the functioning of of Ukraine's agri-food markets in the face of instability

Given the existing imbalances in the development of national commodity markets, in particular, between production and consumption, intersectoral distribution of value added, the raw material nature of domestic exports and imports of processed goods, etc., there is a need to introduce mechanisms, measures and instruments for selective regulation of vertically adjacent commodity markets that allow for the efficient use of the resource potential of the national economy. Under conditions of instability, traditional methods and tools for regulating economic systems are ineffective. Unpredictable changes in the external environment prompt the development of new mechanisms and measures for selective regulation of the functioning and development of vertically adjacent commodity markets based on preventive and protective, adaptive and marketing approaches.

The marketing approach in the context of the development of the theory and mechanisms of public administration is considered in the works of O. Agarkov, M. Belyavtsev, A. Druhovv, M. Oklander, M. Porter, K. Romanenko, E. Romat, V. Shcherban and other researchers.

State marketing has an adaptive nature, i.e., the ability to anticipate changes in the internal and external market environment and to adapt the processes of economic policy implementation to them. The integration of a set of public marketing instruments into the system of mechanisms and measures for selective regulation of commodity market development in Ukraine requires their adaptation to the specifics of certain markets and Ukrainian realities. Existing scientific research on the marketing component of public administration is mainly theoretical. Accordingly, there is a need for applied research in the area of public marketing as a component of selective regulation of the development of national commodity markets.

In the context of instability and variability of the external environment, one of the innovative instruments of state selective regulation, successfully used by foreign countries, is *public marketing*. The DM paradigm, which arose at the intersection of public administration and marketing theories, is relatively new in economic theory, the study of which is accompanied by scientific discussions of scientists [1, 2, 3, 4, 5]. The marketing paradigm in public administration is focused primarily on identifying, forming and meeting consumer needs. According to R. Lawson, at the macro level, "consumer behavior is considered from the point of view of the impact of the consumption process on socio-economic conditions within society. Prediction of consumer behavior is used ... to formulate social policies aimed at improving the efficiency of the market system" [5, p.191].

In the context of a modern socially oriented society, the strategy of sustainable development of the national economy, civil society and the state, focused on ensuring the growth of the level and quality of life of the population [6], public administration should be marketing in its methodology. The basis of public marketing is the identification and realization of the socio-economic interests of consumers (citizens), which is, in general, the ultimate goal of the state. The market interpretation of state functions on the basis of the priority of their marketing component was developed by M. Porter [4]. The main thesis that M. Porter laid down in the basis of the concept of state marketing is that "promising competitive advantages are created not from outside, but in *domestic markets*, respectively, state marketing is needed, first of all, within the country to achieve its main goal - to ensure the competitiveness of the country and its individual sectors of the economy". This position is particularly relevant in today's environment of instability, when there is a need to use new adaptive tools of public administration of national commodity markets.

The comparative characteristics of micro-marketing and public marketing in the market dimension are shown in Table 1. Compared to the goals and objectives of marketing at the level of an individual enterprise, the goals and objectives of government marketing are much larger and more complex. While micromarketing promotes a fairly narrow product range, at the state level it is multi-vector, which requires an integrated approach to meeting consumer needs. The main goal of state marketing has a dual social and production dimension and involves, on the one hand, identifying, forming and satisfying consumer needs, and, on the other hand, stimulating producers to meet demand rationally.

Table 1: **Comparative characteristics of micro-marketing and public marketing in the market dimension***

Signs	**Micro-marketing (enterprise marketing)**	**Government marketing**
1. The main objective	1. Satisfying consumer demand for certain goods to maximize profit	1. Identification and formation of consumer needs and ways to meet them 2. Stimulating domestic producers to meet rational demand
2. Objectives.	1. Increase in the market share of the entity 2. Development of new sales markets 3. Building effective sales networks 4. Diversification of the product range 5. Strengthening competitive advantages, etc.	1. Increase the competitiveness of national producers 2. Stimulating domestic exports of processed goods with added value 3. Supporting domestic exporters to develop new foreign markets 4. 4. Balanced import substitution of goods, etc.
3. Subjects of regulation	Business entities (enterprises)	State
4. Objects of regulation	1. Product range 2. Pricing. 3. 3. Target segments of commodity sales 4. Sales volumes of goods 5. 5. Channels of goods movement, etc.	1. "Gaps" in commodity and financial flows between the consumer and distribution and sales sectors of the commodity market 2. Resource-forming sectors (growth points) in the system of related commodity markets
5. Dominant interests	Entrepreneurial economic interests	Economic interests of the state, as a carrier of public interests
6. 6. Essential characteristics	1. Consumer orientation, the formation of strategic and social and ethical marketing 2. Adaptive nature (reactive and proactive marketing) 3. Maintaining product quality and competitiveness 4. Organization of the goods circulation system	1. Social orientation of public marketing 2. Adaptive nature of state marketing 3. Coordination and harmonization of the development of related and connected commodity markets 4. Spatial and temporal balancing of supply and demand of goods in the systems of adjacent markets 5. Mostly indirect influence of government agencies on the parameters of market reproduction processes
7. Period of implementation of the tools	Short- and medium-term	Medium- and long-term
8. Marketing technologies	1. Analysis of the external environment 2. Segmentation of the consumer sector of commodity markets 3. Alternative choice of target markets 4. Planning of commodity sales 5. Goal tree, etc.	1. Information support 2. Marketing communications 3. Financial selective support for processing sectors of markets ("growth points") 4. Sales support for exporters of processed goods 5.Stimulating the development of import-substituting industries in the country
9. Prerequisites for use	The changing environment, sales problems, increased competition, etc.	Economic instability, unpredictable external and internal changes; emergence of problems in the systems of related

Signs	Micro-marketing (enterprise marketing)	Government marketing
		markets that cannot be solved by the "invisible" hand of the market and require government intervention; violation of market proportions of reproduction
10. Scale of impact	Business entities and their associations	Consumer and related distribution and processing sectors of commodity markets

Compiled by the authors based on sources [1, 2, 3, 7, 8, 9, 10].

The tasks of enterprise marketing are focused on building effective sales networks, diversifying the product range, increasing the market share of the business entity, etc. In our opinion, the main tasks of state marketing in terms of reproductive development of adjacent commodity market systems are to increase the competitiveness of national producers, stimulate domestic exports of processed value-added goods and balance import substitution (see Table 1). It should be noted that the tasks of state marketing correlate with the strategic goals of Area 5 "International Economic Policy and Trade" of the National Economic Strategy for the period up to 2030 [11], and therefore are relevant to strategic formal institutions. At the same time, a number of tasks of state marketing aimed at achieving its binary goal are of general economic importance, focusing on employment, regional development, reduction of negative impacts on the environment, etc.

The peculiarity of the *objects of regulation* at the micro level is the implementation of marketing activities, the content of which is determined by a particular product (product nomenclature); these are various marketing aspects of the sales activities of enterprises. In the case of state marketing, the objects of regulation are the "gaps" in commodity-financial flows between the consumer and distribution and sales sectors of the commodity market, as well as resource-forming sectors ("growth points") in the system of adjacent commodity markets (see Table 1).

There are two types of regulatory impacts: the first characterizes its direction - direct or indirect impact; the second determines the consequences of its action - positive or negative impact. Direct influence is aimed at sales volumes, sales geography, product mix, and other sales indicators. The indirect impact is due to broader tasks that state marketing solves: determining priority measures for controlling product quality, standardizing it, combating counterfeiting, i.e. measures that primarily determine the social orientation of state regulation of commodity markets. It should be noted that the connection of state marketing with micromarketing allows for an additional positive impact on the performance of commodity market participants, which is manifested in the cumulative effect.

Comparison of public marketing and micromarketing shows that their *essential characteristics* are somewhat different, which determine the specifics of the use of certain tools (see Table 1). Micro-marketing corresponds to the features of commercial marketing, which is directly aimed at satisfying consumer demand for a certain group of goods for profit. Today, the commodity and sales concept has been replaced by the concept of strategic and socio-ethical marketing, which has a consumer orientation and is aimed at harmonizing the interests of the consumer, enterprise and society [7, 8]. At the same time, the consumer orientation of enterprise marketing is limited by its product range.

The *social orientation of state marketing* stems from the content of its binary social and production goal and consists in identifying, forming and satisfying rational consumer demand within the country. In the pre-war period, the consumption of basic foodstuffs by the population of Ukraine did not meet rational standards; in the post-war period, the structure of consumption is expected to deteriorate in terms of quantity and quality, given the deepening imbalance between the declining purchasing power of the population and rising prices for goods, including essentials. The issue of physical and economic availability of essential goods for the population is of particular importance in the wartime and post-war periods, forming an important task for the state to flexibly balance the supply and demand of goods in the systems of adjacent markets to achieve consumer security. This determines the expediency of using marketing tools to actively influence consumers, on the one hand, and to stimulate domestic producers to meet rational demand, on the other. Therefore, we have a connection with the principle of market inclusion in the set of SR principles of adjacent commodity systems.

During the war period, labor supply and demand decreased, and unemployment remained high. While in the first quarter of 2022, the unemployment rate was 12.5%, in the first quarter of 2023 it was 29.9%, and including migrants, it was 32.2% (Figure 1). According to the NBU's forecast, in 2023-2025, domestic employment will grow slowly due to imbalances in the labor market that have deepened as a result of the war. In the forecast horizon, real wages in Ukraine will recover at a moderate pace due to high inflation and lower than pre-war productivity [12].

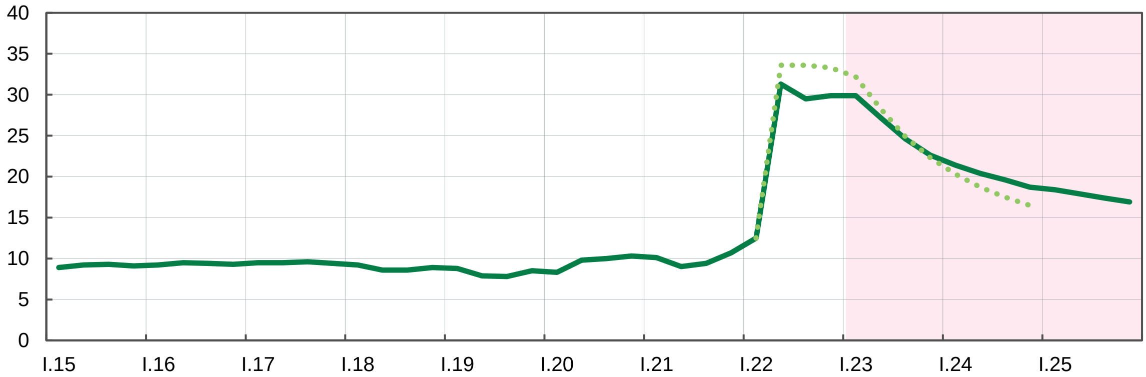

Figure 1. Unemployment rate in Ukraine (including migrants from 2022)*
**Source: compiled according to the National Bank of Ukraine [12].*

In times of instability, price volatility in food markets increases, which reduces the affordability of food for the population and, consequently, the quality of life. In 2022, compared to the previous year, the consumer price index for the entire food group increased by 27.1% (in 2021 - by 11.3%), with the largest increases in prices for vegetables (by 68.5%), bread and bakery products (by 29.7%), and fruit (by 27.7%). In the first three months of 2023, the consumer price index for food products increased by 30.2%, with prices for eggs (77.7%) and fruit (64.1%) rising simultaneously. During the study period, the smallest price increase was characteristic of milk [13].

The steady upward trend in consumer prices results in an imbalance in the nutrition of the Ukrainian population by major product groups. Thus, in 2022, the consumption of meat and meat products reached 66.4% of the rational norm, milk and dairy products - 52.3%, and fruit and berry products - 62.3%. Indicators characterizing the availability of a balanced diet at the level of scientifically based norms for all segments of the population in Ukraine are significantly lower than the target for 2025 (Fig. 2). In 2022, there was a decrease in food consumption; this trend is expected to continue in the postwar period.

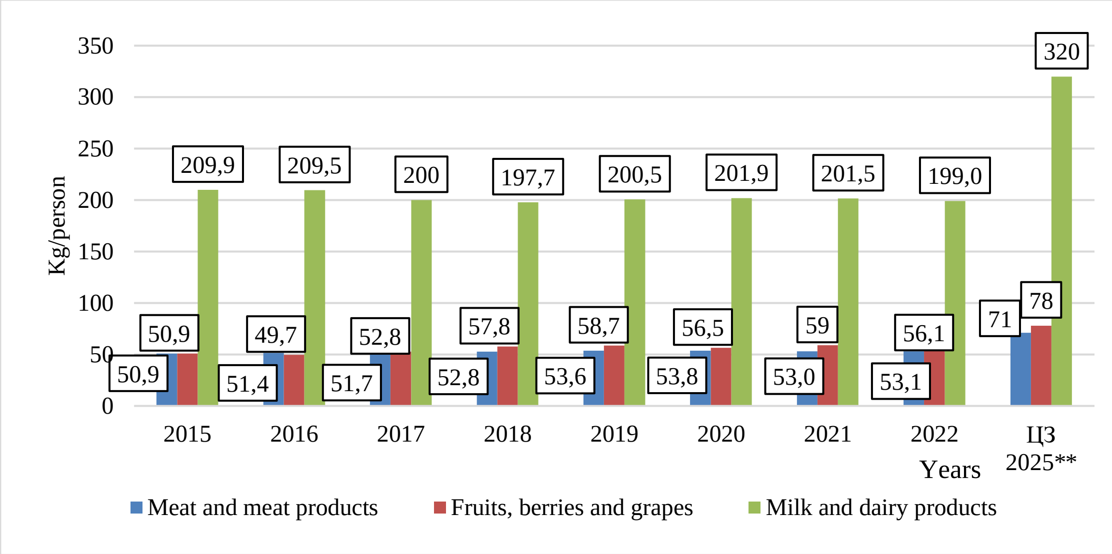

Fig. 2. Dynamics of food consumption per capita in Ukraine, kg/year*.
**Source: compiled according to the State Statistics Service of Ukraine [13];*
***SDG 2025 is the target value of the 2025 indicators (Sustainable Development Goals, 2017).*

According to estimates by the US Department of Agriculture (USDA), the share of food expenditures in total household expenditures in Ukraine increased from 41.2% in 2020 to 41.6% in 2021. For comparison, in the US, the level of the indicator in 2021 was 6.7%, in Germany - 12%, and on average in the world - 25.5%; its upward trend since 2019 is characteristic [14]. According to the National Bank of Ukraine, consumption during the war period decreased by 16.9 %. The decline was primarily due to private consumption, which is associated with a decline in real incomes and migration due to high security risks. As a result, final household expenditures decreased by 26.7 % in 2022 [12].

According to consumer sentiment surveys, in February 2022, 37.7% of respondents rated their households' well-being as below average, while in December 2022 this figure rose to 61.3%; medium and high well-being were rated by 20.4% and 18.3% of respondents, respectively (Fig. 3).

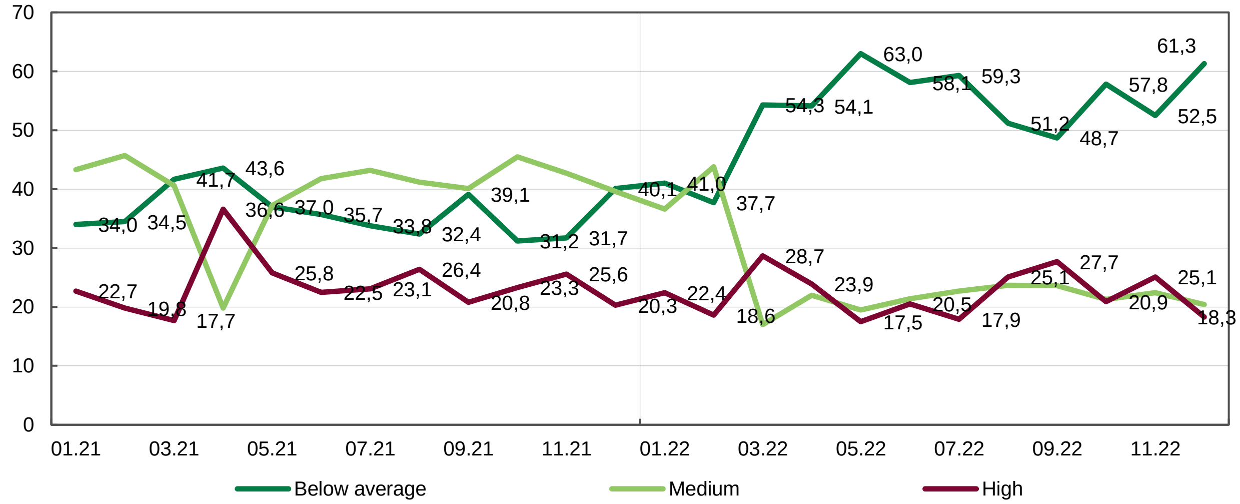

Figure 3. Assessment of household welfare in Ukraine based on the results of of consumer confidence surveys, % of responses*

**Source: compiled according to the National Bank of Ukraine [12].*

In the post-war period, food consumption is expected to decline, which will lead to a decrease in consumer demand, the number of interactions between the distribution and consumer sectors of commodity markets, and increased threats to consumer health.

According to experts of the United Nations Development Program in Ukraine, the impact of consumption of goods and services accounts for 75% of the total environmental impact and 60% of total consumer spending [15]. Currently, a significant part of the population is unable to buy high-quality environmentally friendly goods due to reduced incomes and lack of appropriate supply on the market. That is why it is important to combine the state policy of achieving the strategic Sustainable Development Goals with the satisfaction of consumer needs of the population, i.e. the sustainable development of the consumer sector of commodity markets, and the achievement of consumption safety. This makes it expedient to use marketing tools to actively influence consumers, on the one hand, and to stimulate domestic producers to meet rational demand, on the other.

The second key characteristic of public marketing, which is extremely important in conditions of instability, is its *adaptive nature*, i.e. the ability to anticipate changes in the internal and external environment and flexibly adapt the processes of implementing public policy in the market dimension to them. Public marketing can be a "response system" to possible changes in the process of implementing the strategy of sustainable and socio-economic development of the country [3]. The main effect of the introduction of public marketing tools is the modernization of the system of state influence on market reproduction processes. As an adaptive regulatory tool, public marketing can contribute to the development of adaptive systems of related commodity markets that are able not only to change their internal reproduction processes but also to influence external factors. In particular, this includes the development of new foreign markets for domestic goods, the formation of consumer demand, etc. State marketing instruments are an important component of preventive and adaptive mechanisms of selective regulation aimed at ensuring the sustainability of the functioning and development of systems of related commodity markets in conditions of instability.

Micro-marketing is also adaptive in nature (see Table 1); scientists distinguish between reactive marketing, as a reaction to an event, and proactive marketing, aimed at preventing possible market situations [8, p.32]. It is focused on the formation of an adaptive economic system at the micro level (enterprise), therefore, it does not have a significant impact on the sustainability of commodity market systems. Micromarketing is aimed at maintaining the quality and competitiveness of certain goods, organizing circulation systems. Scientists note the insufficient level of implementation of marketing in the practical activities of domestic enterprises, as well as the lack of Ukrainian methods of marketing practice [8], which indicates the unrealized potential of marketing management at the micro level.

An important essential characteristic of public marketing is the coordination and harmonization of the functioning of adjacent and related markets to achieve the main goal of selective regulation - ensuring the sustainability of the functioning and reproductive development of adjacent market systems and optimizing the overall market value added. The spatial and temporal balancing of supply and demand for goods implies a prompt response of the state to changes in market conditions and satisfaction of rational demand for goods both on the national, regional and local markets. This task is especially important in the context of existing territorial and sales restrictions, necessitating the development of a strategy for restoring and optimizing the links between producers and consumers of goods at the macro- and meso-levels of market systems. The peculiarity of state marketing is the predominantly indirect influence of state authorities on reproduction processes, i.e., stimulating producers to meet rational consumer demand. The state's direct influence on consumer demand is exercised through public procurement, government orders, use of state property, etc.

Public marketing tools are focused on the medium and long-term implementation period, while the period of implementation of micro-marketing tools is short or medium-term. The main marketing technologies widely used by foreign countries for the sustainable development of domestic commodity markets are information support, marketing communications, financial support for growth points (processing sectors) of markets, sales support for exports of value-added processed goods, and stimulation of the development of import-substituting industries in the country. In addition to the variability of the external environment, a prerequisite for the use of state marketing tools is the emergence of complex problems in commodity market systems related to the violation of reproduction proportions that cannot be solved by the "invisible hand of the market" and require targeted and balanced state intervention. Compared to micro-marketing, the scope of influence of public marketing instruments is much wider, covering the consumer and related sales and processing sectors of commodity markets.

In the context of post-war economic recovery, the state should take a leading role in the formation and satisfaction of rational consumer demand, taking into account structural changes in the systems of related commodity markets using new marketing tools. As a set of actions to implement the strategic directions of sustainable development, public marketing is formed under the significant influence of external conditions that should be analyzed at the macroeconomic level. In general, state marketing is aimed at creating favorable conditions for achieving a level of supply of goods in strategic markets that will meet the country's main production and consumer needs in terms of quantity, quality and structure. At the same time, these conditions, formed with the help of marketing tools, should be based on the interest of business entities in the joint economic effect. Therefore, the combination of economic interests of producers and the state to achieve certain objectives (e.g., development of new markets for processed goods), as well as the joint implementation of micro-marketing and state marketing tools, is intended to provide a synergistic effect in market systems.

Scientists identify a whole range of components of public marketing:

- legislative marketing (including quality standards, price regulation);
- marketing of state reserves;
- social marketing (education, medicine, etc.);
- formation of marketing communications (integration marketing);
- budget and tax marketing, etc. [1, 2, 3].

The allocation of the marketing component in the directions of the state's socio-economic policy is associated with methodological and applied problems of improving research in the context of external transformations. With the help of the latest marketing tools, it is possible to ensure the successful implementation of socio-economic development strategies, prompt response to external changes and adjustment of regulatory influences. In the market dimension, the concept of public marketing is not widely used, which makes it expedient to consider marketing technologies in more detail in relation to commodity market systems, in particular, in the area of support for exporters of processed goods.

For Ukraine, the foreign economic direction of state selective regulation is a priority, due to the need for additional financial resources to restore the economy in the postwar period. The vector of qualitative changes in the structure of Ukrainian exports is institutionalized in the National Economic Strategy for the period up to 2030. Thus, the strategic goals in direction 5 "International Economic Policy and Trade" include, in particular [11]:

- ensuring mutually beneficial trade with countries around the world and achieving expanded access to foreign markets;
- Increasing the competitiveness of Ukrainian goods and services, creating a positive image of the country and ensuring the presence of Ukrainian producers in international markets;
- implementing a balanced import policy.

The above strategic goals of international economic policy correspond to the targets of state selective regulation of adjacent commodity markets and can be realized, including through the use of state marketing tools. Given the crisis state of the national economy, its potential "growth point" in the postwar period may be a positive trade balance. In 2010-2021. Ukraine had a negative foreign trade balance (except for 2015), which increased from -$2.89 billion in 2016 to -$10.74 billion in 2019; in subsequent years, it had a downward trend and decreased to -$4.77 billion in 2021 [13].

The commodity structure of Ukraine's exports is raw materials-oriented: in 2021, the share of ferrous metals amounted to 20.5%, grain crops - 18.1% (in 2020, 15.6% and 19.1%, respectively), and the share of exports of machinery and equipment is relatively low - 7.7% (Figure 4). At the same time, the structure of imports is dominated by high value-added goods (the share of machinery, equipment, and mechanisms in 2021 reached 19.5%, chemical products - 13.4%), and the share of finished food products (4.9%), for which Ukraine has its own resource potential, is also significant.

In 2010-2021, the dynamics of structural changes was upward for Ukrainian exports of grain (by 13.3 percentage points), fats and oils (by 5.2 percentage points), and ore (by 5.5 percentage points), while the share of ferrous metals exports decreased by 7.9 percentage points (*Annex 1*). In the structure of total merchandise imports, the share of mineral products decreased by 14.3 percentage points, while the share of machinery and equipment increased (by 6.1 percentage points), and land transport vehicles increased (by 4.4 percentage points). Thus, in 2010-2021 Ukraine is characterized by a trend of growth in commodity exports against the background of increasing imports of manufactured products, which indicates a negative balance of added value. In the systems of adjacent commodity markets, price differences between export and import prices of goods are deepening (for example, for the group of cereals, the level of import prices exceeds the value of export prices by an average of 7 times, for long-term storage products - by 2 times), and there is a redistribution of value added in favor of foreign countries.

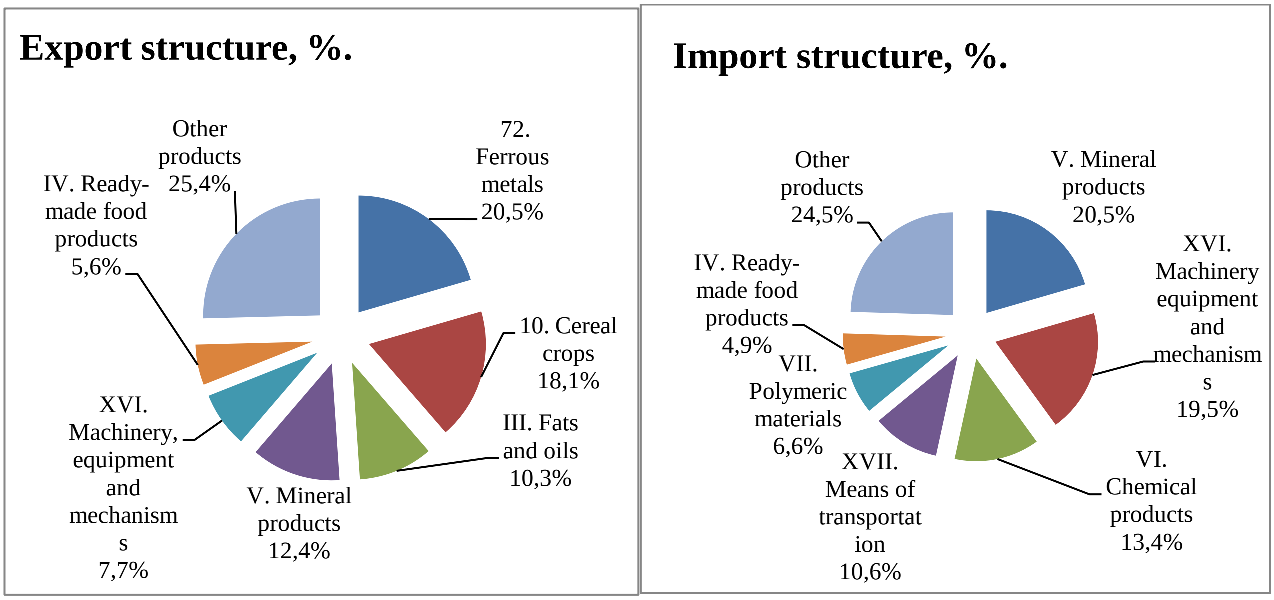

Fig. 4. Commodity structure of Ukraine's exports and imports in 2021, %.*

**Calculated by the authors according to the State Statistics Service of Ukraine [13].*

To reduce the existing foreign trade imbalances, it is advisable to gradually introduce mechanisms and measures of state marketing. Adaptive state marketing tools are successfully used by foreign countries, in particular, the EU, Canada, and Australia, to provide selective support (financial, informational, sales, etc.) to domestic exporters of high value-added products, which allows them to fully realize the resource potential of domestic markets for goods and services.

Today, most market participants engaged in export activities lack a marketing vision of strategic priorities for product sales adapted to the realities of the postwar period. This problem can be solved by state marketing tools and measures, the implementation of which is purposefully focused on solving *the strategic tasks of* the state in the market dimension. *The first task* is to stimulate exports of value-added manufacturing products to change the raw material structure of Ukrainian merchandise exports (see Figure 4) and achieve a positive balance of value added in the country.

The second task involves directing a set of state marketing measures to the formation of foreign consumer demand for domestic goods in accordance with the priorities of the post-war economic recovery. This approach is conditioned, in particular, by a number of preferences that European countries agree to provide to Ukrainian exporters of goods [16]. Under these conditions, the state marketing policy should not only adapt to external demand, but also actively seek opportunities to influence it based on the strategic priorities of economic recovery. As a result, in the process of making state marketing decisions, the consumer sector of foreign markets may turn into a leading sector that will largely shape the long-term prospects of Ukraine's exports. *The third task* involves identifying priority "growth points" in the systems of adjacent commodity markets that can be subject to state marketing regulation. The advantages of "growth points" are due to the possibility of concentrating public resources in a single point (local segment of the commodity market) for a certain period of time, which allows for a synergistic effect from the implementation of coordinated marketing measures.

The main state marketing tools to support national exporters of processed goods are shown in Figure 5.

Figure 5. Main state marketing tools to support national exporters of processed goods *

**Based on data from [9, 10, 17, 18].*

The content of *information tools of* state marketing is the state's monitoring of foreign commodity markets, structuring, generalization and transfer of the following information blocks to national producers and exporters:

- summarized information on the state of foreign commodity markets and trends in their development (commodity and territorial boundaries of the market, market capacity, its degree of openness, types of competition, etc;)
- information on market conditions (price volatility, supply and demand fluctuations, price elasticity of demand, price and technical regulations);
- information on the conditions and barriers to access of goods to foreign markets (customs tariffs, environmental and phytosanitary restrictions, technical barriers, etc;)
- comparative analysis of foreign exporters' competitiveness indicators to determine the competitive advantages of domestic producers and exporters (price, quality, technological, production, etc.).

In Ukraine, information tools of state marketing need to be improved in the direction of more active use of existing *information platforms*, in particular, the web service "Exporters Support Center", which operates in the Mission of Ukraine to the EU [19], the Export Support Department within the Department of Foreign Economic Activity and Trade Protection of the Ministry of Economy of Ukraine [17] and other information platforms.

Along with providing information services on finding foreign partners for the sale of goods and legal support for export operations, it is important to promptly inform exporters about the possible placement of branches of domestic enterprises in foreign countries, in particular, within free economic zones (FEZs), priority development areas, etc. In this area, it is proposed to provide more extensive information on the consent of partner countries to locate facilities for advanced processing of Ukrainian goods on their territory and the conditions for implementing such projects. In the postwar period, such an information tool will enable exporters to prevent additional costs for creating their own sales channels, bring their products closer to foreign markets, and thus increase export performance.

One of the most important tools for *marketing support of* merchandise exports is export credit insurance (see Figure 4), since the effectiveness of export agreements largely depends on timely payment by importers for the products received and, accordingly, timely payment by exporters to commercial banks for the loan received. A tool for guaranteeing the repayment of loans widely used in foreign countries is state credit insurance [9, 18, 20]. In Ukraine, the Export Credit Agency was established in 2018 to stimulate domestic exports; however, due to managerial and institutional barriers, its potential in the pre-war period was not fully realized. In Ukraine, the amount of support for exporters is much lower than in European countries. For example, in 2019, the potential volume of export credits and guarantees that could be financed by the Export Credit Agency amounted to USD 7 million. For comparison, Poland annually issues USD 5.4 billion in export credits and guarantees [11].

During the wartime period (April 7, 2022), amendments to the Law of Ukraine "On Ensuring Large-scale Expansion of Exports of Goods (Works, Services) of Ukrainian Origin by Insurance, Guaranteeing and Reducing the Cost of Export Lending" No. 1792-VIII were adopted [21], which expanded the Export Credit Agency's ability to insure and reinsure export factoring, simplified the procedure for implementing the tasks and main activities of the Export Credit Agency, expanded the scope of support for the export of Ukrainian value-added products, and Export Credit Agency insurance has become the main type of loan collateral, meaning that banks do not need to form additional reserves or require collateral from business entities [20].

According to Article 3 of the Law of Ukraine No. 1792-VIII [21], the main tasks of state support for export activities are as follows:

- creating a system of insurance and guaranteeing commercial and non-commercial risks in export operations;
- expanding long-term export lending;
- creating a mechanism for partial compensation of the interest rate on export loans.

During the wartime period, the Export Credit Agency insured the first unsecured loan for the fulfillment of an export contract, covering, among other things, military risks. The insurance ensured the fulfillment of the company's obligations to the bank under the foreign economic contract in the amount of 85% of the loan [20]. The agreement is the beginning of the realization of the Export Credit Agency's potential as an insurer of exporters' risks within the framework of the state export support policy. It is expected that the expansion of the tasks and capabilities of the Export Credit Agency will have a positive impact on the dynamics and structure of Ukrainian merchandise exports in the postwar period.

The set of instruments *for selective financial support of* national exporters of processed goods is quite broad, including tax, customs, credit, investment regulation of exports and other regulatory measures. The main task of the state in the process of applying financial instruments of state marketing is to justify the priority areas of commodity exports. In the post-war period, the vector of state marketing policy should be focused on the implementation of measures for the effective use of the export potential of commodity markets. In the process of substantiating the priority areas of commodity exports, we propose to take into account, first of all, the resilient and reproductive principles of selective regulation of the functioning and development of systems of related commodity markets, as well as to be guided by the following target benchmarks:

- selection of high-tech products that are in demand in foreign markets and whose exports have been temporarily suspended;
- identifying promising product groups with potential demand in foreign markets;
- justification of the list of processed goods with added value, the export of which will have a positive impact on employment.

Taking into account the principles of selective regulation and the proposed targets, financial instruments of state marketing can be aimed at: (1) developing measures to selectively support the process of renewing exports of value-added goods; (2) promoting equal conditions for the promotion of domestic goods to foreign markets compared to similar commodity exports from other countries; (3) intensifying the activities of trade missions in importing countries. The Ministry of Economy of Ukraine plans to create a network of trade and economic missions in different countries, primarily in China, Egypt and Germany [11].

An important component of government marketing tools to support processed goods exporters is *communication support* (see Figure 13). The export marketing policy of communications is a system of targeted actions that should ensure a favorable attitude of foreign buyers towards exported goods. Communication tools implemented with the participation of the state include activities that are difficult for exporters to organize in the territory of importing countries: promotion of participation in international advertising activities, international exhibitions and fairs, presentation events, etc. The purpose of using state marketing should be aimed at maintaining a positive image of goods, ensuring their prestige among foreign consumers, and expanding consumer demand by creating a close communication space with exporters [22].

In foreign countries, the most important direction of the state's marketing activities is the creation of general social conditions for the effective functioning of a market economy. In this regard, an important component of state marketing is budget support for those sectors of the economy that play a crucial role in ensuring the leading positions of countries in scientific and technological development. Among the most common instruments are preferential taxes, government subsidies, government orders, and special government programs aimed at obtaining a cumulative social effect of a marketing nature. An example of such a program is the U.S. government's strategy to stimulate research and development. The implementation of the program has all the features of a marketing strategy, as it aims not only to achieve certain scientific, technical and innovative advantages, but is generally focused on the development of education as a market resource of the state [23]. Australia is implementing a program of information support for exports to Korea, Japan and China, using the tools of targeted state macroeconomic promotion [9].

Another positive experience in the use of public marketing is related to strategies for enhancing the socio-economic development of countries and their individual regions. In the EU countries, public marketing successfully solves the problem of uneven distribution of productive forces on the principles of mutual coordination of state, regional and local programs [24]. In the United States, the Pennsylvania state administration used public marketing as a strategy for transforming the economic structure of the Pittsburgh agglomeration, one of the centers of global steel production. After analyzing the marketing environment, a strategy was developed to develop an updated production structure of the agglomeration, which included the introduction of a new technological level of leading activities along with the development of networks of related, servicing and complementary industries. This example has been used in many countries (Norway, Ireland, Greece, Turkey) [23].

Based on the analysis of foreign experience in the use of state marketing instruments, the main conclusion can be drawn that in the context of post-war economic renewal, state marketing measures should, on the one hand, be systemic in nature, covering different levels of government, and, on the other hand, be capable of flexible adjustment of reproduction processes in the systems of related commodity markets under the influence of external and internal changes.

A comparative characterization of micromarketing and *public marketing* in the market dimension is carried out, and a binary social and production goal of public marketing is established: (1) identification, formation and satisfaction of consumer needs; (2) stimulation of commodity producers to rationally meet demand. The main essential characteristics of public marketing are its social orientation and adaptive nature, coordination and harmonization of the development of adjacent and related commodity markets, spatial and temporal balancing of supply and demand of goods in market systems, mainly medium- and long-term period of implementation of instruments, their focus on the consumer and related sales and processing sectors of commodity markets.

4.2. Logistical and institutional factors in the functioning of agri-food markets during the war and postwar periods

According to scholars, the integration of the Ukrainian economy in the context of globalization should be based, first of all, on: "...the integration of commodity markets by extending logistics value chains in the geographical (international) dimension" [25, p.110]. Nakovtsy identify 4 main areas for the use of global value chains [26]:

1) As a set of measures necessary to ensure the movement of goods from producer to consumer with value added at each stage;

2) As production and resource networks in the global dimension;

3) As a system of mutually beneficial relations between business entities to utilize all market opportunities;

4) As cyclical phenomena regarding the product cycle from primary production to final consumption while adhering to the principles of environmental friendliness [26].

The activities of agricultural market participants are clearly dependent on the state and conditions of international commodity markets. In particular, in recent years, due to the disruption of certain international value chains, there have been risks of a shortage of certain inputs that cannot be fully replaced by imports (nitrogen fertilizers, plant and seed protection products, spare parts for agricultural machinery, etc.), a decline in export activity (restrictions on sales by quotas, tariff and non-tariff measures), and falling prices on global markets for key exports of the agricultural sector.

In order to form global value chains in the agricultural sector, it is necessary to clearly define its commodity markets that are able to compete internationally and ensure the growth of not only a separate sector of agricultural production, but also the economy as a whole. This is due to the fact that the agrarian sector of the economy, its state and level of development, affect the development of related industries and the country's economy as a whole, both directly and indirectly [27].

The logistics of the agricultural market conditionally involves improving the efficiency of the functioning of two complementary systems (Fig. 6): logistically organized resource supply of agriculture and logistics of the agricultural market.

It is worth noting that the balanced and systematic development of agriculture directly affects the agricultural market, as the quality of agricultural products depends on the quality of raw materials and farming technology. Logistics should be present at every stage of the commodity flow from production to final consumption. This means not just transportation, but also production, warehousing, and information support for all processes.

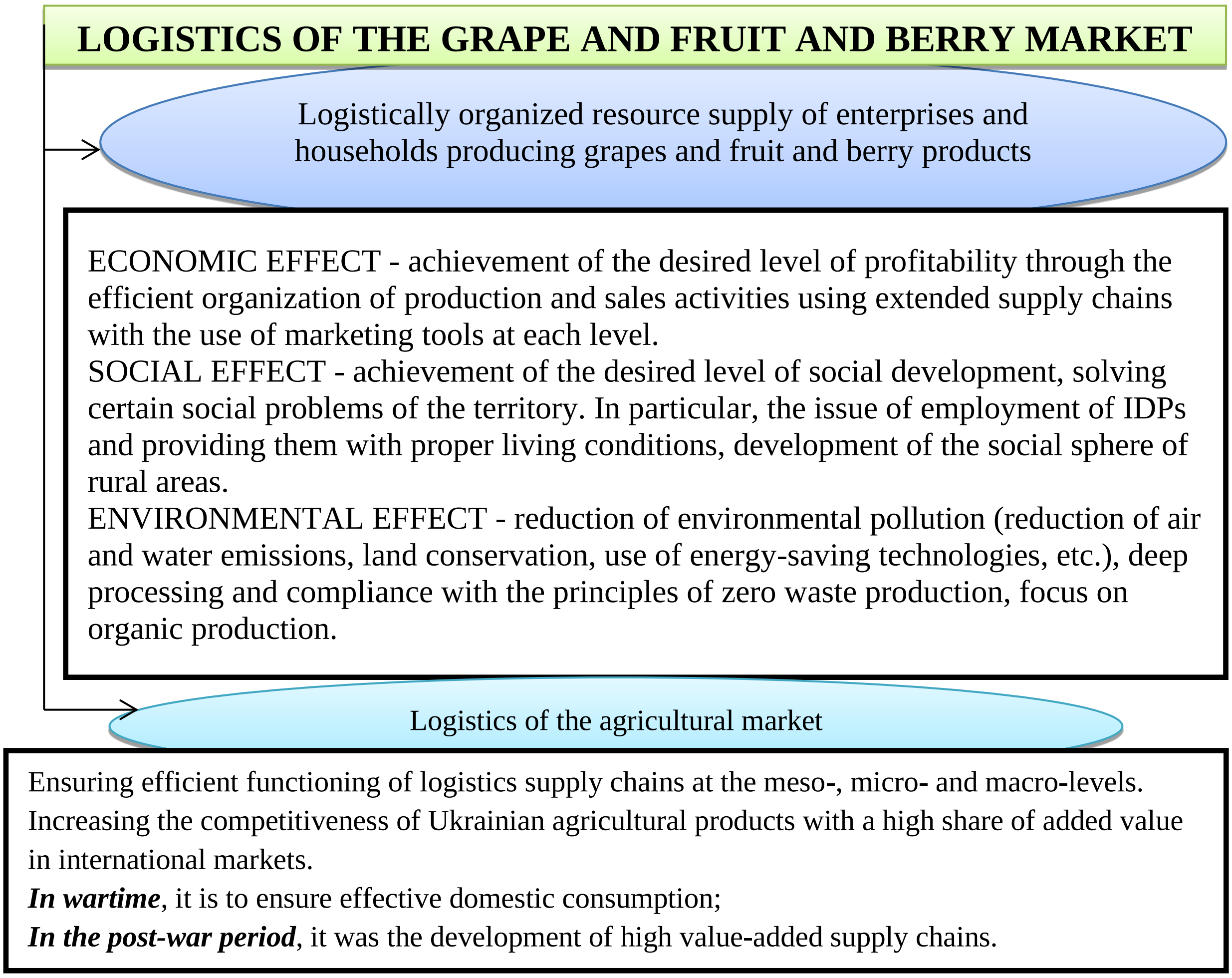

*Figure 6. Logistics of the grape and fruit and berry products **market*.**
Source: Developed by the authors

It is obvious that the development of logistics chains should take into account the realities of today and contribute to the strengthening of the domestic food system. One of the key requirements for agricultural markets (vegetable, fruit and berry, grape, and other strategically important markets) should be transparency of supply chains. This is necessary to control product quality and reduce costs.

The next requirement is environmental friendliness. According to experts, logistics is currently one of the main sources of pollution - transportation accounts for

20% of global CO_2 emissions. That is why, as analysts emphasize, supply chains must be environmentally sustainable for economic sustainability.

Ukrainian specialized exporters, despite the constant shelling and destruction, are developing new markets and looking for alternative logistics routes [28]. In particular, in 2023, sea transportation accounted for the largest share in the structure of export routes - 6.14 million tons, which is 86.5% of the total cargo flow [29].

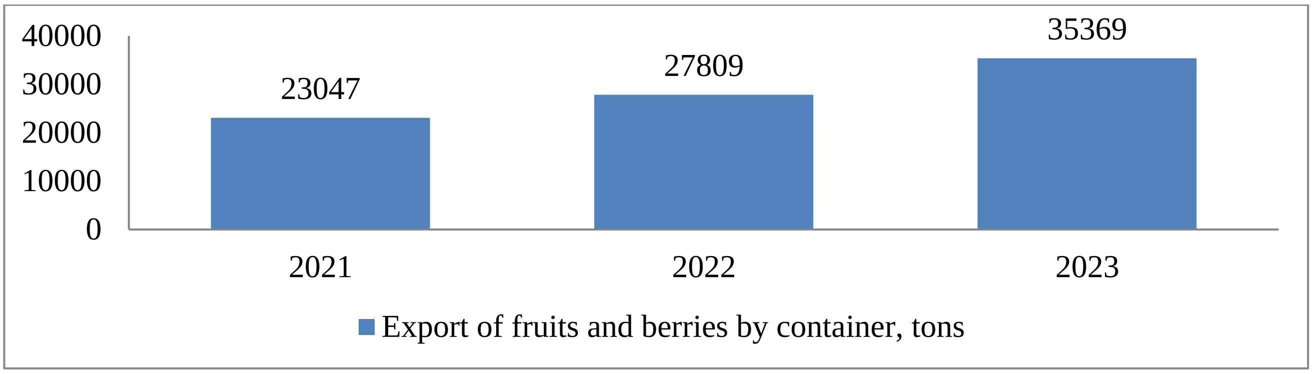

Fig. 7. Dynamics of containerized exports of fruits and berries by sea, tons
**Source: built by the authors according to [28].*

However, it is not enough to change the logistics routes and routes, as the main task is not only distribution. The key task now is to increase the production of fruits and berries. And the first priority is to ensure domestic consumption and reduce import dependence. This is confirmed by the fact that in the first nine months of 2023, total revenues from exports of fruit and berry products from Ukraine decreased by 30% to $167 million [30].

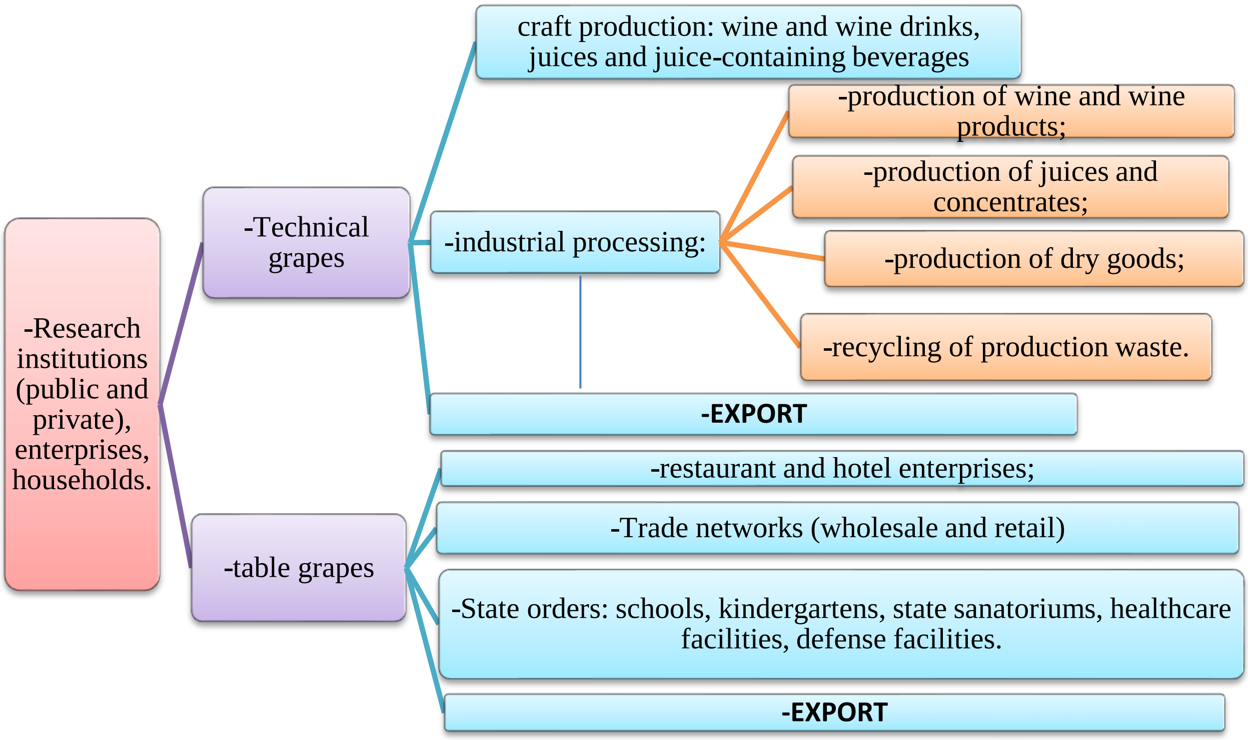

Figure 8. Channels of grape distribution in the war and postwar periods*.
**Source: Developed by the authors*

We agree with the research of scientists [31], who believe that in building regional and international logistics systems, the organizational and economic mechanism for the formation of logistics chains in commodity markets is important, taking into account the characteristics of the product itself (production and storage and transportation conditions). Thus, the development of import-substituting industries requires the timely development of logistics not only in a particular relevant market, but also in adjacent markets.

The development of both regional and international logistics chains should be based on a clear understanding of distribution goals and end users (Figures 8, 9).

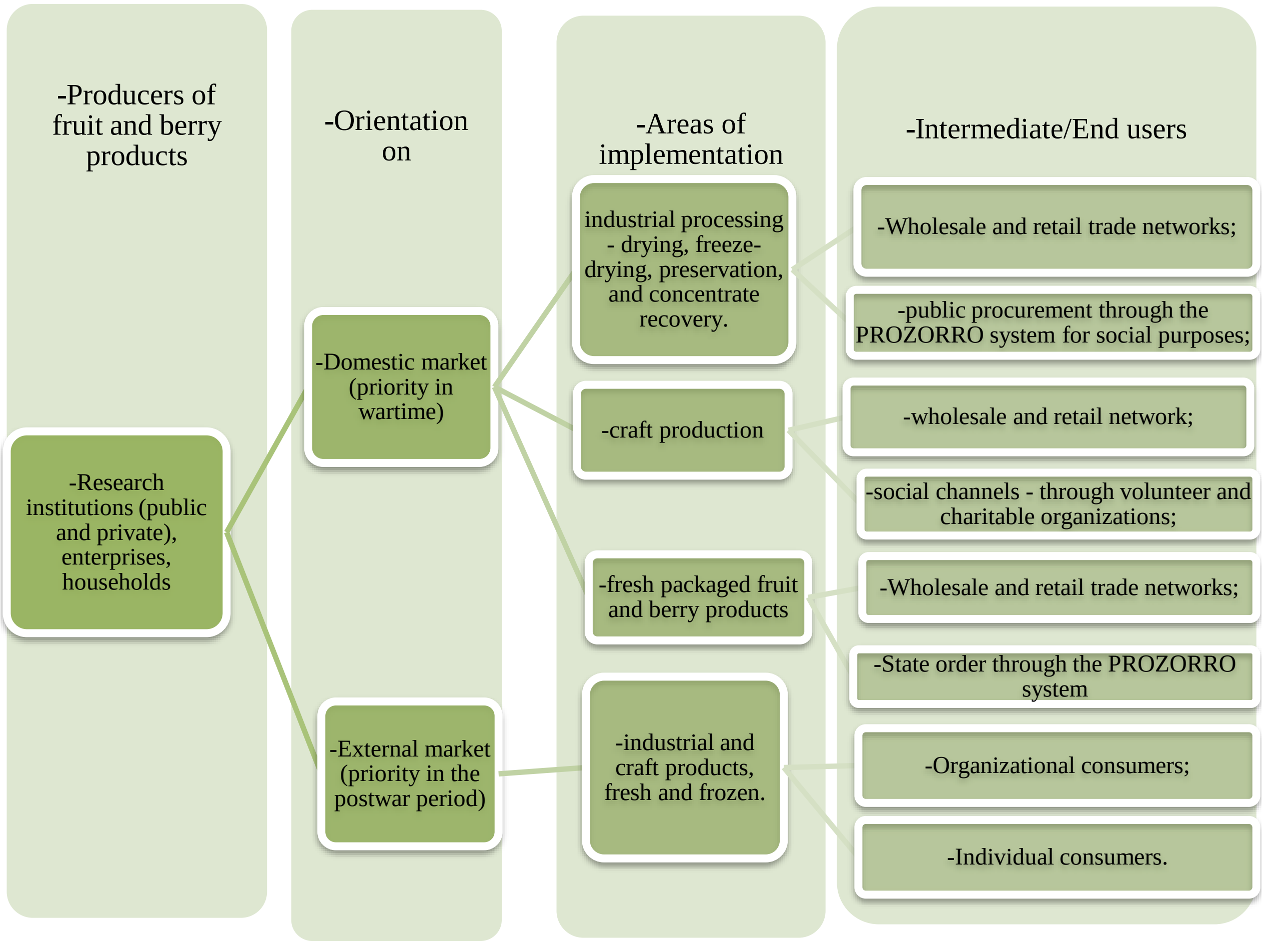

Fig. 9. Channels of distribution of fruit and berry products in the war and postwar periods*.

**Source: Developed by the authors*

In order to support and protect domestic producers in the postwar period, it is advisable to use *a strategy of selective import substitution* in combination with a policy of neo-protectionism.

The principle and mechanisms of import substitution in the postwar period were used by different countries in different periods of time. In particular, this approach is most often used during the reconstruction period. For example, this tool was used in the first decades after the war in France, Italy, and China. The results of this approach can be observed today in the analysis of economic indicators and their dynamics.

The key *signs and characteristics of import substitution* in commodity markets are as follows:

- replacement of imported goods in the market with domestically produced goods that are of the same quality and characteristics as foreign ones;
- Increasing the production of goods within the country (development of the real sector of the economy and the processing industry, in particular);
- structural changes and shifts in the national economic system;
- improving the structure of Ukraine's trade balance;
- increasing exports of goods with higher added value.
- impact on the socio-economic situation in terms of employment, as increased import substitution will help create new and expand existing production facilities, which means additional jobs.

The war with Russia has led to the final breakdown of all trade relations with both the aggressor country and the countries that support it. According to research by scientists at the National Institute for Strategic Studies, in 2021, the share of the Russian Federation and Belarus in foreign trade with Ukraine was 7.1% (third place among the countries of the world) and 4.5% (sixth place), respectively, and in terms of imports, the second place was 9.1% and the fifth place was 6.6%, respectively. In addition, in 2021, imports from the Russian Federation and Belarus increased by one and a half times. Ukraine's main dependence was on imports of fertilizers, including inorganic ones [32]. The situation is also difficult in the agricultural machinery market. It is difficult to quickly launch its own production in the face of constant shelling and the resulting, and possible, destruction due to the inability to attract foreign investment. It will be possible to establish production only in the postwar period. Especially if we take into account the fact that the projects of the national program "Development of Sectors of the Economy with Added Value" envisage the development of agricultural engineering [32].

One of the strategic directions, according to the Recovery Plan of Ukraine, is to increase the production of fruit and vegetable and meat and dairy products. The war resulted in the loss of 25% of berry fields and 20% of orchards. Ukraine remains a net importer of vegetables, fruits and berries: the trade balance in 2021 was $0.5 billion. After the full-scale invasion of Russia, there is a growing shortage of jobs in rural areas.

The main problem is the ability to provide raw materials to meet the needs of the processing industry. The steady, rapid and continuous decline in the level of production potential in livestock, in particular in the meat and dairy cattle segment, has led to increased dependence on imports (up to 30%) and progressive risks to Ukraine's food security. For agricultural producers of grains and oilseeds, the development of livestock is an opportunity to diversify sales channels. For the processing industry, the restoration of livestock production is the only guarantee of a stable existence[32].

Scholars distinguish between two types of import substitution strategies: external and internal. In our opinion, when using import substitution in commodity markets (for their development and sustainable development in the postwar period), it is worth focusing on internally oriented import substitution.

The crisis phenomena that have accompanied the domestic economy in recent years (first the pandemic and then the war) have led to the destruction of the usual supply chains and encourage companies not only to change the geography of production, but also to transfer them to their home markets [33]. In our opinion, this can be the impetus for the development of a new logistics system and at the same time contribute to the development of strategically important import-substituting industries.

Neo-protectionism is a complex mechanism of economic policy aimed at stimulating economic growth, increasing the competitiveness of the national economy and solving social development problems [34]. Neo-protectionist policies, combined with import substitution, should help to increase the competitiveness of the economy both in wartime and post-war periods. Correctly defined priorities will stimulate the development of strategically important markets, in particular, agri-food.

Institutional support is important for market development. In the work of Yanenkova I.G. and Lyakhovets O.O., on the example of the industrial complex, institutional support for economic development is interpreted as "...actions of the authorities aimed at establishing institutions (norms, rules, restrictions) and determining the procedure for their observance, aimed at achieving the goals and objectives set by the authorities in cooperation with the subjects of the PC" [35]. In the context of the development of the market of grapes and fruit and berry crops, it is necessary to focus on specific goals and objectives in the wartime and post-war periods.

Having studied the nature and essence of agrarian commodity markets, we agree with the opinion of scholars that their institutional support should be considered from two perspectives [35]:

- Institutions as institutions and organizations - regulatory, development, enterprises and associations;
- Institutions as rules, norms and mechanisms - legislative and regulatory acts, formalized and informal norms of behavior of market participants, mechanisms to encourage the implementation and compliance with certain rules and norms.

The main institutions, agencies and organizations include: regulatory institutions - relevant ministries and departments; development institutions - research institutes and institutions within the National Academy of Sciences of Ukraine and the National Academy of Agrarian Sciences of Ukraine; enterprises and associations - all business entities operating in the agricultural sector of Ukraine (both production and processing enterprises).

The researchers outline the main areas of functioning of institutions that effectively influence the development of markets, including commodity markets:

1) the purpose of the institutions is to create and purposefully distribute information on the main characteristics of commodity markets - product features and characteristics, market participants, key market indicators (profitability, creditworthiness of market participants, etc.);

2) it is institutions that determine and facilitate the exercise of property rights in relation to assets and income. In particular, the issue of ownership is relevant for the functioning of the land market, which is an integral production resource of the agricultural sector and requires special protection, in particular in terms of the intended use of agricultural land;

3) institutions ensure competition as a stimulating force of the market economy, in order to create equal opportunities for activities and direct resources not only in the national market but also in the EU markets [36, p. 56].

The regulatory framework of the VNFM market is focused mainly on the processing of grapes and fruit and berry products and regulates the technology and quality of the final product (see Table 2).

Table 2 **Main regulatory acts in the system of regulation of the grape and fruit and berry market in Ukraine***

Name of the regulatory document	Contents.
Law of Ukraine "On Grapes and Grape Wine" [37].	"This Law regulates legal relations in the field of viticulture and winemaking in Ukraine related to the management of vineyards and production of grapes, wine and other winemaking products, defines regulation and control in these industries, the rights and obligations of producers, the powers of executive authorities and is aimed at strengthening the fight against counterfeiting of wine products in Ukraine" [37]. Regulation of legal relations regarding processing. Regarding production, there are insufficiently defined rules and regulations for cultivation (Article 4. Regulation of Production).
The Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Stimulating the Development of Viticulture and Horticulture" [38].	Art. 93, para. 11 "The term of lease of agricultural land plots for commercial agricultural production, farming, personal farming may not be less than 7 years, for agricultural land plots for laying and/or growing perennial plantations (fruit, berry, nut, grape) may not be less than 25 years" [38]. Creating favorable conditions for the development of viticulture and fruit and berry crops. Since investors will be interested in investing in the land because of the long-term perspective.
The Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine on Bringing the Legislation on Protection of Plant Variety Rights and Seed and Seedling Production in Compliance with the Provisions of the European Union Legislation" [39].	**This regulatory document introduces significant changes to the legal regulation of the procedure for state registration of new plant varieties and further circulation of seeds and planting material in accordance with the requirements of the EU Directives, Regulations, and the International Convention on the Protection of New Varieties of Plants (UPOV). The amendments also take into account the compliance with the principles of legal protection of varieties and control over the circulation of seeds and planting material in the United States. In particular, the following Laws of Ukraine are amended: "On Protection of Rights to Plant Varieties" and "On Seeds and Planting Material". The main provisions came into force on 10.06.2023.**

**Source: compiled by the authors based on [37-39].*

Instead, in our opinion, there are currently insufficient tools, institutions, and regulations to form the commodity sector of commodity markets. This, in turn, creates preconditions for the emergence of negative trends in both domestic consumption and foreign economic activity. There is a dependence on imported products, both fresh and processed (fruit juices, jams, baby puree, wine, grape drinks, etc.). If we consider this issue in the context of Ukraine's accession to the EU, there is a need to revise and supplement the existing rules, regulations and mechanisms for the development of the market for grapes and fruit and berry crops to preserve the domestic market and ensure competitive advantages at the international level.

The beginning of negative trends in the wine industry was marked by the annexation of Crimea and the seizure of the National Institute of Grapes and Wine "Magarach" from the National Academy of Agrarian Sciences of Ukraine, along with the loss of vineyards. In particular, during the occupation of the Crimean peninsula by Russia, the area of fruiting vineyards decreased by 30% - from 20.5 thousand hectares to 14.1 thousand hectares (as of 2017) [40].

According to experts from the Ministry of Agrarian Policy and Food, viticulture is one of the most promising areas. In particular, they are currently discussing the creation of a "*Viticulture and Winemaking Register*" and its maintenance in accordance with European standards (a certain information and communication platform for collecting, accumulating and analyzing information on grape production and its further processing), and zoning of territories to determine clear boundaries of the viticulture zone [41]. The creation of such a registry will make it possible to track the development of the grape market, taking into account the peculiarities of post-war recovery. It will also facilitate the search for opportunities to reorient production capacities due to the damage to vineyards in the south and the search for alternatives for planting vines, as well as the search for new promising grape varieties that will be productive in areas that are atypical for this industry.

The adoption of amendments to the Land Code of Ukraine in terms of priority protection of the interests of Ukrainian tenants who use agricultural land for growing perennial plantations should also contribute to the development of the grape and fruit and berry market [42].

The study of trends in the area of perennial plantings of fruit and berry crops revealed a tendency to reduce them, which leads to a decrease in gross harvest and, as a result, a decrease in domestic consumption. Instead, there is a tendency to increase the volume of imports of these goods both in fresh and processed form (high value-added products). To avoid further deepening of the crisis in the market of grapes and fruit and berry crops, it is necessary to find ways to improve the institutional environment (subject to the implementation of EU regulations into the national legislation of Ukraine) to create favorable conditions for the development of these commodity markets in the period of post-war recovery.

Priority areas for the development of the spent fuel assemblies market during the war and postwar recovery should be as follows:

1. Selective production, saturation of the domestic market, and the simultaneous establishment of orchards to build capacity in the postwar period - the period of recovery. For example, we are growing permanent varieties now (raspberries, strawberries, strawberries, currants, etc.), and apples, pears, and grapes for the future with further access to foreign markets.

2. Developing programs for 0% lending to IDP businesses (enterprises in Kherson and Mykolaiv regions). Since under the 5-7-9% program and with grant support, funding is not enough for them (the % of coverage by grant funds is 70%, and 30% must be their own funds, which they simply do not have, and credit funds are not enough to plant the same gardens).

3. Developing a program to support the development of logistics hubs (warehouse logistics, transport logistics), which will focus on the export of import-substituting industries.

4. Development of logistics chains (global, regional and local) with a marketing focus.

5. Spread the Buy Ukrainian trend, involving the Ukrainian Chamber of Commerce and Industry.

6. Research of consumer behavior - organizational (industrial) and individual - is the ultimate goal.

7. Improving the distribution of products through retail chains by developing our own brands.

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APPENDIX 1

Dynamics of changes in the commodity structure of Ukraine's foreign trade, %*

Code and name of goods according to UKTVED	2010		2020		2021		Changes in the structure (+, -), %, %.	
	Export	Import	Export	Import	Export	Import	Export	Import
							(6-2)	(7-3)
1	*2*	*3*	*4*	*5*	*6*	*7*	*6*	*7*
I. Live animals; products of animal origin	1,5	2	2,4	2,3	2,0	2,2	+0,5	+0,2
II. Products of plant origin	**7,7**	2,6	24,2	3,7	22,8	2,9	**+15,1**	+0,3
10. Cereal crops	4,8	0,2	19,1	0,3	**18,1**	0,2	**+13,3**	-
III. Fats and oils of animal or vegetable origin	5,1	0,7	11,7	0,5	10,3	0,6	+5,2	-0,1
IV. Ready-made food products	5	4,1	6,8	5,5	5,6	4,9	+0,6	+0,8
V. Mineral products	13,1	34,8	10,8	15,5	12,4	**20,5**	-0,7	**-14,3**
26 ores, slag and ash	5	1,8	9	0,7	10,5	0,5	**+5,5**	-1,3
VI. Products of chemical and related industries	6,8	10,6	4,1	13,6	4,1	**13,4**	-2,7	+2,8
VII. Polymeric materials, plastics and products from them	1,3	6	1,4	6,3	1,6	6,6	+0,3	+0,6
VIII. Raw hides, tanned leather	0,3	0,3	0,3	0,4	0,2	0,4	-0,1	+0,1
IX. Wood and wood products	1,6	0,6	2,9	0,6	2,9	0,6	+1,3	-
X. Mass of wood or other fibrous cellulosic materials	1,8	2,7	0,8	2	0,8	1,5	-1,0	-1,2
XI. Textile materials and textile products	1,4	3,3	1,6	4,2	1,3	3,7	-0,1	+0,4
XII. Footwear, hats, umbrellas	0,3	0,8	0,3	0,8	0,8	1,3	+0,5	+0,5
XIII. Products made of stone, gypsum, cement	0,8	1,5	0,9	1,4	0,8	1,3	0,0	-0,2
XIV. Natural or cultured pearls, precious or semiprecious stones	0,1	0,5	0,2	0,3	0,2	0,3	+0,1	-0,2
XV. Precious metals and products from them	33,7	6,8	18,3	5,8	**23,5**	6	**-10,2**	-0,8
72. Ferrous metals	28,4	3,2	15,6	1,9	**20,5**	2,1	**-7,9**	-1,1
XVI. Machinery, equipment and mechanisms; electrical equipment	11	13,4	9,1	21,3	**7,7**	**19,5**	-3,3	**+6,1**
XVII. Means of land transport, aircraft, floating craft	6,3	6	1,5	10,6	1,0	**10,4**	-5,3	**+4,4**
XVIII. Optical and photographic devices and apparatus	0,5	1,5	0,3	2,4	0,3	2,1	-0,2	+0,6

*Calculated by the authors according to the State Statistics Service of Ukraine [13].

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5. Development of marketing communications of enterprise in the conditions of digitalization

5.1. The role of marketing communications in the enterprise activity

Marketing communications are the channels and tools that a company uses to deliver its message to its target group. They include PR, branding, advertising, packaging, social media, etc. Communications allow customers to understand the company and the product it offers, as well as the brand, to shorten the sales cycle [1].

Marketing communications is the advertising part of the "marketing mix" or 4Ps, such as price, place, promotion and product. The main purpose of communication is to have a specific audience in order to influence their behavior by informing, persuading and reminding. They attract new customers to brands, raise awareness, promote market expansion and support product launches. As a result, companies increase sales and profits, and strengthen relationships with customers, prospects, retailers, and other important stakeholders [6].

Marketing communications are a key component of any successful marketing strategy. They provide businesses with the ability to effectively convey information about their products and services to their target audience, influence their behavior, and establish lasting connections with customers.

Understanding the importance of marketing communications is crucial for any business that wants to thrive in a competitive market. For example, to build brand awareness, marketers will develop engaging and interactive social media campaigns, create videos, run targeted ads, and make collaborations and integrations with other brands. Each point demonstrates the important role of marketing communications in various aspects of business - from creating a brand identity to driving sales and increasing customer loyalty [5].

In other words, it is the art and science of creating value by understanding and meeting customer needs, fostering meaningful connections between brands and their audiences, and ultimately promoting consumer engagement and loyalty.

- Value creation refers to the role of the marketer in identifying and developing products or services that consumers find beneficial or desirable.
- Understanding needs emphasizes the importance of research, data analysis and understanding consumer behavior to effectively adapt marketing strategies.
- Relationship development emphasizes the emotional and psychological aspects of building a relationship between a brand and a customer based on trust and relevance.
- Driving engagement and loyalty hints at the ultimate goal of turning one-off transactions into ongoing relationships, encouraging repeat business, advocacy and long-term brand loyalty.

In the digital era, when communication channels are multiplying and consumer attention spans are shrinking, marketers are faced with the challenge of not only capturing but also maintaining interest in an increasingly competitive environment [5].

This communication ensures that the right message reaches the target audience through the right channel and achieves the goal planned by the marketer. For example, McDonald's uses a combination of TV ads, banner ads, digital campaigns, etc. to communicate the launch of a new toy in Happy Meal boxes. Similarly, Apple uses its digital presence to communicate the features of its latest iPhone, Macbook, Aipods Pro, Apple watch [2].

However, these examples are used for a reason. The marketing team strategically plans the specific combination of marketing communication types that will best reach the target audience, which is known as the marketing mix. When distinguishing between marketing as a whole and marketing communications, it is useful to think of it as a set of processes and systems that allow a company to interact with customers. On the other hand, it covers the communication methods used by marketing departments to communicate directly with customers and inform them about the product, explain the distinctive features of the company and convince them to make a purchase [3].

Marketing communications refer to the combination of tools and methods through which businesses interact with their target audience. These include tools such as advertising, PR (public relations), direct marketing, personal selling, sales promotion, and digital marketing. The primary goal of marketing communications is to convey the company's value propositions to consumers, increase brand awareness, and encourage desired behavior, such as making a purchase or building brand loyalty.

Marketing communications play a crucial role in the overall operations of a business for several reasons:

- Informing Consumers. The primary role of communications is to inform potential customers about the existence of a product or service, its benefits, unique features, and prices. This helps consumers make informed decisions.
- Building Brand Image. Marketing communications contribute to building a positive brand image, which is key to creating long-term relationships with customers. Through consistent and clear messaging, a company can establish its unique position in the market.
- Influencing Consumer Behavior. Well-crafted communications can influence consumers' behavior, prompting them to take action, such as purchasing a product, visiting a store, or browsing a website. This allows businesses not only to attract new customers but also to maintain the interest of existing ones.
- Enhancing Loyalty. Effective communications help build customer loyalty, which is a critical factor for success. Companies that regularly communicate with customers, provide valuable information, and respond promptly to their inquiries are more likely to retain customers and encourage repeat purchases.

Marketing communications are an essential element of a successful marketing strategy that helps businesses achieve their goals. They not only contribute to informing consumers and building a brand but also influence their behavior, enhance loyalty, and provide competitive advantages in the market. By effectively utilizing various communication tools, companies can create strong connections with their audience and achieve sustainable growth.

Marketing communications should also be distinguished from integrated marketing communications, which involves ensuring consistency of messaging across the company and between teams. For example, integrated marketing communications includes the use of similar messages on social media, digital advertising, email marketing, in a single, coherent and coordinated system to achieve maximum effectiveness. The goal of integrated marketing communications is not to make sure that all advertising campaigns are seen by customers. If a prospect views a social media post from a company that offers one message and then visits a website only to find a completely different marketing match, it can be disorienting, leading to the customer shortening their journey [4].

In other words, the main idea of the integrated marketing communications strategy is to create a single and consistent message that will be disseminated through various communication channels, such as advertising, public relations, direct marketing, internet marketing, events, social media and others, in order to achieve a synergistic effect. This allows a brand or company to be presented in a unified style and in accordance with a common strategy, enhancing perception and recognition in the market [7].

The benefits of integrated marketing communications:

1. Improved brand perception: When brand messaging is consistent and spans multiple consumer touchpoints, it helps to improve brand perception and awareness.
2. Greater efficiency: Aligned and coordinated efforts across channels can lead to higher efficiency and effectiveness of marketing campaigns.
3. Creating a coherent image: Integrated marketing helps to create a coherent and consistent brand image, which contributes to better consumer perception and understanding.
4. Maximizing impact: Combining different channels allows you to reach a wider audience and increase the overall impact of your communication.
5. Reducing the risk of inconsistency: An integrated approach minimizes the risk of inconsistencies or even contradictions between different marketing messages.

Thus, marketing communications are critical to the success of any business, as they allow you to connect with your target audience, convey information about a product or service, and build a positive brand image.

A marketing communication strategy is an integral part of marketing communications and helps to send clear and effective messages to the customers and clients through the right medium at the right time to achieve high sales. An integrated marketing communication strategy simply consists of a message, a medium and an objective. A solid marketing communication strategy contributes significantly to the success of any business [8].

A company will never become a market leader without using communications in its operations. After all, they help to launch a product correctly and follow trends. That is, the company will not be public and will be little known. Companies are trusted if they have a large audience and a high level of recognition. They earn the trust of consumers through communication, understanding their needs, and then satisfying them [16].

Here are some reasons why a company needs a marketing communication strategy:

1. Increase sales. According to a 2021 study by LinkedIn, 87 percent of market leaders agreed that a strong marketing communications strategy drives sales and critical business growth. The main goal of marketing activities is to attract potential customers and convert potential audiences into loyal customers, which will then lead to business growth. To do this effectively business owner need to invest in implementing an affordable, cost-effective, and high-quality marketing communication strategy that will lead to a specific marketing sales funnel [8].

2. Create a brand. Customers don't deal with a brand unless they have complete trust in it. Creating strong products and seamless services will be insignificant if you don't have a proper marketing communication strategy. It's like writing a great novel without a publisher to share it with the world. It is much easier for a brand to gain the trust of its customers if they are constantly communicating with them, especially if they are sending consistent messages across all channels [8].

3. Reach the right audience. A target audience is a group of consumers who are

most likely to be interested in your product or service. Ask yourself the question: who would you sell your services to if you hadn't learned how to reach the right audience? If you don't use the right tools, messages, and channels to interact with your potential customers, you won't be able to reach your target audience. A well-defined customer profile or buyer persona, combined with a solid marketing plan, has a huge positive impact on your business [8].

In order for a company to develop and grow in the market, it is necessary to develop a marketing communications strategy. There are three main elements of the strategy:

- Message: what you want to say
- Target: who you are talking to
- Media: what channels do you use

For a marketing communications strategy to be successful, all three elements must complement each other. Public relations teams have traditionally been responsible for a company's communications strategy, but the lines are blurring. It's becoming more common for marketing and communications departments to not be seen as two separate entities, which helps create harmony between message and medium. When a gap exists between them, it causes confusion - or worse, disinterest - on the part of the consumer [9].

The team needs a special department that will develop this area, coordinate all advertising integrations and develop branding. Because marketing communications cover many factors that need to be analyzed. First, you need to look at the market, assess how much your product is needed in this market, analyze your niche and your competitors.

For example, Nike develops global marketing campaigns to cover the market, so it takes a huge team of specialists to develop it, but it all started with a small group of people.

Red Bull promotes its brands through events, festivals, and sponsorships with a series of extreme events. In the current years, videos of water jumps were popular, which increased awareness. Red Bull sells a lifestyle, not a product. They inspire and fascinate people, making them associate these feelings with their brand [10].

IKEA has taken an innovative approach, using AR to engage consumers in an interactive way. It allows to visualize furniture in a room using AR. The main idea of the new digital design tool with artificial intelligence is to help customers visualize potential purchases by placing goods in one of 50 ready-made virtual rooms or in their own homes [6].

Another great idea for communicating with consumers is customer-generated content. GoPro held the Million Dollar Challenge, where GoPro users were invited to submit inspirational videos. This resulted in some amazing user-generated content for the GoPro YouTube channel. The winner of the contest was Ukrainian blogger Nazar Doroshkevych. He submitted a video of a fighter jet that he shot with an FPV drone for the first time in the world. There were 42,446 participants from 126 countries. Nazar Doroshkevych was among the 55 winners [11].

There are many examples, which shows that marketing communications are extremely important for the success of a company, helping to increase sales, build a strong brand and reach the target audience.

Marketing communications play also a crucial role in the operations of enterprises in agricultural sector by enabling them to effectively convey information about their products, services, innovations, and values to their target audience. In this sector, where competition is increasing and the market is becoming more demanding, effective marketing communication is essential for a business's success.

Agricultural sphere enterprises can use marketing communications to inform consumers about the types and quality of their products, cultivation methods, adherence to environmental standards, and certification of organic products, among other things. This not only raises consumer awareness but also builds trust in the brand, which is particularly important in the food industry.

Marketing communications allow agricultural enterprises to effectively promote new products, crop varieties, and cultivation and storage technologies. Through advertising campaigns, participation in exhibitions, demonstration events, and other activities, companies communicate the benefits and advantages of innovations to customers and partners.

Effective marketing communications help establish and maintain strong relationships with suppliers, processors, distributors, and retail chains by exchanging important information about supply and demand, seasonal specifics, logistical issues, and more.

Reputation is critical for agricultural enterprises, especially regarding product quality, environmental standards, and safety. Marketing communications help to shape and maintain a positive company image through PR, social media, media publications, and participation in industry events. They also allow for quick responses to crisis situations and the protection of the company’s reputation.

Through marketing communications, enterprises can actively work on increasing customer loyalty by offering special promotions, loyalty programs, and information about product origins and health benefits. Utilizing social media and direct consumer contact helps establish more personal and trustworthy relationships.

Agricultural enterprises can use marketing communications to highlight their social responsibility and contribution to sustainable development. This may include information about environmental initiatives, biodiversity conservation, support for local communities, and other socially important issues. This not only enhances the company's reputation but also attracts consumers who prefer ethical brands.

Marketing communications are an integral part of the operations of enterprises, as they help convey value propositions to consumers, strengthen market positions, maintain reputation, and develop relationships with partners. Successfully utilizing marketing communications enables enterprises not only to survive but also to thrive in a competitive market and in the face of changing consumer preferences.

5.2. Trends in development of marketing communications in the conditions of digitization

Today, with the development of digital marketing and social media, thanks to the advantages provided by technology and wide opportunities for communication between consumers, businesses are beginning to implement integrated marketing communications under the influence of the Internet, due to changes in consumer information habits. This leads to the growing role of content marketing, multi-stakeholder management, etc., which involves consumer engagement to mitigate the consequences caused by obstacles in marketing communications - loss of control over corporate communication and the negative impact of invisible communications [13].

The COVID-19 pandemic has significantly changed marketing: communications with the audience have increasingly moved to the digital space; it has become much more difficult to capture the attention of potential customers. In 2021, the number of Internet users worldwide was estimated at 4.9 billion, up from 4.6 billion in the previous year *(Fig. 1.1)*[17*]*.

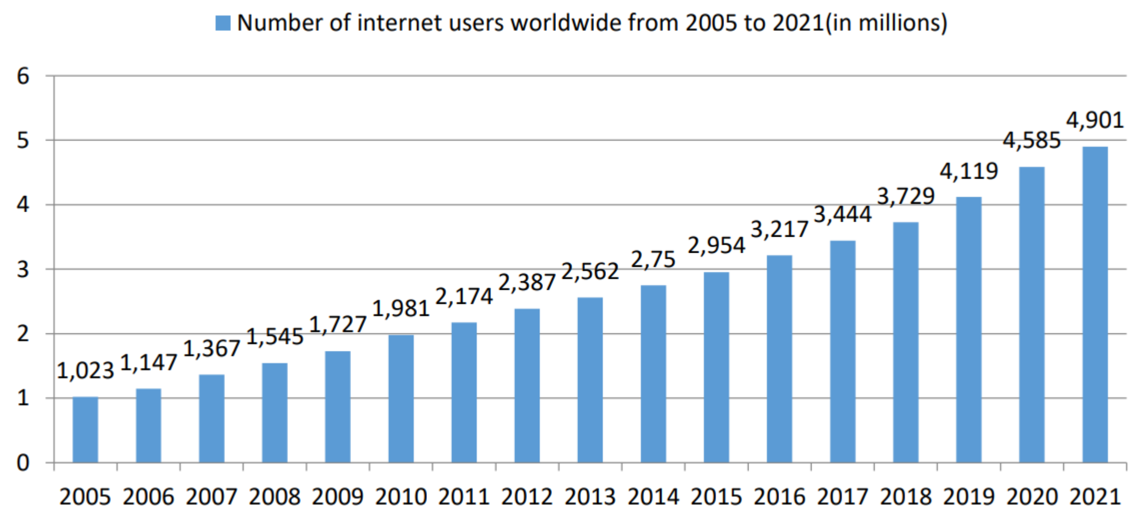

Fig. 1. Number of Internet users worldwide from 2005 to 2021
Source: [17]

Easier access to computers, the modernization of countries around the world, and the increasing adoption of smartphones have enabled people to use the internet more frequently and more conveniently. As of the first quarter of 2021, there were approximately 854 million internet users in China and 313 million in the United States. Social networking is one of the most popular online activities, with Facebook being the most popular network in terms of the number of active users. As of the second quarter of 2021, there were more than 2.9 billion monthly active Facebook users, accounting for more than half of internet users worldwide. Connecting with family and friends, expressing opinions, entertainment, and online shopping are some of the most popular reasons for using the Internet [12].

In the 21st century, marketing communications are rapidly evolving and new channels and methods of promotion are constantly emerging. Under the influence of social development, approaches, types and methods of marketing communications have changed along with the business environment. Today, the main factors of social development are increasingly the values shared by the majority of people, as well as the growing digital potential that is widely used in digital marketing. In order to create effective marketing communications, businesses will have to deeply rethink why they exist and rely on their updated values when choosing a business strategy. Customers will expect brands to be fully immersed in social issues, and it will not be enough to simply broadcast their position in advertising. [12].

With the advancement of information technology, marketing communications have undergone significant changes. The Internet and mobile applications have become key interaction channels, transforming the ways brands engage and retain consumers. In the digital environment, tools such as social media, email, and search engines have grown in importance, providing new opportunities for promoting products and services. This shift has led to the emergence of a new paradigm in marketing communications, where digital marketing plays a central role.

The development of marketing communications in the digital environment has been significantly influenced by the emergence of social media, which has become a key platform for communicating with customers. They have allowed brands to create communities, engage in dialogue and receive feedback in real time, and have become the basis for the use of such an effective digital marketing tool as influencer marketing. This has helped brands reach new audiences and build trust in their products or services. Blogs and video content on platforms such as YouTube have also become powerful tools for communicating information. Brands are using these channels to distribute content and engage their audiences. The growing popularity of podcasts has provided brands with a new format for communicating with their audiences, allowing them to dive deeper into topics and build long-term relationships with listeners.

The use of digital tools has influenced the effectiveness of data analysis in terms of interaction with the target audience. Data analytics has allowed marketers to track campaign performance in real time and make adjustments to improve results. By collecting and analyzing large amounts of data, brands have been able to create personalized marketing campaigns that meet the individual needs and interests of consumers.

The use of digital tools in communications has helped automate a significant part of marketing processes. Automation tools, such as CRM systems and marketing campaign platforms, have made it possible to automate many routine tasks, increasing efficiency and reducing time spent. The use of chatbots and artificial intelligence for customer service and communications has become a standard for many brands, allowing them to provide 24/7 support and quick responses to queries.

Changes in communications under the influence of the digital environment affect consumer behavior. An increase in the number of tools to influence the target audience and growing consumer awareness have led consumers to rely more and more on reviews and recommendations from other users, which is changing the way brands approach reputation management and communications. Today's consumers expect more transparency and authenticity from brands. They want to know who is behind the product, how it is produced and what values the brand is guided by.

These factors have combined to create a new digital marketing communications ecosystem that requires brands to constantly update strategies and tools to effectively attract and retain customers. This has resulted in the emergence of digital marketing as a new paradigm in marketing communications that is fundamentally changing the way brands interact with consumers.

The term "digital marketing" was first used in the late twentieth century, mainly to describe techniques for advertising goods and services. Over time, digital marketing has become an important tool used to increase the competitiveness of an enterprise in the market.

Digital marketing can be viewed as a set of marketing activities and strategies aimed at promoting products or services through digital channels such as the internet, social media, mobile applications, email, search engines and other platforms. It uses a variety of digital tools and technologies to achieve marketing goals, including increasing brand awareness, attracting potential customers, increasing sales, and ensuring customer loyalty (Table 1).

Table 1

Basic digital marketing tools

Instruments of digital marketing	**Essence**
Websites and blogs	Information resources that provide content aimed at informing and engaging users
Social media	Platforms such as Facebook, Instagram, LinkedIn, TikTok, etc., used to interact with the audience
Search engine optimization (SEO)	Techniques that help improve the position of the website in search engine results
Content marketing	Creation and distribution of valuable, relevant content to attract and retain customers
Email-marketing	Sending informational and advertising letters in order to maintain and stimulate sales
Pay per click advertising (PPC)	Advertising campaigns that include contextual advertising, banner advertising, social media and search advertising
Analysis of data	Using analytics tools to monitor, collect and analyze data about consumers and marketing campaigns

Source: own research.

Digital marketing is changing traditional approaches to marketing communications, offering new opportunities to interact with consumers and increase the effectiveness of marketing efforts, including

1. Interactivity and two-way communication. Digital platforms offer opportunities communication, enabling brands to receive instant feedback from consumers and respond promptly to their inquiries. This fosters the development of deeper and more trusting relationships with customers, which is critically important for enhancing loyalty and customer satisfaction. Such communications help tailor marketing strategies to meet the expectations and needs of the target audience.

2. Personalization. Utilizing consumer behavior data allows brands to create personalized marketing offers and content, increasing the relevance of messages.

This approach fosters greater audience engagement, as consumers receive information that aligns with their interests and needs. Personalization is a key factor in building long-term relationships with customers.

3. Wide reach and accessibility. Thanks to the Internet and mobile technologies, brands can reach a wide audience regardless of geographical location. This allows for market expansion, attracting new customers, and enhancing brand recognition. The broad reach provided by digital channels is a crucial tool for business growth and strengthening market positions.

4. Analyzing and measuring performance. One of the key advantages of digital marketing is the ability to conduct detailed analysis and measure the effectiveness of marketing campaigns. Analytics tools enable the tracking of user behavior, evaluating return on investment, and adjusting strategies in real-time. This contributes to the increased effectiveness of marketing efforts and optimization of resource use.

5. Automation and the use of artificial intelligence. Modern automation technologies and artificial intelligence significantly enhance the efficiency of marketing processes by automating tasks such as email distribution, content management, and advertising campaigns. The use of automation reduces costs and ensures more precise targeting of marketing activities.

The use of digital technologies opens up many opportunities for companies to increase the effectiveness of marketing campaigns, provide a personalized approach to customers and achieve high audience engagement. In today's world, where digital platforms occupy an increasing share of consumers' time and attention, the success of marketing efforts largely depends on the ability of companies to adapt to new realities and use the potential of digital marketing to its fullest.

Ukrainian businesses are also actively implementing digital tools in their marketing communications, responding to global trends and demands of the times. This global trend has not spared agricultural enterprises.

The main digital channel of communication with consumers of agricultural enterprises is the website, which provides convenient access to information about the company, its products, corporate news, investment opportunities and career prospects.

For agricultural holdings, the main task of a website is to attract potential partners by providing them with convincing information about the benefits of cooperation. With the help of a web resource, companies can increase brand awareness, post information about their activities, maintain their image and positive reputation among other agricultural market participants [2].

Social media is gaining considerable popularity among online marketing tools for agricultural businesses. They are becoming an effective platform for promoting brands, introducing new products, interacting and communicating with consumers, etc. The most common social media platforms for agricultural businesses are currently Facebook, Instagram, and YouTube. Leading companies in the industry are actively using TikTok to attract younger audiences, and a significant number of companies also have registered profiles on LinkedIn.

The companies' social media platforms provide news, information about events, achievements, partnerships, success stories, and various activities such as contests, sweepstakes, promotions, etc. Targeted advertising is used occasionally and is mainly aimed at maintaining the brand image and finding partners.

The situation is somewhat different with regard to online advertising activity of processing companies that produce products for the end consumer. Advertising is mostly aimed at introducing new products to the target audience and promoting the company's products. Most adverts contain short videos and text. The content of the adverts is aimed at demonstrating usefulness for the consumer: it can be a recipe for a healthy dish, a post about the benefits of products, or an advertisement for a new product.

Another goal of social media advertising campaigns is to increase the subscriber base on YouTube and Instagram and promote websites. Among all the methods of website promotion, the most popular are promotions and contests with a link to the relevant page of the website, which contains information about the promotion and instructions on how to participate.

Today, society is against the global transition to online services, because after 2 years of the pandemic and 2 years of full-scale invasion, customers are tired of remote shopping. Therefore, in 2024, brands need to pay attention to the offline space and implement a hybrid format. It requires a whole infrastructure that combines user experience through various communication channels. For example, young people (Generation Y and Z) prefer shopping via social media and use voice assistants much more often, while the older generation (Baby Boomers and Generation X) mostly prefer offline shopping and personal communication with a consultant. Thus, the digital space is considered more familiar to younger audiences. In addition, recent studies show that younger generations are more likely to pay attention to advertising when considering purchases, and to buy through new promotion channels. Fig. 2 illustrates the impact of advertising on purchases and the use of modern promotion channels for younger (18- 25 years old) and older (46+ years old) audiences.

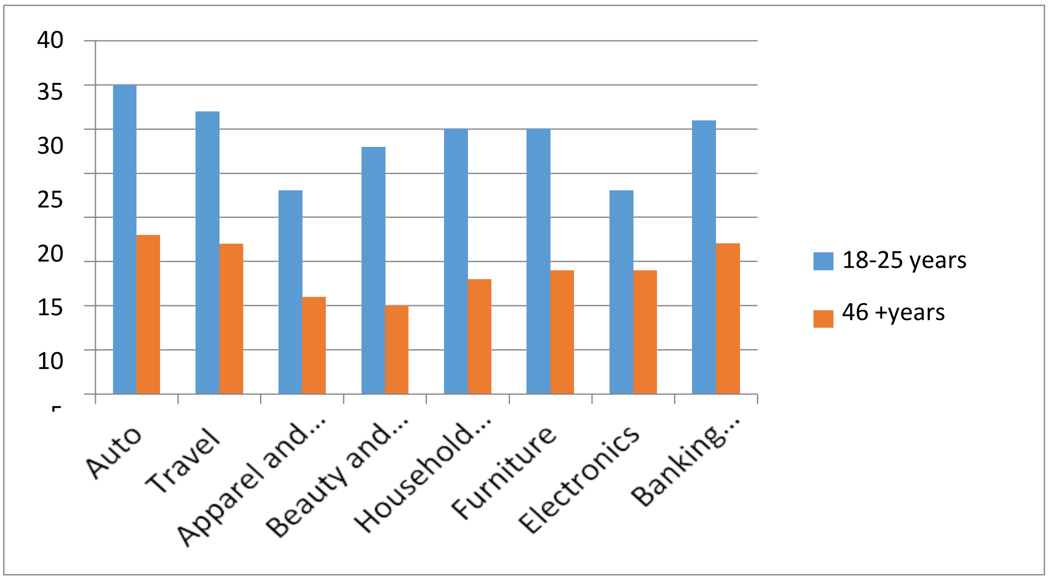

Fig. 2. The impact of advertising and promotion channels on the purchase for younger and older generations, % of the total age group

Source: [12].

At the same time, companies are losing huge profits by focusing on Generation Z. Numerous modern studies have shown that the purchasing power of boomers is USD 2.6 trillion, and Generation X representatives earn more than other age groups. Therefore, marketing should focus on audiences of different ages, taking into account their values and interests [12].

As the marketing environment continues to evolve, trends have already begun to emerge in 2024. Marketers need to embrace and apply these trends to succeed [14]:

AI (artificial intelligence) is on the rise. The influence of Gen AI will grow: 67% of marketers are optimistic about its potential. This surge in enthusiasm means that AI technology is rapidly being adopted, opening up opportunities for increased creativity, efficiency and scalability in content creation. Marketers who use AI to measure content will be well positioned to navigate the competitive landscape [14].

Alignment of marketing with cultural values. According to recent research, almost 2/3 of people prefer brands that align with their personal values. Despite the disconnect between customer value and action, consumers are becoming increasingly insistent on holding brands accountable for alignment with cultural values. Marketers should consider potential confrontational risks in their planning to stay in sync with evolving cultural norms [14].

Attention and emotion beyond visibility. Marketers are moving towards a deeper understanding of the quality of creative attention. Facial coding and eye tracking techniques are gaining popularity, providing insights into consumers' emotional reactions. As predictions of AI-powered attention grow, in 2024, marketers will be measuring attention across digital advertising, optimizing return on investment (ROI) through comprehensive attention analysis [14].

Radical innovation for sustainable growth. Brands that are perceived to be innovative show three times the growth, but the level of innovation in the post-covid period remains relatively low. In 2024, the trend towards radical innovation, especially in the area of sustainability, is gaining momentum. Consumer-centric approaches, strong brand fundamentals and a commitment to sustainability are driving brands that achieve competitive advantage through innovation. Innovation will be a key driver for further growth in the coming year.

Marketing communications in 2024 promises to be dynamic and transformative, driven by technological advances, cultural shifts and a growing emphasis on sustainability and innovation. Marketers who are aware of these trends will be better prepared to navigate the complexities of the evolving consumer environment and drive brand success in the year ahead.

5.3. Analysis of communication activities on the example of "Trading Company "Rud" LLC

The company "Trading Company "Rud" LLC is the official distributor of "Zhytomyr Butter Plant" in Kyiv and Kyiv region, the leader in sales of TM "Rud" products and the supplier of frozen products to national networks throughout Ukraine, the official representative in Ukraine, "FRoSTA" and TM "Orlemans" (Spain, Poland) [15].

Since its foundation on 2 November 2002, the company has been specializing in the storage and delivery of a wide range of deep-frozen food products to retail chains (currently over 1,000 items). The main activity of the company is seasonal ice cream trade, but the range of products is very wide. The company is a distributor of such products:

- ice cream (cones, popsicles, briquettes, waffle cups, plastic ice cream);
- bakery products (croissants, bread, baguettes, ciabatta buns, panini, puffs, pies, muffins);
- frozen dough;
- frozen vegetables, mixes and berries;
- French fries;
- frozen semi-finished products (dumplings, dumplings, khinkali, cheese cakes, stuffed cabbage rolls, chebureks, etc.);
- vitamin drinks (teas);
- cakes and desserts;
- toppings and syrups;

Other manufacturers and distributors provide a large volume of the assortment. The following suppliers cooperate with the company (Fig. 3) [15]:

Fig. 3. Logos of suppliers and trademarks of products in the assortment

Source: according to the company.

The range is expanding every day as the company quickly adapts to changes in the market.

The "Rud" Trading Company has a large share in the frozen food market. Since the company is a distributor of ice cream, frozen products, semi-finished products and bakery products, there are many players in the market. The main ones are "Frozenfood UA", "Frostik", "Fishkifood", "Vova HoReCa", "Tevitta", "Lasunka", "Three Bears", "Khladoprom", and "Lviv Kholokombinat". The companies also have a wide range of products, from ice cream and desserts to frozen semi-finished products.

The deep-frozen market is an expensive one, as it is very expensive to transport these products. The products need to be transported at the right temperatures and all conditions need to be met, especially during the warmer seasons.

Delivery of goods is carried out by specialized vehicles with refrigeration equipment with the appropriate temperature regime in accordance with the standards and in accordance with the rules of transportation, with the driver having a sanitary book with the results of a medical examination. The temperature control technology allows us to strictly comply with the product storage regime. Products are transported and stored at temperatures ranging from -18°C to -22°C in winter and from -19°C to

-24°C in summer. Through constant monitoring, the company ensures that the temperature chain is strictly observed and that the goods are delivered to our customers in the proper form. The company's own fleet of vehicles includes 109 Mercedes-Benz vehicles. There are also 3 trucks in the fleet that deliver products from “Zhytomyr Butter Plant” to the warehouses of “Rud Trading Company” LLC [15].

The storage of deep-frozen products is equally costly. The main part of the products of the “Trading Company “Rud” LLC is stored in the newest warehouse in the village of Shpytky in Kyiv-Svyatoshynsky district of Kyiv region, which is ISO 22000 certified. Additionally, the company stores its products in a leased warehouse located in Kyiv at 24 Vatslav Havel Boulevard. Strict control of the required temperature and humidity levels in the warehouse is a prerequisite for the company to guarantee the quality of the products in each package. The storage temperature in freezers is -18°C to -22°C in winter and -19°C to -24°C in summer [15].

To guarantee the high quality of the products delivered to customers, the company fully controls all stages of distribution: from receiving an order from a customer to delivering the goods to a point of sale.

“Trading Company “Rud” LLC provide and control the delivery process. In the event of any misunderstandings, employees respond quickly to requests and resolve problems quickly. The company serves more than 12,000 outlets, including cafes, restaurants, shops, kiosks, retail chains, hypermarkets, and summer trade. But every year the number increases, especially when the season starts. Among the well- known retail chains are: “Auchan”, “Silpo”, “Fora”, “Lotok”, “Kolo” Market, “Epicentr”, “Megamarket”, “Ultramarket”, “Bdzhilka”, “Kyivkhlib”, “Fozzy”, “Box” Market.

The Development, Marketing and Non-standard Sales Department plays a key role in promoting the products of the Company and shaping its image in the market. This department is responsible for all marketing communications of the organization and contributes to the development of the company in the frozen food, semi-finished products and bakery market. All the company's marketing communications, both external and internal, are channeled through this department.

The main functions of the department are:

1. Development of advertising campaigns and creative concepts. Effective advertising is one of the most important tools of marketing communications. The department develops creative ideas and concepts for various types of advertising - television, outdoor, print and online. The department's employees work to create bright, attractive and memorable advertising materials, examples of which are shown in Figure 4:

Fig. 4. Examples of creatives used by the company

Source: according to the company.

All printed materials help to increase the brand awareness of the company, attract the attention of consumers and generate interest in the company's products. All print advertising is passed on to the sales departments, where they pass it on to customers.

2. Organizing and holding promotional events and tastings. Just a few years ago, the company was constantly participating in exhibitions, fairs, holidays, awards, organizing ice cream festivals, events and projects to promote the brand and products, and all these communication activities were channeled through the marketing department. Until 2020, these events were held frequently, such as an ice cream festival for children. “Rud” also participated in the Coach's Cup and cooperated with “Darynok Market Mall”.

Unfortunately, these activities were suspended during the pandemic and martial law. However, the company is always open to new proposals. In 2023, the company took part in the "Dad of the Year" award at the “Premier Palace Hotel”, where it distributed “Rud” products. The marketing department tries to stay active in such difficult times, so sometimes they help charitable organizations and orphanages [21].

3. Maintaining and updating the company's official pages on social media, such as Facebook and Instagram. The department uses social media to communicate with consumers, inform them about new products and conduct various activities, ensuring this important communication with the target audience. Also, when products are introduced to the market, targeted advertising is launched to reach a wider audience. Of course, organic traffic is the best way to inspire consumer confidence, but targeted advertising has been gaining momentum over the past 5 years, so it is important to keep abreast of all trends and use different channels for communication.

Development and updating of marketing materials: catalogues, price lists, presentations, booklets. High-quality and up-to-date presentation products help to effectively present the company's product range to customers and partners. All these materials are developed and approved by the marketing department (Fig. 5).

Fig. 5. Advertising presentations for different brands

Source: according to the company.

Another way to communicate with customers is through branding of refrigeration equipment, umbrellas, and tents [14]. This is a standard but no less important method used by all manufacturers and distributors of refrigeration equipment. The company uses integrated marketing communications, which is also a set of measures to maintain and improve customer relationships and gain competitive advantages in the market. An example of branded refrigeration equipment (Fig. 6):

Fig. 6. Branding of commercial equipment

Source: [14].

4. An important aspect of the department's work is close cooperation with the company's trading partners and suppliers. The department actively participates in meetings, negotiations and joint marketing activities, maintaining strong partnerships. Regular communication with partners on cooperation, exchange of experience and search for new opportunities for product promotion is an integral part of the department's activities. To support marketing communications, the Development Department carefully selects the most effective communication channels for promoting the company's products and then submits them to new advertising agencies and media for contracting. It also participates in tenders [22].

In addition, the department interacts with other divisions of the Company, in particular, the sales departments, to ensure a comprehensive approach to the promotion and sale of products, and carries out internal communications within the company.

5. Analyses the effectiveness of marketing activities and advertising campaigns and makes necessary adjustments. The department monitors the results of its activities and optimizes marketing efforts to achieve maximum effect in communications.

The professional activity of the Marketing Department is crucial for strengthening the “Rud” brand, increasing the company's market recognition and building loyalty among consumers. Thanks to the effective marketing strategy and communications, the company strengthens its positions in the frozen food, semi-finished products and bakery products markets, demonstrating sustainable development and progress.

One of the measures implemented by Marketing Department is targeted advertising. Targeted advertising allows to reach target audience by displaying ads to those users who meet predefined criteria. This ensures more efficient spending of the advertising budget and increases the likelihood of attracting new customers [23].

For example, during the campaign for FRoSTA (frozen fish semi-finished products), the company used targeted advertising, as the product is new and it is necessary to convey information to the consumer correctly. Creatives were developed for different formats and social networks (Fig. 7).

Fig. 7. Image advertising of TM "FRoSTA"

Source: according to the company.

The results of the social media advertising campaign are shown in Table 2. During the entire period of the advertising campaign from 14.11.2023 - 30.12.2023; 08.04.2024 – 22.04.2024, 723 thousand people were reached. The planned goals for coverage were to tell about the product and the place where it can be purchased to the largest number of people, for traffic - to transfer people to the page for more detailed information about the product, for engagement - to motivate them to leave a response to the ad with the promotion [23].

Table 2

General results of targeted advertising from 14.11.2023 - 22.04.2024

	Recognition	Traffic	Engagement
Coverage	666 022	5573	5922
Average reach per creative	37 001	820	1123
Clicks	266	2025	282
Price per thousand impressions	10.80 UAH	60 UAH	185.82
Target audience	Men 35-54 Women 45-54	Men - 25-44 Women 20-54	Men 55-64 Women 55-64

Source: according to the company.

The projected reach per day was 25-30 thousand people. According to the results, each target attracted its own part of the target audience, so the company reached target audience as much as possible, as the ad is shown to the audience that is most likely to perform the target action. The main indicators were normal for static creatives, and the company's Engagement exceeded revenue to 4.77%, while the norm was 1.5%. The campaign achieved its target audience reach goals. Although during the launch, there were some irregular impressions. After the launch of the advertising campaign, there were several requests for cooperation with this brand, but not all of them were successful.

"Rud" promotes its brands through social networks, especially when new products are released, and many consumers respond to them. This is another successful way of communicating with existing customers. Previously, the company promoted through bloggers with large audiences, even bloggers with millionaires, but it was costly and not very effective. Recently, they have been working closely with small bloggers, although the audience is small, but it is active and sometimes videos are included in recommendations, so this is a nice bonus. The most important thing is that it is not paid advertising, because every blogger is a consumer of "Rud" and other products, so they only give honest reviews. Therefore, the statistics for the recent period are impressive, especially after the advertising campaign (Fig. 8) [22].

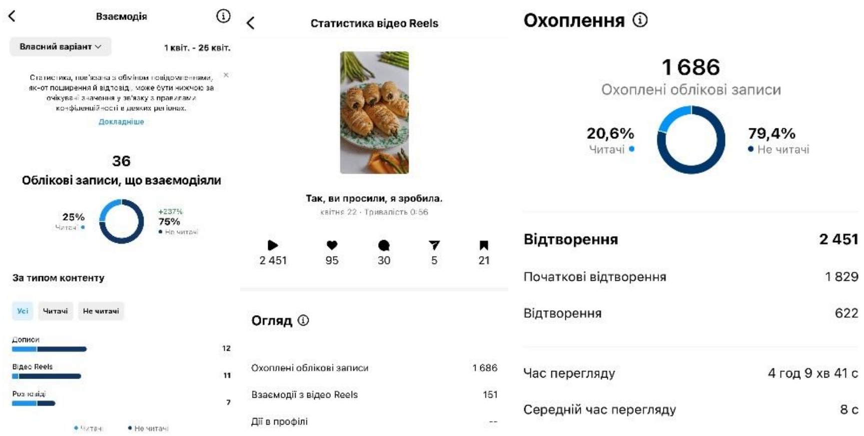

Fig. 8. Statistics on Instagram tf.rud.kyiv

Source: according to the company.

The use of social media in the marketing activities of the "Rud Trading Company" helps to increase brand awareness, attract new customers, interact with existing ones, monitor trends and optimize marketing strategies. All this ultimately contributes to the growth of sales and the company's success in the market.

In addition, to increase the accessibility and convenience of customer service, it was decided to develop its own website. So far, a landing page has been created and the marketplace is not fully filled [15]. Currently, the marketing manager, together with programmers and analysts, are developing a personal account for customers for the “Trading Company “Rud”. So far, the website is being tested and improved, and the existing errors with the exchange programme are being fixed.

The effectiveness of creating a landing page is already showing results. The site contains the necessary information to help people understand what kind of company it is and what kind of cooperation terms it offers. The website receives a lot of requests, so the company is gradually switching from hotline service to messaging. People leave requests for cooperation at a convenient time, providing the necessary data to provide all the necessary information. This has a positive effect, as it relieves the employee in charge of the hotline, allowing them to work on other projects.

The main page currently looks like this (Figure 9):

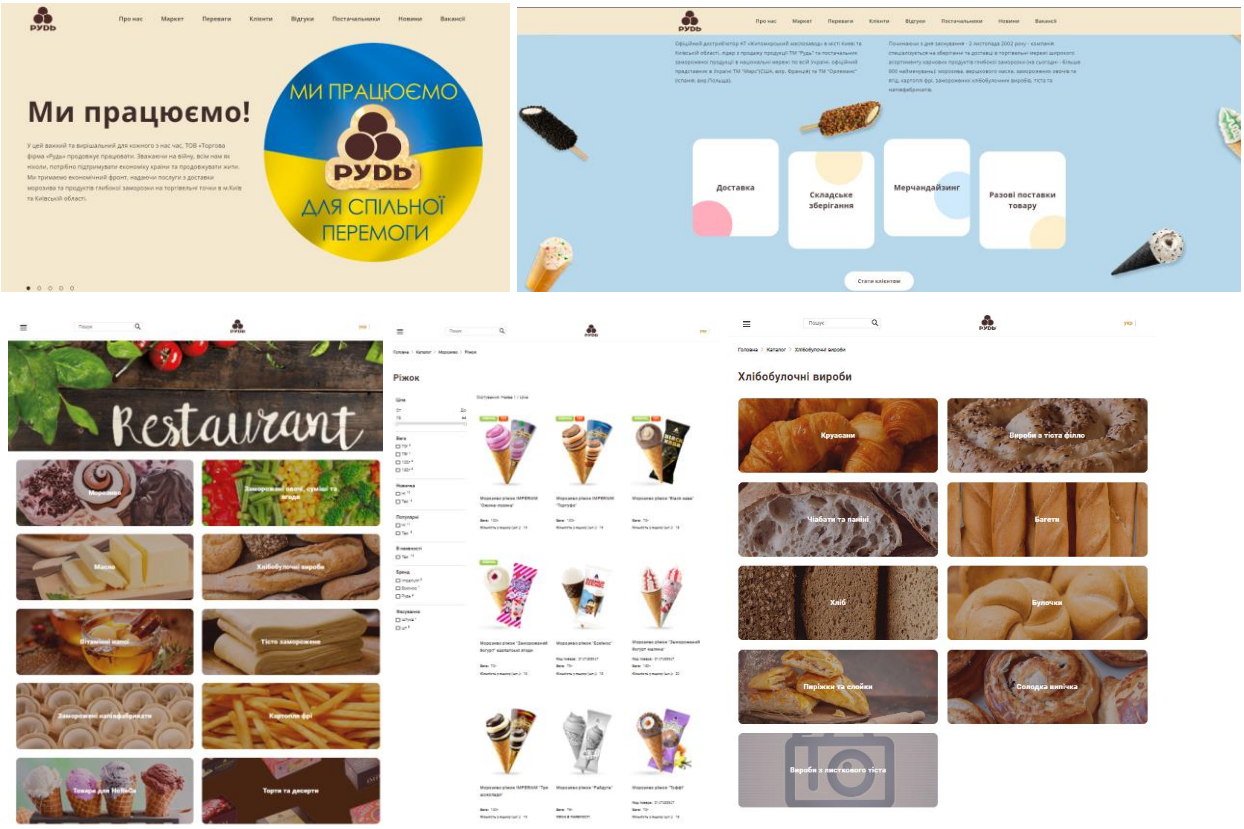

Fig. 9. Design of the website of the " Trading Company “Rud " LLC

Source: according to the company.

The functionality of the site is clear, but it has no positive effect, as there is a struggle for consumer attention. Many customers have already complained about the outdated information on the website. It is necessary to establish this marketing communication, as it is currently one of the main competitive advantages in the market. The website will not only allow customers to get acquainted with the product range, view current prices and place an order at any time convenient for them, but will also help them better navigate the product range without wasting time looking through different catalogues, as all the necessary information will be available in one place on the website.

The launch of the website is an important element of marketing communications that will bring “Rud” to a new level, giving it an advantage over other competitors.

Based on the analysis of marketing communications and their impact on the activities of the "Trading Company “Rud", a number of recommendations for their improvement can be proposed. Improvement of marketing communications is essential for the company in the 21st century, as in the era of digital technologies and fierce competition, effective communication with customers is a key success factor.

Without establishing modern communication channels, an active presence on the Internet and social media, and the introduction of innovative marketing tools, a company will inevitably lag behind its competitors. Marketing communications are the basis for building customer loyalty, increasing brand awareness and attracting new customers. Without continuous improvement and adaptation to new trends and market demands, the Company will not be able to ensure stable sales growth and increase in profits in the long term. Therefore, the optimization of marketing communications is a strategically important task for the company in today's realities.

To solve these problems, we can offer the following recommendations for improving the communications of the Company:

1. Improve the company's website. As it was already revealed, the company cannot expand without a website. Therefore, an updated version of the website is being actively developed, optimized for mobile devices, more modernized with an identity, i.e. the development of a fully-fledged style of the “Trading Company “Rud” (Fig. 10).

It is necessary to introduce a personal account for customers, where they can track their order history, manage personal data and receive individual offers. It is also necessary to regularly update the content and information about products, prices, promotions and offers to ensure that the data is up-to-date.

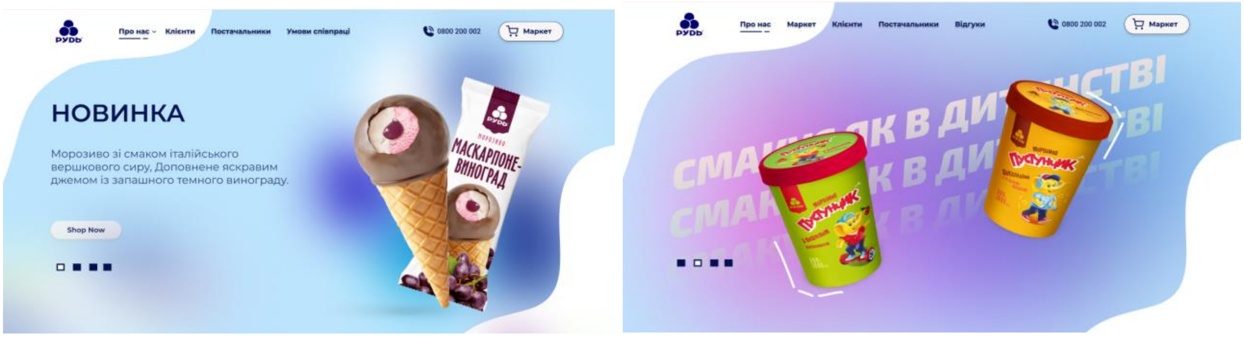

Fig. 10. Part of the updated future design

Source: according to the company.

2. Strengthening the presence in social media. Currently, a separate person is needed to be responsible for managing social media, developing content marketing strategies, and creating interesting and useful content that will engage the audience. Although the company rarely participates in events and celebrations compared to 2020, it is necessary to cover other information. Nowadays, they are more likely to help charitable organizations, so it would be very appropriate to cover this information. You can also add cooperation with bloggers and influencers in the field of food and cooking to promote products, or rather more frequent collaborations.

3. Presence in TikTok, i.e. creation and regular filling of the official account of the "Rud Trading Company" LLC on this platform. TikTok is one of the most popular social networks, especially among the young audience. This platform allows to create and distribute short videos that have a high potential to go viral and receive significant user engagement. To create high-quality content on TikTok, you can hire creative employees or other professionals. It is important to follow the trends and popular formats of the platform to be interesting for the target audience.

It is not necessary to publish content every day to successfully implement this recommendation. It is enough to keep it regular, for example, 2-3 posts per week. Since the " Trading Company “Rud" is already a well-known company, its presence on

TikTok will become an additional channel of communication with consumers and help maintain interest in the brand.

4. Do not conduct regular customer satisfaction surveys with products and services. This is no longer relevant, and consumers do not like it when there is a lot of spam. Customers contact you when they need you. This doesn't mean that you don't need to analyze whether people like a product or service at all. All you need to do is create a convenient system for submitting suggestions and wishes from customers. For example, you can add a starred review to your website, something that doesn't take much time and doesn't require you to process a lot of information.

5. Expanding communication channels. For example, when ordering on the website, you can duplicate information in messengers (Viber, Telegram) for quick communication with customers and service. So that the consumer chooses a convenient messenger for him or her and, if necessary, can ask relevant questions. Since the company has only an active hotline, adding a messenger will be an advantage.

Implementation of the proposed measures to improve the marketing communications of the " Trading Company “Rud" will allow the Company to significantly increase the efficiency of its operations. The updated website is expected to increase traffic by 25- 30%, increase the conversion of visitors into customers and expand the base of loyal users. An enhanced presence on social media and TikTok will help increase brand awareness among various target audiences. Implementation of a convenient feedback system and expansion of communication channels through messengers will improve the customer experience. In general, the implementation of the recommendations will allow the "Rud Trading Company" LLC to stand out among competitors, attract more customers and increase the efficiency of its business.

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6. Management of sells through marketing and information securities as a measuring of the efficiency of the company's activities

6.1. Relationships between consumers, suppliers, distributors, and partners in marketing

In modern formations of economic systems of different levels, new qualitative processes are observed, which require the search for completely new methods of ensuring successful long-term development of enterprises and organizations. In a global context, when the emphasis shifts from material and financial resources to intellectual assets, when traditional models and mechanisms of operating enterprises in a competitive environment undergo significant changes, and the nature of competition itself is transformed, the problem of development and implementation of new forms of realization of the economic interests of major market participants becomes relevant. In this context, partnership in the form of long-term relationships is recognized as one of the promising ways of ensuring a successful competitive position of modern enterprises.

Achieving a stable position in the market is not possible without cooperation with business partners, as it is based on relationships with other companies. Therefore, competitive advantages based on such relationships have become relevant. The creation and development of strategic networks is a new approach of companies to solving the problem of competition in the context of globalization of the world economy and markets. This trend is the result of the rapid development and spread of high-tech products and integrated solutions in the modern economy, as well as the processes of rapid technological improvement and high level of risk in new markets. No firm can provide all the necessary resources to create and maintain a sustainable competitive advantage on a global scale.

In many countries, companies form strategic networks – with suppliers, business consumers, financial institutions, governmental organizations, research centres and even competitors – to a level of quality and efficiency that would not be achieved in direct competition between firms and firms. Thus, relations between the entities form a special stable network, in which the success of each partner depends on the network as a whole.

Philip Kotler, a recognized marketing expert, defines today's global markets as a network economy and a network society. The basic principle of the network approach is the application of the concept of marketing relationships (relationship marketing). This approach is aimed at developing andining successful relationships with suppliers, customers and other external partners. An integral part of relationship marketing is the creation of mutual trust and commitment between firms.

Companies influence not only relations with direct partners, but also usually influence their relations with other market participants. At the same time, the active environment of the firm consists of direct and indirect relationships, partners and third parties, which emphasizes the need to study not only direct contacts of the central organization, but also its indirect relationship.

Marketing of relationships is the establishment of close relationships with different participants in the process of production and sale of goods (services) to be presented to the market, which contribute to the satisfaction of consumers and bring profit to all participants of the process.

Marketing partnerships consists in building long-term mutually beneficial relationships with the key market partners of the company (consumers, suppliers, distributors) in order to establish lasting privileged relationships. This contributes to the achievement of a compromise in the interaction of economic activities and the optimal placement of resources on the market of goods and services. Manufacturing companies that want to work quickly and efficiently strive to establish long-term, trustworthy, mutually beneficial relationships with the most valuable consumers, distributors, dealers and suppliers. They use a high level of service and reasonable prices as a “building material”.

Partnership marketing is aimed at establishing close economic, technical and social links with partners, which helps reduce transaction costs and save time, turning trading transactions into a routine process.

Relationship marketing aims at forming a unique asset of the company, called a marketing business network. This network includes the company and all groups interested in its work, such as consumers, staff, suppliers, distributors, retailers, advertising agencies, university scientists and everyone with whom the organization has a mutually beneficial business relationship. Thus, the market is not competing individual manufacturers, but whole business systems. Successful are those who have built the most effective system of relationships. The principle of action is simple: you need to create an effective system of relations with key stakeholders, which will ensure guaranteed profit.

In modern conditions of increased competition in the market, participants of market processes try to improve efficiency at all stages of creation of value for the consumer. This leads to the fact that companies make certain demands on their suppliers. They expect sales agents representing these suppliers to actively contribute to the success of their customers. To do this, sales agents must understand the needs and demands of consumers, identify the problems that customers face, and help them solve them.

At the same time, it becomes more difficult for market participants to develop and maintain competitive advantages based solely on products. Most of these advantages can be copied by competitors, and this happens quite quickly. The formation of the competitiveness of the enterprise begins with the establishment of relations with the staff. At the first level of interaction, it is the employees who significantly influence the successful activity of the enterprise, this is due to their influence on the quality of the final product that the consumer receives. In particular, this applies to organizations that use direct sales as the main tool of marketing activity [11].

To understand the needs of customers and provide them with clear, informed solutions, sellers need to develop close, long-term relationships. The basis of this relationship is cooperation, commitment, obligation and informedness. The process by which a firm builds long-term relationships with consumers in order to create mutual competitive advantages is called sales, determined by relationships. Sales representatives engaged in such sales, focus their efforts on developing a long-term relationship with several carefully selected customers, rather than trying to attract as many customers as possible.

Relationship marketing gives the company a number of advantages:

1.Reduced costs of finding new customers – as the companyins long-term relationships with existing customers, the costs of attracting new ones become lower.

2. Increase in the volume and cost of procurement – regular consumers usually increase their costs of purchasing the products of a given company, which leads to an increase in sales volumes and their cost.

3. Cross-sales and other marketing solutions. Through cross-sale strategies and marketing techniques, the company can increase its share in each customer’s consumer basket, which in turn leads to increased profits.

4. Product panel availability – long-term relationships with customers allow companies to get information about their preferences. This allows the company to give up the need to engage specialized research companies to explore the market and offer new services. Thus, relationship marketing creates a market for testing and introducing new products or offers with less risk.

5. Advertising products by consumers – recommendations from representatives of reference groups can significantly influence the choice of a particular product, so relations marketing contributes to providing the highest value for customers.

6. Increased consumer confidence. Long-term relationships allow more information to be exchanged, which promotes confidence in decision-making.

7. Employee retention. Internal marketing stimulates employee participation in company development and consumer satisfaction, which contributes to staff retention.

8. Increase consumer lifecycle duration. Long-term relationships contribute to an increase in consumer life cycle, which makes forecasting financial flows more predictable and contributes to the growth of the company's profits.

9. Growth of the role of long-term planning – relationship marketing promotes the development of long term plans, which allows you to better predict the volumes of implementation and preferences of regular customers.

Thus, partnership interaction in the form of sales, determined by relationships, creates a barrier for new competitors and ensures the maintenance of a stable base of satisfied consumers, which contributes to a successful competitive position of the company.

In business for a long time prevailed the approach based on operational sales (transaction selling), where each transaction was carried out as a separate transaction with independent companies. However, with the development of competition, it has become clear that the formation of sustainable relationships with consumers, partners and suppliers can provide significant advantages. This led to the development of the concept of relation-based sales (relationship selling). For example, Xerox (www.xerox.com) has limited the range of suppliers it is prepared to deal with to less than 500 organizations. For comparison, in 1989 it had more than 5,000 suppliers. As a result of the narrowing of the circle of its suppliers, the volume of work of sales personnel increases: because you have to work more with consumers, trying to solve their problems, to increase efficiency, which affects increased value. More and more companies open their offices near or directly on the territory of buyers. In particular, Kinko’s (www.kinkos.com) has opened the offices of all its most important suppliers in its headquarters in California (USA), and Procter & Gamble (www.pg.com) has sent its key sales representatives to WalMart’s headquarter in Bentonville, Arkansas (USA) who work there on a permanent basis [1, P. 46-47].

However, it is worth noting that providing a high level of service is quite expensive and energy-intensive process that requires management skills of experienced professionals. At the same time, sales managers classify their customers, forming a multi-level sales strategy.

The task of such a strategy is, on the one hand, in establishing unique, moreover – strategic, relationships with the best of customers and, secondly, - in simplifying based on transactions (agreements) relations with customers, which are arranged by the lower level of service. For example, the management of the company «Shell Oil» (www.shell.com) has come to the conclusion that part of small firms buyers do not want to be visited by its sales representatives (and also do not have time to accept such visitors). After the company redistributed resources and began to direct its sales representatives mainly to large customers, and to go on smaller began to use telemarketing, it turned out that this approach suits almost all Shell Oil customers [1. P. 47].

These examples demonstrate how companies move from traditional operational sales to building long-term relationships that enable them to more effectively meet consumer needs, improve productivity, and create added value for all stakeholders.

Providing a high level of service is an expensive pleasure that cannot be equally accessible to all foreign consumers. This forces sales managers to rank their customers by partnering with one another and striving to maximize efficiency in relationships with other business entities. Thus, organizations form a multi-level sales strategy. Its task is, on the one hand, to establish a unique, strategic relationship with the best customers, and on the other – to simplify operational relationships with customers who are satisfied with a lower level of service.

The main problem with Shell Oil is that small buyers did not want their sales representatives to come to them. And often these firms did not have time to receive such visitors, which led to inconvenience and waste of time for both customers and sales representatives.

Strategic actions for the corporation are resource redistribution: Shell Oil has opted to send its sales staff mostly to major clients, where personal contact was crucial and successful. The company has developed telemarketing, which lets you phone smaller clients instead of making human visits, so saving money.

The results of such actions are:

- Customer convenience - this approach has proved convenient for all customers. Large customers received the necessary attention and support, while smaller customers could interact with the company in a convenient way for them.

- Economy and efficiency - this redistribution of resources has allowed to reduce trade costs, since telemarketing is less expensive compared to personal visits.

- Improved client contact of various kinds helped to boost sales.

- Reduced expenses and more sales helped the business to grow in profitability.

This case shows how crucial it is to consider the needs of various client groups and modify sales plans to fit their needs, therefore enabling major increases in company productivity.

At the same time, the trends in the development of different partnerships are:

1. Strategic partnerships.

- Long-term relationship orientation: focus on building long-term relationships with key clients. The aim is to ensure stability and mutually beneficial cooperation.

- Exclusive deals and business process integration: forming exclusive contracts to enhance interdependence, integrating business processes to improve efficiency and productivity.

2. Telemarketing and digital channels.

- Use of technology for service: application of telemarketing and digital channels for less significant customers. This reduces maintenance costs and increases the efficiency of interaction.

- Cost optimization: reducing the number of personal contacts due to digital tools, the use of automated systems for support and customer service.

3. Supply-based relationships.

- Selective cooperation with few suppliers helps to raise the quality and dependability of supply by closer links.

- Cooperation in innovation and new product creation underlines cooperative invention and development. Furthermore fulfilling the needs of both sides are cooperation projects and events.

The emergence of these tendencies underlines the need of strategic orientation and efficient marketing. The success of modern companies depends mostly on developing sustainable and mutually beneficial relationships with several market players; strategic alliances, digital channel optimization, and close supplier cooperation help to raise the quality, efficiency, and competitiveness of the company.

Key aspects of the development of marketing relationships are:

1. Loyalty programs for existing customers:

- The difficulty of gaining new customers – attracting new customers is a more difficult and costly process compared to retaining existing ones.

- Attracting existing consumers with new products – loyal consumers more easily perceive new products and methods of their promotion.

- Cross sales – offering existing customers additional products or services increases the share of the company in their consumer costs.

- Cooperation with consumers – involving customers in new product development processes, advertising campaigns and sales stimulation methods contributes to increasing their loyalty and satisfaction.

2. Development of partnerships within the company:

- Internal partnerships – cooperation between shareholders, managers and staff helps to determine the right directions of company development.

- Effective implementation of strategies – internal partnerships contribute to the effective implementation and achievement of the goals of the company.

3. Strategic long-term alliances:

- The role of strategic alliances – the creation of long term partnerships based on mutual interests contributes to sustainable development.

- Development of marketing systems – the transition from horizontal and vertical marketing systems to vertically integrated management systems. Formation of formal and informal economic unions to common goals.

4. Modern trends in sales development, based on relationships:

- The difficulty of achieving success alone – in today's competitive environment it is becoming more and more difficult to success without partners.

- Development of relationship marketing – the rapid development of relations marketing is based on building long-term mutually beneficial relationships with key partners. Cooperation with consumers, suppliers, wholesalers and retailers is a key factor of success.

Development of marketing relations emphasizes the importance of building andining long-term mutually beneficial relationships with different market participants. Loyalty programmes, internal partnerships, strategic alliances and current sales trends are key aspects that contribute to the company's sustained growth and success in a competitive environment.

The purpose of marketing relationships for domestic enterprises is:

1. Maximization of end results of activity - improvement of results represents strategic work with key clients throughout the period of interaction, which allows to improve the end result of the enterprise, while the emphasis that is made on customer loyalty and long-term relationships, contributes to a stable growth of profits;

2. Ensuring the search for compromise – the interaction of economic activity entities is to create conditions for effective interaction between the various economic entities ensures the harmonious development of business, search for compromises and balance of interests contribute to enhancing the stability of partnership relations;

3. The optimum placement of resources in the domestic market includes the consideration of crisis-recession phenomena in the economy and the adaptation of strategies to current conditions and the effect of information asymmetry, that is, work with information assimilation and transaction costs, which helps to minimize risks and increase the efficiency of resource use.

The modern concept of marketing pays priority attention to the marketing activities of those departments that are in direct contact with consumers (buyers, customers). We are talking about sales (sales) departments, which in modern conditions should become the main carriers and tools for the implementation of marketing ideas of companies on the market. It becomes obvious that the direct involvement of sales departments is necessary for the implementation of a number of marketing functions. But it should be noted that both administrators and sales specialists approach the problem of sales channels too narrowly. Many of them explain the term "distribution channels" as a complex of relations between an industrial firm and commercial productions that do not belong to its structure, through which the goods manufactured by the firm enter the market [1. P. 49].

In modern business prevails the American marketing model, which includes the division of marketing tools into four categories according to the concept of "4 P": Product, Price, Place and Promotion. In the structure of marketing functions of sales (sales) a separate importance, unfortunately, is not given, which creates a certain incompleteness of the marketing complex and its distance from practical market activity. Efforts to sell products will always be needed, because there is always a need to find customers, establish direct contacts with them, stimulate to purchase products and carry out relevant deals.

The sale of products in sufficient quantities at a price suitable for the producer and consumer, is the main confirmation of the success of marketing actions, and is also a source of information about ways and reserves of their further improvement. **Taking into account the saturation of the market and the strengthening of competitive influences, such efforts must constantly increase, because they will be able to provide:**

1. increasing the efficiency of management - modern marketing of relationships allows companies to manage their resources and interactions with partners more effectively, which is key to success in a complex market environment.

2. Development of long-term relationships: Success in conditions of increasing competitiveness and economic challenges largely depends on long term and mutually beneficial relationships with colleagues.

3. Using multi-level sales strategy, loyalty programs, strategic alliances, and integrated management systems helps companies maximize their operations and increase productivity.

The success of the modern company depends mostly on the marketing of relationships in its surroundings. It helps businesses not only draw fresh business but also keep current ones, building long-lasting partnerships with them. In addition, relations marketing contributes to improved communication with all market participants, which is an important factor in solving problems and meeting the needs of customers. This is reflected in the increase in the profitability of the enterprise due to the reduction in the cost of attracting new customers and increasing their loyalty. Thus, marketing of relationships becomes an important tool of strategic management, aimed atining competitive advantages and sustainable development of the enterprise.

6.2. Role and importance of management of sales of goods and services in the modern economy

In recent years, Western specialists in sales management emphasize that the improvement of logistical support management with a focus only on minimizing costs no longer meets the urgent needs. Optimal management should be based on a marketing concept that is closely linked to an active market strategy. This means that sales management should work primarily on the consumer, trying to satisfy his demand as much as possible.

However, sales management in today’s market economy requires deeper integration with marketing strategies and concepts. **These salient features should help you to think through:**

1. Sales management should be oriented on satisfying consumer requirements and expectations using a customer-centric approach. This implies an extensive market research, consumer behavior analysis, and suitable strategy design to draw in, retain, and grow the clientele.

2. Sales management should apply its methods and strategies to shared objectives since it is intimately linked to marketing and should employ its ideas. This covers establishing target audiences, designing winning communication plans, and applying analytics to raise sales performance.

3. In a competitive market economy, it is imperative to establish long-term, mutually beneficial relationships with consumers. This implies closely observing customer demands, addressing issues and offering first-rate services.

4. Use of technology. Modern technologies such as CRM systems, data analytics, e-commerce, etc. can greatly facilitate and optimize sales management processes, allowing you to work more effectively with customers and analyze market trends.

5. Skills and staff training. Successful sales management requires a team of qualified and motivated employees with an in-depth understanding of the product, market and customers. Investing in training and staff development can significantly improve sales performance.

In general, sales management in the market economy requires a combination of strategic and tactical approaches, the active use of marketing tools and technologies, as well as the constant improvement of staff qualification.

Optimization of the process of promotion of goods in modern conditions of market competition is an important element of the strategy of any enterprise. It requires in-depth analysis and management of various aspects of the business, ranging from choosing the optimal channels of distribution of goods to ensuring high quality of service and expanding the range of products.

Since it affects the specificity of the product and the needs of the target market, the choice of distribution channels is absolutely vital. This can span traditional channels including wholesale and retail networks as well as new digital platforms allowing direct consumer access.

The form and methods of marketing also require careful consideration, as they affect the way the goods reach their target audience. Accordingly, an enterprise can use a variety of strategies, including direct sales, distribution through intermediaries, online sales, etc.

At the same time, a wide range of products and high quality of services associated with its implementation are key elements of attracting and retaining customers. To guarantee client loyalty and to satisfy the rising demand of the market, the corporation has to be always working to raise the caliber of its goods and services.

Generally speaking, optimization of the product marketing process entails active adaptation to changes in consumer demand and competitive environment as well as ongoing monitoring of market trends, enhancement of sales techniques and engagement with customers. In the modern concept of marketing, special attention is paid to the marketing activities of units that directly contact with consumers. Sales (sales) departments become the main carriers and tools for the implementation of marketing strategies of companies on the market. For effective performance of marketing functions, the active participation of sales departments is required.

Main roles and functions of sales departments:

1.Implementation of marketing strategies – the sales departments should integrate marketing strategy into their activities, ensuring their effective implementation in practice.This implies using marketing tools to boost sales and ensure that customer needs are met.

2. The first point of contact with customers is sales departments, which allows one to obtain comments and react quickly to changes in consumer preferences and needs. They are really crucial in forging strong relationships with customers.

3. Sales divisions provide essential customer data on needs and behavior, therefore enabling consumer research. This knowledge helps new products or services to be developed as well as strengthens marketing strategies.

4. Maintaining and running loyalty programs aimed to increase the loyalty of present customers depends much on sales departments. Their customized treatment of every client helps to increase client retention and degree of satisfaction.

5. Sales departments coordinate their operations with other marketing departments to guarantee a consistent strategy and uniform application of the marketing campaigns. This encompasses planning various specials, promotions, and marketing efforts.

6. Sales divisions look at the competitive environment and offer solutions to increase the company's competitiveness. They monitor the behavior of competitors and adjust their strategies according to the state of the market.

In the modern definition of marketing, sales departments play a somewhat significant position. They directly interact with customers, apply marketing plans, gather and evaluate customer data, run loyalty programs, organize marketing events, thereby guaranteeing the competitiveness of a business. Efficient work of sales departments contributes to increasing the level of customer satisfaction and achieving the strategic goals of the company in the market.

Sometimes managers and sales analysts view the issue of sales channels too narrowly, seeing them just as a complex of contacts between an industrial firm and trade companies not part of its structure. This method reduces knowledge and solutions for issues concerning sales channels.

In fact, distribution channels cover a much wider range of aspects that require a more integrated approach to their effective management.

The main problems of sales channels can be attributed to:

- The limited understanding of the sales canals – many companies perceive the sales channel as exclusively the chain of the transfer of goods from the manufacturer to the consumer through intermediaries. However, sales channels also include marketing and logistics processes that ensure delivery of goods at the right time and place.

- Inconsistency of strategies – there is often a discrepancy between the strategies of the company and its sales channels. For example, a company may aspire to rapid growth, while its sales channels are not ready to support this growth due to limited capabilities or resources.

- Problems with logistics and warehouse management – efficient logistics management and warehousing operations are critical to the success of sales channels. Lack of proper control over these processes can lead to delays in delivery, increased costs and loss of customers.

- Inter-channel conflicts – conflicts can arise both between different sales channels and within the same channel. This can be caused by competition for customers, unequal distribution of resources or the lack of clear rules of interaction between channel participants.

- The fast transformation of the current market calls for flexible sales channels ready to adjust. Lack of adaptation could cause falling behind from the market and loss of competitiveness.

- Effective use of digital technologies – while many businesses do not fully utilize these chances for efficient management of sales channels, digital technologies open new ones for this purpose. Lack of digital tools could limit the company's ability to react quickly to changing customer needs and market environment. Among other channel partners, conflicting interests can test shops, distributors, and manufacturers. Such kind of conflict could cause loss of efficiency and lower general sales channel performance.

From logistics and warehouse operations to the application of digital technologies and guaranteeing consistency of strategies, effective management of sales channels calls for an integrated strategy considering all elements of the process. Sales channels should be taken into account not only as a supply chain but also as part of the company's whole strategy, therefore guaranteeing their responsiveness to changes in the market.

Circulation is a process that involves the activity of an enterprise in relation to the production of goods and the movement of funds and goods in order to reproduce and obtain profit.

Exchange is an economic process that mediates production and distribution, on the one hand, and consumption – on the other.

Sales - the process of transferring a product to another person in exchange for payment in cash, the participation of not less than two parties: one offers the product, and the other buys it. Brokers can help either the seller to sell the goods, or the buyer to buy it.

In current conditions, modern sales management should be consumer-oriented and be part of the overall marketing strategy. At the same time, sales departments should become key elements of marketing activities, ensuring an effective process of promotion of goods. Understanding and proper use of sales channels at the moment is critical to the successful operation of the enterprise, and integrating sales into the marketing strategy allows to increase efficiency and ensure market success.

The basic key concepts in sales activity can be defined as:

The realization (sale) – the process of selling or reselling of produced goods or services, accompanied by receipt of funds, implementation of a plan and obtaining a result.

Distribution – classical theory treats it as one of the stages of social reproduction, which is the link between production and consumption. In the process of distribution, the participants of the production process and their shares are involved in the realization and use of the aggregate social product and national income.

Modern marketing theorists consider distribution as one of the important elements of the marketing complex (marketing-mix). They emphasize that distribution plays a key role alongside other components such as pricing, communication strategy and enterprise commodity policy. These four elements together form the basis of a successful marketing strategy, where each of them is important for achieving business goals and meeting customer needs.

Demand creation, receipt and processing of orders, packaging and product preparation for shipment to consumers, shipment of products to the vehicle and transportation to the point of sale or destination, as well as the organization of settlements with buyers for shipped products define sales as a set of activities for promoting finished goods on the market.

The main purpose of sale is the realization of the economic interest of the producer on the basis of satisfaction of the viable demand of consumers.

Many economists identify the concept of "sale" and "sales" of products. However, in our opinion, the sale of products is the final stage of the sales activity of the enterprise, since the term "realization" means the sales of goods or property, their conversion into money.

Sales operations include:

1.Development of forecasts of the market situation and forecast of the sale of products.

2. Calculation and justification of financial valuation of sales.
3. Design and testing of sales norms.
4. Selection of alternative channels of distribution of products.
5. Creation of commercial communications.
6. Development of sales reporting forms.
7. Simulation of sales processes and final results of sales operations.

In other words, sales is a set of activities of the general marketing program of the enterprise, which are carried out after the completion of production of products. Sales includes a system of processes related to the analysis of consumer needs, which through the overall marketing efforts of the enterprise allows to offer profitable offers to consumers, meeting their demand. The completion of the sales process is the sale of goods.

Often the concept of "sales" is replaced by the terms "distribution of products" or "distribution of goods", as some scientists identify these categories. In the concept of "distribution of goods" more clearly traced the physical process of transfer of the goods from the seller to the buyer. Distribution and sales cover three key elements: transportation, storage and contact with consumers.

The methodological scheme of sales management includes the management of sales activities and distribution in general, which requires a clear separation of these concepts. In contemporary literature, it is often found to identify the concepts of "sales", "realization of goods", "sale", "distribution of the goods" and "commodity movement". For a better understanding of these terms it is advisable to analyze and systematize different approaches to the definition of the concepts of "sales" and "distribution", proposed by different authors.

Sales includes the whole range of activities related to the delivery of goods from the manufacturer to the final consumer – inventory management, logistics, sales and marketing. Sales also covers all actions carried out from the moment of manufacture of the goods to its transfer to the consumer, including promotion, sales, customer service and after-sales support.

Distribution refers to the processes associated with the physical movement of goods from the manufacturer to the points of sale or final consumption. It includes logistics, supply chain management, warehouse operations and transport operations.

It is also worth noting the following approaches to the definition of these concepts:

- Traditional approach – in traditional definitions sales often includes both the physical distribution of goods and commercial aspects of sales and marketing. This method regards sales as a whole activity covering all phases from manufacturing to the end user.

- The logistic method stresses on the actual transportation of products. Under this strategy, supply chain management and logistics take front stage while distribution fits inside a larger sales process.

- Marketing approach – marketing approach considers sales as an integral part of the marketing strategy of the company. In this context, sales includes product promotion, customer communication, sales management and after-sales service.

- Integrative approach – the integrative approach combines elements of all the above-mentioned approaches, considering sales as a complex activity that includes physical distribution of goods, marketing and sales. It is an approach that allows to take into account all aspects of the process of bringing the product to the consumer, ensuring effective management of sales activity.

- Functional approach – functional approach divides sales into separate functions, such as logistics, marketing, sales management, in order to optimize each of these aspects. This strategy guarantees a high degree of efficiency at all phases of sales by letting you specialize the management of every function.

Effective sales management depends on one knowing and differentiating between sales and distribution. Considering physical distribution, marketing, and sales, modern methods of sales management should combine all facets of the process of delivering products to the customer. Systematization of approaches to defining sales and distribution concepts allows companies to plan and manage their sales activities more effectively, optimizing resources and achieving high results in a competitive environment.

The main purpose of sale is to bring the goods to consumers with the necessary consumer properties (quality, price) in the right quantity, at the necessary time and place, with minimal costs. A sales activity has a targeted character, which is determined by its purpose and the direction of all activity of the enterprise-producer to specific consumers of the goods.

The role and distortion of sales activity can be characterized by the following concepts:

1. Additional consumption value: sales activity not only preserves the created value of the goods, but also creates additional consumer value, increasing its overall value.

2. Commercial completion: sales facilitates the commercial completion of the marketing and production activities of the enterprise, realizing concrete economic results and satisfying the needs of consumers.

3. Performance: sales activity is productive, because it affects all economic and financial results of the enterprise.

4. Competitive Advantages: Sales activities are one of the sources of competitive advantages of the enterprise, both within its own organization and in relations with partners.

The content of the sales activity of any enterprise is determined by a set of interrelated and targeted actions that determine the distribution, proof and sale of the goods. The main aspects of sales activities are:

1.Distribution of goods:

- Planning and organization of logistics to ensure the effective movement of the goods from the manufacturer to the consumer.

- Selection and management of distribution channels, which include wholesale and retail networks, as well as direct sales.

2. Bringing goods to customers:

- Management of inventory and ensuring availability of goods in the right places and at the right time.

- Use of information systems to track the movement of goods and stock management.

3. Sales of goods:

- Selling goods through various sales channels, including physical stores, online platforms, telemarketing and other sales methods.

- Establishment of pricing policy that takes into account costs, competitive environment and target audience.

Sales policy covers a set of principles and approaches to the creation and functioning of the sales system, as well as various organizational forms and methods of sales. This policy is aimed at achieving sales goals and is formed in accordance with the corporate mission of the enterprise. **The main components of sales policy are:**

1.Principles of sales policy: Customer orientation: the needs and requirements of customers should be at the centre of attention of the sales policy.

Flexibility and adaptability: the sales system must respond quickly to changes in the market environment and customer requirements.

Efficiency: optimizing distribution and sales processes to minimize costs and maximize profits.

2. Approaches to the formation of the distribution system: Selection of sales channels: analysis and selection of the most effective channel for the sale of products, taking into account the specifics of the goods and the target audience.

Creation of sales network: development of a sales network structure, which can include its own sales units, distributors, agents and partners.

3. Organizational forms and methods of sale: Wholesale and retail sales: choice between wholesales and retail forms of sales depending on the nature of products and market conditions.

Direct and indirect sales: distribution between direct sales (through own units) and indirecte sales (through intermediaries).

Modern marketing methods: use of e-commerce, telemarketing, mobile applications and other modern technologies for selling products.

The content of the sales activity of the enterprise and sales policy are key elements of the marketing strategy. They include planning, organization and management of all aspects of the process of bringing goods to consumers. Properly formulated and effectively implemented sales policy contributes to the achievement of high results of strategic and tactical plans of the enterprise and provides competitive advantages in the market.

Strategic issues of sales policy include:

1.Product policy: determination of assortment of goods or services, their quality, packaging, branding, etc. This is important to determine what products or services will be offered by the company on the market and how they will differ from competitors.

2. Assortment policy: selection and organization of assortment of goods or services, taking into account the needs and requirements of the target audience, market trends and competitive conditions.

3. Pricing policy: setting prices for goods or services, taking into account costs, competitive environment, target audience and marketing strategies.

4. Development of communication techniques to support goods or services, brand building, attracting consumers and then interacting with them reflects communication policy.

5. Identification of sales channels, positioning of products or services on the market and organization of their delivery to consumers define the distribution policy.

6. Determining the degree of customer care, after-sales support, warranty terms, etc. falls under service policy.

These features are crucial for the creation of a whole sales plan meant to reach the strategic objectives of the company in the market. The creation of sales policy for a certain product should be given particular importance since it will help to guarantee a good process of product sales and consumer satisfaction of wants.

Development of sales policy concerning a specific product includes: 1. Definition of target market and its segments: it is necessary to identify the geographical, demographic, psychographic and behavioral characteristics of the target audience, as well as identify their segments.

2. Selection of sales system: selection of optimal sales channels, which can include direct and indirect channals, retail and wholesale sales, electronic commerce, etc.

3. Selection of the method and time of entry into the market: development of the strategy of entry in the market, including determination of the optimal time and methods of introduction of the product into market.

4. Definition of distribution and freight movement system: organization of logistics, warehouse accounting and inventory management to ensure efficient supply and distribution of goods.

5. Development of sales incentive system: determination of pricing strategies, discounts, promotions and other incentives to attract buyers and increase sales volumes.

6. Sales and service organization: planning sales processes, including staff training, setting service standards, organizing after-sales service and solving related issues.

These steps will help the enterprise to create a comprehensive and effective sales strategy for a specific product.

The strategic goals of sales policy are related to the organizational and commercial function of distribution and include:

1.Forecasting and planning of prospective channels and sales routes:

- Requires assessment of market trends, analysis of consumer behaviour and competitive situation.

- It consists in identifying the optimal sales channels that best meet the needs of the target audience and the strategy of the company.

2. A reasoned choice of direct or indirect sale of goods:

- Entails consideration of such factors as cost, control, market access and customer relationships.

- Direct marketing involves the sale of goods directly from the manufacturer to the consumer, while indirect marketing includes intermediaries such as distributors, dealers or retail chains.

3. Organization of physical movement of goods to the consumer (marketing-logistics):

- Encompasses planning, organization and control of movement of products from supplier to consumer.

- Includes inventory management, transportation, warehouse operations and order processing.

4. Price management:

- Requires analysis of production costs, competitive situation and target market segments.

- Ensures pricing that corresponds to the strategic objectives of the company, while ensuring the competitiveness of goods and profitability.

5. Dealer network development and maintenance:

- Includes recruitment, training and motivation of distributors or dealers.

- Provides support of sales partners, development of their skills and relationship with customers, which contributes to increased sales volumes and improved customer service.

These strategic tasks help enterprises to organize and manage their sales activities effectively, ensuring the successful introduction of goods to the market and satisfying the needs of customers. **Tactical tasks of distribution include:**

1. Working with existing consumers:

- Regular contact with customers to collect feedback and solve their current problems.

- Periodic analysis of customer satisfaction and identification of opportunities to improve the service.

- Development implementation of loyalty programs and encouragement of re-purchase.

2. Implementation of programmes for attracting new customers:

- Development and execution of marketing campaigns to attract new customers.

- Participation in exhibitions, fairs and other events to present products and services to a new audience.

- Launch of advertising campaigns on various media platforms to attract the attention of new customers.

3. Search and selection of commercial offers:

- Analysis of conditional contracts and agreements with potential partners.

- Study terms of sale and supply from suppliers in order to choose the most favourable conditions.

- Checking the reliability and reputation of potential partners in the market.

4. Incentives to pay orders:

- Developing attractive payment terms such as advance payment discounts or timely payment bonuses.

- Using several payment systems and approaches helps consumers to be more conveniently.

- Regular checks and reminders for consumers on paying postponed invoices.

5. Development of commuter transportation lines and their driving force. Considering client location and time restrictions, planning ideal paths for commuter passengers. Development of a system of incentives and motivation for commuters depending on sales and goal fulfillment.

6. Verification of the operations of the outside service of the company: observing sales reps' performance and labor within the boundaries of their operations. Staff evaluation and training help to raise their efficiency and output.

7. Arrangement of discounts, special offers, and advertising campaigns to increase volume of sales.

8. Conferences and training sessions for clients help to increase their proficiency. Analyzing costs and degree of service helps one to realize how sales influence the profitability of the company and the cost of products. Examination of the degree of customer service and discovery of chances to raise the quality of the service.

9. Development of system of accounting and control of sales volumes and prices:

- Implementation of systems of automated accounting of sales and data analysis for effective monitoring and monitoring.

- Constant monitoring of price policy and its adaptation according to changes in the market and competitive dynamics.

The sales policy of the enterprise is aimed at determining, forming and implementing the effective activities of the entire sales system, forms and methods of sale, organization of the network of sales channels of goods in relation to markets and consumers. It reflects strategic and tactical tasks that ensure maximum efficiency of the sales process, in accordance with the corporate mission and sales strategy of the enterprise.

Sales policy plays an important role in the strategic and tactical success of any enterprise on the market. It influences not only the direction of development and competitive advantages of the company but also the maximizing of sales, expansion of market presence, satisfaction of client wants and guaranteeing stability and profitability. Good sales policies call for thorough market analysis, strategy formulation to draw in and keep consumers, selection of best sales channels and sales stimulation system. It is a key tool in achieving the sales goal and determines the success of the enterprise in the market.

6.3. Formation and implementation of business solutions through marketing and information support using crm technologies

In terms of the reform of the economy, the positioning of the enterprise among its competitors depends on the reliability and completeness of the information obtained about the market situation. It is marketing under the condition of a clear organization occupies the most important place in providing the enterprise with sufficient data for building the strategy and tactics of development. This is due to the fact that the marketing activity of the enterprise is aimed at studying the demand and market requirements, for reasonable orientation of production to the production of competitive products in established volumes. This can ensure the enterprise receiving the greatest profit. The main feature of marketing is a planned approach to the adoption of scientific and technical and production decisions from the point of view of the most complete satisfaction of the requirements of the consumer, which is extremely necessary, in particular, for enterprises of different industries in the situation. Enterprises should produce products that are in demand and can reach the planned level of profitability, at which it is possible to obtain a high image among competitors. On the basis of weighted data, the manufacturer deliberately sets tasks for scientific and technical developments, sets requirements for them, calculating production costs, price level and profit [6, p. 230].

Many researchers believe that the main task of marketers is to stimulate demand for company products. However, this approach is somewhat limited. Marketers are engaged in a wide range of tasks, including the development of new products, the organization of advertising campaigns, and the choice of fonts and colors for packaging. The importance of specific decisions depends on the specifics of the markets in which organizations operate (consumer, industrial, global, non-profit, etc.).

Development of marketing in various industries and areas of business in Ukraine is uneven. The level of intellectualization, innovation and informatization in different sectors of the economy is different. In particular, marketing is developing more rapidly in competitive areas, such as financial-credit and consulting services, audit, brokerage, trust, collector services, etc. The development of tourist and resort services, hotel and restaurant business leads to the intensive development of marketing in these areas, especially in large cities and tourist centres.

Examples of marketing strategies and campaigns that have been used in Ukraine are:

1."Be Like Andrew" by JBL. JBL conducted a successful marketing campaign using a simple but emotional approach. Their advertising and online content showcased the lives of ordinary people, reflecting how they use JBL products in their everyday lives. This campaign gained popularity and recognition among consumers as it conveyed the idea of accessibility and ease of use of products.

2. **Moloki from TM Molokiya.** Ukrainian company "Molokiya" is implementing a marketing strategy of building consumer confidence. They actively use advertising in which they demonstrate the quality and safety of their products, and create various promotions and loyalty programs to attract and retain customers.

3. **"Delicious Beast" from "Our Raba".** The brand "Our Rye" has launched a marketing campaign "Delicious Beast", aimed at raising awareness about its products among consumers. Within the framework of this campaign were held promotional events, contests, special offers and promotions on supermarket chains, which helped the brand to get more attention of consumers.

These examples show how different companies in Ukraine use different marketing strategies to their goals and attract consumer attention.

In some markets, such as financial, real estate, tourist services, retail trade, the seller's monopoly is based on low consumer awareness and imperfection of legislation. Companies that seek to maximize profits often use mass advertising and incentives to speed up sales, which can lead to imposing questionable services on consumers.

Thus, marketing can be an effective tool for the seller's monopoly in markets where consumers have limited information and limited choice. In such circumstances, companies can use different marketing strategies to increase their market impact and maximize profits.

For example, companies can intensively advertise their products or services using mass media and other communication channels to attract consumer attention and increase their customer base. They can also use incentives such as discounts, promotions and gifts to boost sales.

However, these practices can also have negative consequences, such as an inadequate level of quality of products or services, or imposing unnecessary goods or services on consumers. It is therefore important that consumers are informed and have the opportunity to compare different options before making a purchase decision. In addition, public authorities can establish rules and regulate the activities of companies in the market to protect consumer interests and ensure fair competition.

The crisis in the country's economy is deepened by the effect of information asymmetry and transaction costs, which are "microstructure defects" of market interactions. Information asymmetry occurs when part of the market participants possesses information that others do not possess. Studies conducted by economists George Ackerloff, Michael Spence, Joseph Stiglitz and others show that the asymmetrical distribution of information leads to inefficiency of market transactions and the decline of the market.

Thus, the effect of information asymmetry plays an important role in the economy and can lead to various negative consequences. Information asymmetry can distort the decisions of market participants and lead to inefficient functioning of the market. For example, when the seller has more information about the product or service than the buyer, it can lead to the purchaser making the wrong decision or paying for the product more than it is worth. Also, when one party has more information about its capabilities or intentions than the other party, it can lead to incorrect deals or insufficient competition in the market.

It is important that in the conditions of the free functioning of industry markets, economic entities are often unable to find and process the necessary information. As a rule, within the regional economic and information space, large companies and corporations have the advantage in this area, which have significant resources and capabilities and can not only identify information about market parameters, but also effectively manipulate it to strengthen market positions [2, p. 66].

The appearance of the term "information asymmetry" is associated with J. Akerlof and his well-known work on the "lemon" market, which led to the Nobel Prize in Economics. He and his followers viewed information asymmetry as a phenomenon. They were not interested in its essence, but the consequences of its appearance. In particular, in market conditions, the so-called deteriorating selection is considered important, which leads to market stagnation caused by information asymmetry [3, p. 8].

To combat the effect of information asymmetry, it is important to create mechanisms that provide access to reliable information for all market participants. This may include regulations that require companies to provide information about their products and services, as well as the development of a certification and standardization system that guarantees the quality and safety of goods and services. In addition, educational programs for consumers can help increase their level of awareness and ability to make informed decisions in the market.

Michael Spence demonstrated that informed market participants can pass on information to less informed entities, which improves the position of both parties. This is important to avoid reverse selection when the market is collapsing due to a lack of reliable information.

Michael Spence's concept of the transfer of information between market participants is important in understanding and solving the problem of reverse selection. Reverse selection occurs when one party to the transaction has more information about the product or service than the other party, which can lead to incorrect decisions and the breakdown of the market.

Mechanisms of information transmission, as Spence showed, can be useful in preventing reverse selection. For example, if the seller knows more about the quality of the product than the buyer, he may pass this information on to the purchaser through advertising, reviews or product certification. This helps reduce the risk for the buyer and increase confidence in the product or service.

However, it is important to take into account that the mechanisms of information transmission can be effective only if the information is reliable and objective. It is also important that consumers have the opportunity to carry out an objective analysis of this information and to make informed decisions on the market.

Information asymmetry affects the markets of used cars, labour, insurance, loans and savings, where one of the subjects cannot assess the quality of a product or service because of insufficient information. This leads to irrational distribution of resources and inefficient functioning of markets.

Information asymmetry can significantly affect the functioning of different markets, especially those where there are high risks or unfavourable conditions for the exchange of goods or services. Let's look at some of them.

1. **Used car market.** The seller may have more information about the condition of the car than the buyer. This can lead to inequalities in the terms of the deal and insufficient compensation for the buyer in case of incorrect information about the car.

2. **Labour market.** When employing employees, the employer may have better access to information about work requirements and working conditions than the employee. This can lead to unequal working conditions and a decrease in confidence between the parties.

3. **Insurance market.** Insurance companies often have better access to risk statistics than insurers. This can lead to inequality in insurance coverage and unfair distribution of costs.

4. **Credit and Savings Market.** Banks may have better information about credit risk than depositors or borrowers. This can lead to unequal lending conditions and reduced access to financial services for certain groups of the population.

In all these cases, information asymmetry can lead to inequalities in transactions and inefficient functioning of markets, which can harm both consumers and producers. To mitigate these negative consequences, mechanisms for the transmission of information, regulation and measures to increase transparency in the market are needed.

Ownership of marketing information enables enterprises to reduce the uncertainty of the external environment and asymmetry of development. Marketing information becomes a source of competitive advantage, helping enterprises to adapt production to market demand and more effectively promote goods and services.

Thus, the role of marketers is not only in stimulating demand, but also in solving a wide range of issues related to information asymmetry, which contributes to more efficient functioning of markets and increasing the competitiveness of enterprises.

The active role of marketing is manifested in reducing the gap in information about the market environment, which stimulates market participants to carefully study various aspects of demand and supply, competitive advantages, trends in the development of the industry, and other factors affecting the activity of the company. Marketing channels are used to inform consumers about the quality of goods and services, their cost, conditions of purchase, warranties, as well as the reputation of the manufacturer. To effectively solve the tasks related to marketing, it is necessary to develop a customer-oriented strategy and structure of the company. This includes the formation of a team of managers to work with customers, the development of a powerful support system, including databases, managed by the software of the CRM-system. This approach provides comprehensive customer relationship support and provides all the necessary tools to manage marketing, sales, service, analytics and other aspects of the company's activities.

The evolution of CRM-systems made it necessary to keep and evaluate additional data in order to identify customers. This required the creation of "marketing databases," which turned into the leaders of modern CRM systems. By allowing data on possible customers, consumers, and suppliers to be saved and updated, these databases helped to develop and maintain ties with them thereby enabling transactions and increasing competitiveness. The first loyalty programs aimed to attract and retain current consumers began to crop up at the same time.

Robert Kaplan of Harvard Business School and David Norton looked at four basic concepts of customer management using a set of balanced indicators: selecting, attracting, retaining, and raising the value of every client. When developing a customer management strategy, organizations had to consider each process separately, taking into account their peculiarities, which required an active approach to each of them [1, p. 261].

Customer selection is a process that begins with the analysis and understanding of customer needs, market segmentation and the selection of target segments to which the company can target its unique value offerings. One of the objectives of this process may be “focusing on strategic contracts”, that is, focusing on the most valuable customers. Along with this, it is important to separate and separate non-profit clients.

Attracting new customers is the most difficult and valuable aspect of customer management. After market analysis and segmentation, the company demonstrates its values to target consumers. The creation of communication programs, oriented to the needs of individual consumer segments, is a necessary condition for success.

Keeping customers is the next step after attracting a client. The company retains its customers by providing promised value in order to avoid their transition to competitors. Saving customers is based on high-quality service and building strong relationships.

Increasing the cost of each client is the main goal of any CRM strategy. As attracting new customers is a complex and expensive process, the main emphasis is on increasing the costs of each client through expanding the assortment of goods and services, cross-sales and establishing partnerships with customers.

Information technology plays a key role in spreading the concept of “customer-oriented marketing”, changing the ways in which management is organized. CRM (Customer Relationship Management) acts as a strategy, but information technology plays an important role in its implementation. The concept of “relationship marketing” and “CRM” are inextricably related, and in Western science they are considered interrelated. The name of the relevant software – CRM – became synonymous with the practical implementation of marketing relationships in the enterprise.

Some aspects of CRM have existed for many years, and their implementation was preceded by a long evolution of the process of automation of the enterprise. Different computer systems, such as sales automation, marketing planning, customer service and partnership management, existed separately. However, to unite them under one roof became an innovative idea. Modern CRM systems can combine all these functions, including service automation, marketing and sales, into a single business logic and integrate into the corporate information environment of the company on the basis of a single database.

CRM systems can be classified by several levels, each of which performs certain functions and provides specific capabilities for managing relationships with customers. The main levels of CRM systems include operational, analytical and collaborative CRM. Each of these levels has its own features and advantages for business.

Operational CRM. From the operational standpoint, CRM focuses on automating and improving daily sales, marketing, and customer service related corporate processes. The main application for operational CRM is handling contacts and accounts—storing and updating customer data, contact information, interaction history, and transactions.

- Sales automation: sales cycle management, sales forecasting, led management, opportunities and deals.

- Marketing automation: planning, execution and analysis of marketing campaigns, mailing list management and customer segmentation.

- Customer service: customer requests and complaints management, technical support and service.

CRM for analysis. To guide company decisions, the analytical level of CRM concentrates on data collecting, processing, and analysis of customer information. Analytical CRM serves mostly for: Data collecting is the compiling of information from many sources, including sales, marketing, customer service, social networks and other outlets.

- Analytics and reporting: data analysis to identify trends, predict customer behavior, evaluate the effectiveness of marketing campaigns and sales.

- Customer segmentation: dividing customers into different segments based on their behavior, needs and characteristics.

- Relationship management: development of strategies to improve relationships with customers based on the data obtained.

Cooperation CRM. The cooperative level of CRM is focused on improving the interaction and cooperation among the many divisions of the company as well as between the company and its partners and clients. Offering clients multi-channel communication via phone, email, chat, social media, and other channels helps to clarify the main goals of cooperative CRM.

- Collaboration within the company: ensuring access to a single customer database for all departments of the company, sharing information and coordination of actions.

- Partnership management: improving cooperation with partners and suppliers, sharing information and joint activity planning.

These three levels of CRM systems enable companies to effectively manage customer relationships, improve sales and marketing efficiency, improve customer service and promote long-term and mutually beneficial relationships with customers and partners.

Modern CRM solutions cover all these points: they enable consumer connections, data collecting, systematizing, analysis and prediction of information. E-CRM, which enables ongoing customer interaction over the Internet, has evolved out of the growth of networking technologies. This provides access to the company's database, self-service customers through FAQ, as well as the use of modern internet services such as chat and voice communication.

Daily incoming information allows marketing managers to constantly monitor the state of marketing. First of all, phenomena that are of great importance for the development of marketing in the future are recorded, and also represent a potential danger. The marketing intelligence system draws information from various sources: from employees of the company, customers, competitors, suppliers and intermediaries, inventors and rationalizers, as well as from various printed publications and advertising [7].

Modern CRM solutions are important tools for customer relationship management, sales automation, marketing and customer service. **Here are some popular examples of CRM solutions that are actively used in different business areas:**

1.Salesforce is among the most generally utilized and powerful CRM solutions now accessible. Among its various useful applications are contact management, sales automation, marketing campaigns, analytics and customer care. Through allowing interaction with other apps and systems, Salesforce allows you build all-encompassing corporate solutions. Free and with basic functionality for managing contacts, offers, and marketing campaigns,

2. HubSpot CRM is Small and medium-sized companies looking for basic CRM solutions will find ideal fit here. HubSpot CRM is also linked with other hubspot products such customer service and marketing automation.

3. Microsoft Dynamics 365 is a comprehensive solution that combines CRM and ERP (enterprise resource management). It offers tools for sales management, marketing, customer service and business operations. Dynamics 365 easily integrates with other Microsoft products such as Office 365 and Azure, making it an attractive choice for large enterprises.

4. Zoho CRM is a scalable and flexible answer appropriate for all types. It offers sales automation, contact management, marketing campaigns, analytics, customer service tools. Now Zoho CRM lets you link with other Zoho products and other apps so you can create whole business solutions.

5. Pipedrive is one CRM tool underlining sales process and management. Apart from analytics tools and sales automation, it shows a straightforward interface for managing contacts and activities as well as transactions. Pipedrive would be fit for small and medium-sized companies looking for a basic sales management solution.

6. Comprising CRM, marketing, business, and customer support, SAP Customer Experience (SAP CX) is a complete customer relationship management solution.

These CRM solutions help improve customer relationship management efficiency, automate sales and marketing processes, and improve customer service, which in turn contributes to increased revenue and customer loyalty.

The Internet also affects all aspects of CRM, providing the ability to modify and execute orders over the network, develop e-commerce and use specialized CRM applications designed for different industries and business sizes.

Branch solutions, tailored to particular spheres of operation, help to install CRM systems rather much. They cover not only software items but also the experience of implementation experts who know the particular requirements of the sector and can modify the system to meet them. Such solutions usually contain a ready-made set of functions specific to the given industry, which simplifies the implementation process and reduces the cost of time and money to master the system.

In addition, industry solutions provide an opportunity to communicate effectively between consultants, developers and the technical support team, who understand the specifics of the industry and have the necessary skills. This guarantees the effective use of the industry solution and lets you fast modify the system to the requirements of the client.

Furthermore, the increasing popularity of industry solutions allows one to combine them with other business process management technologies, such ERP, so producing a single supersystem that automates all corporate interactions and business operations in the corporation. It is also possible to integrate with Supplier RM systems, which contributes to improved interaction with suppliers and optimization of supply chains.

Enterprise Resource Planning (ERP) systems are designed to integrate information from different sources and provide management of different business functions within the enterprise. They consist of integrated applications and modules designed for inventory management, accounting, debt management, planning of material needs, orders and human resources. ERP systems require companies to adhere to a certain business model and often include best practices in the industry.

Enterprise Resource Planning (ERP) systems are complex software platforms that integrate all the main business processes of the enterprise. ERP systems enable companies to automate and optimize operations, providing effective management of resources, information and processes in the organization. They cover various functional areas such as finance, manufacturing, logistics, human resources, sales and marketing. The following are ERP system core elements and benefits.

The advantages of ERP systems include:

- Data integration and unification. ERP systems provide centralized data storage, which avoids duplication of information, improves its accessibility and ensures consistency of data in different divisions of the company.

- Automation of business processes. ERP systems automate routine operations, reducing manual work, increasing efficiency and reducing the likelihood of errors.

- Improvement of management accounting and reporting. Thanks to ERP-systems, managers can quickly obtain up-to-date information about the company's activities, which allows them to make informed decisions and respond quickly to changes in the market.

- Increased transparency and controllability. ERP systems provide complete control over the business processes and resources of the company, which increases the transparency of operations and promotes compliance with internal and external standards.

- Cost optimization. ERP-systems help optimize costs through efficient inventory management, improved production planning and logistics, reduced labor-intensive administrative processes.

ERP systems are a key tool for modern enterprises seeking to improve the efficiency of management of their resources and business processes. They provide integration and automation of different functional areas, improving the transparency, controllability and optimization of the company's activities. Thanks to ERP-systems, enterprises can quickly adapt to market changes, improve customer service and ensure stable business development.

In the future, we can expect the development of corporate systems on the basis of a hybrid model, which combines the positive properties of both single-ranking and client-server technologies, which will make communication between companies and consumers more multidimensional, which includes not only the company-consumer interaction, but also the interaction between the consumers themselves. Such systems can help reduce costs for sales and service departments, as well as improve products and services by obtaining additional information from consumers. In addition, in modern conditions of CRM development it is possible to use wireless and mobile technologies known as m-CRM. This allows consumers to contact a company using wireless devices, such as phones or tablets, for support or to make purchases. This can contribute to increased convenience for consumers and improved communication with the company.

6.4. Analysis of the customer base as a means of increasing the efficiency of sales and monitoring the satisfaction of consumers at the enterprise

The central place in the formation of the marketing complex is occupied by commodity policy. It is understood as a set of measures carried out by the enterprise with regard to ensuring the consistency of the corresponding characteristics of the goods introduced to the market, optimization of the product range, development of new products, elimination of goods in order to the relevant objectives. The main tasks that are set and solved within the framework of commodity policy concern both the individual goods and their combination, i.e. the product range. From the point of view of final consumption goods are both consumer goods, which are purchased for own or family use, and production-technical purpose, which is purchased with the purpose of further processing and use in the production process. As goods and services, which have their own distinctive characteristics and features. Recently, as experts point out, such types of marketing as territorial and public, in which individual territories or ideas are a commodity, have become widespread [8, p. 94].

The sale of goods and services of most companies is the main source of income, so this sphere of activity of the organization should be under constant control by responsible employees of various levels and top management. **Study of historical data on the sale of goods, services and information, relevant to the current moment, allows:**

- to evaluate the results of work and the effectiveness of sales management;
- to develop a strategy for the development of the organization;
- form price policy taking into account the profitability of sales of a particular product;

- identify the most promising directions of activity and get rid of the unfavourable;
- classify customers and contractors by the degree of importance for the company[5].

Customer base analysis is a key aspect of successful customer relationship management (CRM) and strategic marketing. This process involves systematic study of customer information in order to identify trends, behavioral patterns and potential opportunities to improve service and increase sales. Consider the main stages and methods of analysis of the client base in more detail.

The main stages of the analysis of the client base are:

1. The first step involves collecting all available information about customers. These can be demographic data (age, gender, place of residence), purchase history, interaction with the company, survey responses, socio-economic status and other relevant data. It is important to ensure the completeness and accuracy of the information collected.
2. After data collection, customers are segmented, that is, they are divided into groups according to certain characteristics. This can be segmentation by demographic characteristics, purchasing behavior, purchase frequency, cost volumes and other criteria. Segmentation allows more precise orientation of marketing and sales efforts.
3. At this stage, customer behavior is analyzed, including frequency of purchases, average cheque, preferences in products or services, level of satisfaction. This helps identify the most profitable customers, understand their needs and predict their behavior in the future.
4. One of the important aspects is the assessment of the long-term value of the client (Customer Lifetime Value, CLV). This allows you to understand how much profit the client brings for the entire time of interaction with the company. The CLV definition helps to allocate resources to attract and retain the most valuable customers.
5. Analysis of the customer base also allows you to identify opportunities for cross-sales and asselling. For example, if customers buy a particular product, you can offer them additional products or services that complement the basic purchase.

6. Analysis allows you to identify problem areas, such as a high level of outflow of customers, dissatisfaction with the service or product. This provides an opportunity to respond promptly to problems and improve the quality of service.

KPI sales indicators offer valuable information for sales, distribution, marketing, financial services. However, each company and the objectives of its activities are unique, and therefore the indicators of sales efficiency may vary in the range of individual organizations, their regional divisions, retail points or products. For example, for the area of online sales, as a KPI you can use a conversion rate, which shows which part of the site visitors carried out the target action. For a retail store, this characteristic is difficult to apply, because the number of visits to the point of sale that did not end with the purchase is problematic to track[5].

That is why the problem of the efficiency of the sales department can really be a serious challenge for many companies. **The main reasons for this problem include:**

1.Lack of customer orientation. When the sales department focuses only on "pushing" goods or services to customers, it can lead to customer dissatisfaction and loss of loyalty.

2. Insufficient control – often control of the work of sales managers is limited only to the estimation of the volume of transactions, which can lead to a lack of interest in finding and attracting new customers.

3. Lack of control indicators – the lack of a system of check indicators, which would allow to evaluate the work of managers at the stages before the conclusion of deals, makes it difficult to predict potential sales.

4. Lack of tools for planning and analyzing work with clients. Lock of tools to plan and analyze work with customers in the previous stages may impede effective interaction with them.

5. Inadequate assessment of demand and market dynamics – estimation of market demand and dynamics is carried out on the basis of limited information, which can lead to inaccuracies in forecasting.

6. Insufficient feedback and lack of an objective picture – inadequate feedback and objective information about working with clients can lead to loss of customers and inproductivity of interaction with them.

Solving these problems can include the implementation of a CRM system, the development of methods of evaluation and control of work with clients, as well as providing the necessary tools for planning and analyzing work with them. Thus, the effective development of the sales department requires the manager to take into account various aspects, including the formation of the customer base and the development of sales programs.

The experience of foreign companies confirms that for many of them the priority is not only the increase in sales volumes, but also the formation of a permanent customer base. This can be achieved through a balanced approach to the sales process, where standardized procedures and special programs are used to effectively interact with customers and analyze the customer base.

Methods of client database analysis include:

- ABC/XYZ analysis. This is a method of classifying customers based on purchasing volume (ABC) and purchasing stability (XYZ). Category A customers are the most profitable, while category B and C are ahead of them in volume of purchases. Similarly, X customers have stable purchases, Y customers buy irregularly, and Z customers are the least stable.

- RFM analysis (Recency, Frequency, Monetary). This method allows you to segment customers based on three indicators: last time of purchase (Recency), frequency of purchases (Frequency) and amount of money spent (Monetary). This helps identify the most active and most profitable customers.

- Cohort analysis. Cohort analysis involves dividing clients into groups (courts) depending on the time of their involvement and analysis of their behavior within these groups. This helps to understand how customer behavior changes over time and to identify trends in customer retention.

- Cluster analysis. Cluster analysis is used to identify similar groups of clients based on different characteristics. This helps to understand which groups of clients have similar needs and behavioral patterns.

- Analysis of customer outflows (Churn Analysis). This method allows you to identify the causes of the outflow of customers and develop strategies to reduce this indicator. It is important to understand what factors influence the customer's decision to terminate cooperation with the company.

Customer base analysis is critical to developing effective marketing strategies and managing customer relationships. Through this analysis, companies can better understand the needs and behaviour of their customers, optimize their marketing and sales efforts, increase customer satisfaction and increase profits. The use of various methods of analysis allows to provide an integrated approach to the management of the customer base and the achievement of the strategic goals of the company, thereby influencing the behaviour of potential buyers.

The factors that determine customer behavior can be varied and include both changes in the macro-environment (such as the economic situation, legislative regulation), as well as changes in a micromilieu (as price, location, atmosphere of the store). It is important for enterprises to analyze these factors and take them into account in marketing programs.

Psychological, personal, socio-cultural and situation factors of influence on buyers are often uncontrolled by the enterprise. However, studying these factors and taking them into account in marketing strategies can help better understand their customers and ensure more effective interaction with them.

So, socio-cultural influence, in particular reference groups, play a significant role in shaping consumer behavior when buying goods or services. Reference groups can be family members, friends, colleagues or others who have a significant influence on consumer decision making.

The purchase decision process can be presented in the form of a scheme that allows to clearly define the stages of the sale and the necessary information to be collected at each stage. This helps to determine the boundaries of the sales phases and the results to be achieved, which in turn allows to use this scheme to build business processes in the sales department, including reengineering. The minimum set of information that needs to be collected at each stage of the sale includes contact information, potential customer information, customer needs information, and regular buyer information. This information can be distributed between managers working with clients, and the main task is to combine and supplement it.

Of course, effective management of the sales department involves the implementation of programs to work with customers, such as address mailing of information and special offers for different groups of customers. To successfully implement these programs, you need to have proper information and monitor processes.

In particular, the sales department should define criteria for classifying customers in order to effectively distinguish different groups. Then it is necessary to ensure the delivery of the necessary information to these groups and to control its receipt. After that, it is important to establish control over the implementation of programmes and to evaluate their results.

Creation of a single transparent accounting environment with consumers, suppliers and partners is key to successful implementation of the relationship strategy and increase the competitiveness of the company. Such a system should be convenient for all departments and employees who have contacts with these steakholders.

The traditional approach is to use a single database, but in actual relationships with consumers, suppliers and partners involved different divisions of the company. Information about the nature of these relationships is often not displayed in a normal database and requires systematization and analysis for effective use. The traditional approach, as a rule, is limited to taking into account only actual relationships with potential customers or partners with whom contracts for the supply of goods or services have already been concluded. This means that information about potential consumers or suppliers who have not yet concluded an agreement, as well as their requests and offers, is often not stored or stored on paper media rather than in a database.

Information about booking goods or services for specific customers or partners, as well as shipping and payment information, is also rarely displayed in a single database. This can make it difficult to control stocks and financial flows. Access to information about settlements with the company, execution of orders and status of their execution may also be limited to customers or suppliers. This may create adverse conditions for effective cooperation and exchange of information. To address these challenges, companies may consider integrating different systems and databases, as well as implementing online services for consumers and suppliers. This will help ensure more transparent and effective interaction between the parties and facilitate control over management processes.

Transparency in accounting all aspects of customer relationships is a key element of successful implementation of CRM-system in the company. It is important that decision-makers have access to the necessary information to work effectively within their mandates. However, this does not mean that all aspects should be fully accessible to all employees or even to competitors. Analysis of market trends is a key aspect for the successful functioning of the company. It allows you to identify changes in the market environment, understand consumer behaviour, evaluate competitors and adapt the company's strategy according to current conditions. Here is an extended look at the process of analyzing market trends.

The main stages of the analysis of trends in the market are:

1. Data collection:

- Primary data – held directly from consumers through surveys, interviews, focus groups, experiments.

- Secondary data – includes information from publications, reports, databases, analytical surveys, statistical information.

2. Analysis of macroeconomic factors:

- Assessment of the economic situation of the country (GDP, inflation, unemployment).

- Political and legal changes.

- Technological innovations and their impact on the industry.

- Social and cultural changes (demography, lifestyle changes).

3. Analysis of industry trends:

- Identification of the main players in the market, their shares.

- Identification of new products and services that appear.

- Assessment of the overall level of competition.

- Analysis of market cycles and seasonality.

4. Analysis of consumer behavior:

- Definition of the main market segments.

- Analysis of consumer preferences, motivations and factors influencing the purchase decision.

- Study customer satisfaction and loyalty.

5. Competitive analysis:

- Assessment of the strengths and weaknesses of the main competitors.

- Analysis of their marketing strategies, pricing policy, distribution channels.

- Identification of competitive advantages and weaknesses.

6. SWOT analysis (Strength, Weakness, Opportunities, Threats):

- Assessment of internal factors (strengths and weaknesses of the company).

- Analysis of external factors (opportunities and threats in the market).

Regular and systematic analysis of market trends allows the company to respond quickly to changes, anticipate possible problems and take strategic decisions in time. This not only provides competitive advantages, but also contributes to sustainable development and business growth.

Among the main tools and methods of market analysis distinguish:

1. **PESTEL analysis.** Assessment of political, economic, social, technological, environmental and legal factors.

2. **Porter's Five Forces.** Analysis of the five forces of competition by Michael Porter (competitive competition, threat of new participants, threats of substitutes, strength of suppliers, power of buyers).

3. **Cluster analysis.** Identification of consumer groups with similar characteristics for targeted marketing.

4. **Trend analysis.** Using historical data to predict future trends.

5. **Big Data.** Using large volumes of data and algorithms to detect hidden patterns and forecasts.

However, regular marketing research is not the only solution. It is important to develop internal electronic document circulation and to implement regulations that will help to improve executive discipline and ensure compliance with standards of interaction between departments. A large role in this can be attributed not only to expensive software products, but also to the use of office software packages already used in the company.

These steps will help ensure efficient work with customers, improve internal processes and increase the competitiveness of the company. **Namely, the practical application of market analysis is possible in:**

1. Strategic planning – explanation of long-term goals of the company and ways of achieving them.
2. Development of marketing strategies – the choice of the most effective methods of promotion of goods and services.
3. Innovative development – the introduction of new products and technologies to meet the needs of the market.
4. Risk assessments – identifying potential threats and developing action plans to minimize them.
5. Increased competitiveness – development of strategies to strengthen the company’s market positions.

At the same time, the marketing department plays a key role in creating and adjusting a single database, developing regulations and analyzing the management of knowledge about consumers. Its tasks include:

1.Formation of new contact management capabilities: this means the development of new methods of interaction with consumers and partners, without requiring immediate replacement of common systems.

2. Adoption of a general approach to the work of service centres: the marketing department contributes to the development of common strategies and standards for all service centres.

3. Management of consumer and partner data: the marketing department is responsible for data consolidation, modeling, legal protection and access management.

4. Data dissemination when switching to information systems: the marketing department identifies the basic data needed for marketing relationships and provides their collection, refinement and optimization for business use.

Data analysis and access to it are important steps in managing relationships with consumers. The main features include:

1.Reporting on key indicators – conducting in-depth data analysis to identify deviations from the norm and reporting on consumer response, profitability and risks.

2. Value and cost modeling – identifying optimal strategies for attracting and retaining consumers by analyzing the cost and effectiveness of various marketing campaigns.

3. Wide access to data – providing access to the collected data for various departments of the company, subsidiaries, agents and partners.

The transition from analysis to action and vice versa involves:

1.Reuse of capabilities – use of analytical abilities at different stages of the business process and in different system modules.

2. Formation and support of business processes – ensuring the continuity of the business process and their interrelationship with information systems.

3. Automation of communications between systems – ensuring automated data exchange between information and transaction systems.

The transition from action to analysis involves:

1.Transfer of data to the database: ensuring the continuity and accuracy of the data that enters the system.

2. System architecture design: developing the optimal database architecture for a specific situation and choosing the appropriate implementation method. CRM (Customer Relationship Management) is defined as a strategy aimed at

maximum satisfaction of customer needs and building long-term mutually beneficial relationships with them. This strategy is based on the use of advanced management and information technologies to collect, analyze and use customer information at all stages of their life cycle.

The main motives for the implementation of CRM in advanced companies can be as follows:

1.Crisis motive – occurs in situations of a crisis nature, when the company loses customers due to sharp changes in the business environment, poor quality of service or other reasons. In such cases, CRM helps to preserve and restore the client base, providing information control and systematization of activities.

2. Developmental motive – occurs in cases of rapid growth of the business or the need for its development. CRM helps to automate processes, monitor performance, and collect and transfer knowledge within an organization.

3. Status motive – related to external factors such as corporate standards or investment attraction. In conditions of changing external environment CRM can be a requirement for the implementation of conditions that are set by management or investors.

All these motives are determined by the specific needs and circumstances of each company, but they are all aimed at improving customer relationships and ensuring competitive advantages in the market.

Table 4.1. The complex tasks of the CRM project

№	Category	Tasks
1.	Building a single information space of the company	- Formation of a single customer base. - Saving history of customer relationships. - Consolidation of information by branches and head office. - Receiving operational information about existing clients. - Formation of knowledge base.
2.	Obtaining analytics tools for individual groups of clients	- Segmentation of clients by different parameters. - Formation of statistical and analytical reports.

Continuation of table 4.1

3.	Obtaining a tool for planning and monitoring the work of managers	- Automation of business processes of attracting and supporting clients. - Formation of necessary documents according to the developed templates. - Formation of monitoring reports on the work of managers.

Source: Compiled by the author

Initiators of implementation of CRM-project are usually top managers and (or) marketing division, since this strategy is aimed at maximum satisfaction of the needs of customers and improvement of relationships with them.

The phases of a comprehensive CRM project (Table 4.1) also include CRM expertise, CRM consulting, development of CRM software and project audit. Each of these stages is aimed at the preparation, configuration and evaluation of the results of the implementation of CRM-system in the company.

Conducting CRM (Customer Relationship Management) is critical to successful customer relationship management in any company. CRM-system allows you to store detailed information about each client, which allows more personalized approach to their needs and wishes. It also helps to track the sales process, analyze the effectiveness of different strategies and optimize work with potential customers, leading to increased sales volumes. CRM systems automate routine tasks, allowing employees to focus on more important aspects of work, such as strategic planning and building customer relationships.

Table 4.2. The main stages of integrated CRM-projects

№	Stages	Defining	Content
1.	**Analysis and planning**	Defining objectives and requirements.	Identification of business objectives that need to be achieved with the help of the CRM system, as well as basic functional requirements.
		Analysis of current processes	Analyze existing business processes and determine how they can be improved with CRM

Continuation of table 4.2

		Assessment and choice of CRM system	Evaluation of different CRM solutions on the market and choosing the one that best meets the needs of the business
2.	**System design**	Development of a technical task	Create a detailed technical task based on the collected requirements
		Modeling business processes	Design of new or updated business processes that will be implemented in the CRM system
		Integration design	Planning the integration of the CRM-system with other existing systems and tools
3.	**Development and configuration**	System development	Development and customization of CRM-system according to the technical task
		Integration with other systems	Implementation of integration mechanisms with other systems, such as ERP, email, telephony, etc
		Data migration	Transfer of data from existing systems to a new CRM system
4.	**Testing**	Functionality testing	Checking the correctness of all system functions
		Integration testing	Checking the integration of the CRM-system with other systems
		Pilot implementation	Run the system on a limited number of users to detect possible problems
5.	**Implementation**	User training	Conducting training and training sessions for users of the CRM-system
		Full deployment	Implementation of the system for all users of the organization
		Support	Providing technical support and continuous support of the system
6.	**Evaluation and optimization**	Monitoring and evaluation	Monitoring of the system and evaluation of its efficiency
		Gathering feedback	Collect feedback from users to identify potential problems and areas to improve
		Process optimization	Implementation of necessary changes and optimization of business processes based on the information collected

Source: Compiled by the author

They provide access to the history of customer interactions, which allows you to quickly and effectively solve their problems and requests. CRM provides tools to analyze customer and sales data, helping to make informed decisions and predict future trends. Knowledge of the history of purchases and preferences of customers allows to offer them relevant products and services, which contributes to increasing their loyalty.

A comprehensive CRM project usually consists of several stages, each of which is important for the successful implementation and integration of the CRM system (Table 4.2).

Each of these stages is important for the successful implementation of the CRM-system and requires careful planning and implementation. After all, the CRM system provides centralized data storage, which improves communication and cooperation between different departments of the company. Overall, CRM helps companies better understand their customers, optimize interaction processes with them and improve business efficiency.

The term CRM includes the following additional concepts:

1.Customer Interface or Interaction Management (SIM). This is the use of software for call center management, vendor automation, personalized marketing, call center customer service and self-service on the website, including online purchases.

2. Customer Experience Management (Customer Experience or Encounter Management - CEM). This is aimed at personal contacts of customers during shopping in shops, consumption of goods "on the spot" and use of both purchased goods and services.

3. Management of customer outcomes (Customer Solutions or Success Management - CSM). This is aimed at the results that customers get from the use of goods and services, and especially from long-term relationships with their supplier as opposed to short contacts.

4. Total Experience Management (TEM) combines elements of SIM, SEM and CSM that belong to the individual experience of buying and consuming goods/services as long as this experience continues from the client's point of view. This experience includes what happened before, during and especially after (as a result) the interaction that most firms seek to manage, and covers the success factors that determine long-term relationships with customers rather than short-term interactions with them.

Customer Relationship Management (CRM) is critical to the successful functioning of any company. CRM allows you to store detailed information about each client, which provides a more personalized approach to their needs and wishes. This, in turn, improves interaction with customers and promotes their loyalty growth.

The CRM system helps to track the sales process, analyze the effectiveness of different strategies and optimize the work with potential customers, which leads to an increase in sales volumes. It automates routine tasks, allowing employees to focus on more important aspects of work, such as strategic planning and building customer relationships. Thanks to the CRM system it is possible to quickly and effectively solve problems and requests of customers, as it provides access to the history of interactions with them.

CRM also provides tools to analyze customer and sales data, helping to make informed decisions and predict future trends. Knowledge of the history of purchases and preferences of customers allows to offer them relevant products and services, which contributes to increasing their loyalty. In addition, the CRM system provides centralized data storage, which improves communication and cooperation between different departments of the company.

Overall, CRM helps companies better understand their customers, optimize interaction processes with them and improve business efficiency. This allows not only to retain existing customers, but also to attract new ones, which is a key factor for the long-term success of the company.

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