

3. Organization of marketing activities at milk-processing enterprises of Ukraine

In today's conditions, in particular, unstable economic situation in the country, fierce competition among producers, rapid reduction of necessary resources to ensure sustainable economic activity and other factors, most domestic enterprises face the need for systematic implementation of marketing tools, which is impossible without proper and effective marketing strategies.

An effective tool and base of entrepreneurship is marketing, which is used to develop and make entrepreneurial decisions and plays a key role in the system of government, organization, planning and control in the field of entrepreneurial activity.

Marketing strategies are an integral and leading component of any effective business management system. However, the current market environment is characterized by uncertainty, globalization, constant competition, as a result, the practical aspects of marketing strategies necessitate the use of a wide range of marketing functions and tools, which in turn require adequate funding. As a result, the use of marketing tools without a systematic view and strategic vision of business development leads to inefficient costs.

This issue is especially important for domestic enterprises, which is associated not only with the low level of economic development of many of them, but also with the ignorance of the strategic direction of many management processes in the field of marketing. Within the framework of marketing strategies, there are many areas that require adequate resources, because they allow the systematic implementation of marketing tools, especially under significant budgetary constraints, which is extremely important for domestic dairy companies.

The processes of formation and implementation of marketing strategy for each company are different and depend on the volume of production capacity, the level of development of target markets, the nature of organizational structures, the level of marketing management and marketing budgets.

The marketing goals of the enterprise are:

- satisfaction of needs (requirements) of consumers;

- achieving advantages over competitors;
- gaining the planned market share;
- ensuring the growth of sales of goods and services;
- achieving the planned profit or ensuring profitable activities.

Marketing activities at the enterprise have always been based on concepts that involve the formation of a balance of interests of enterprises, consumers and society.

Marketing concepts – the logic of marketing as a process of consistently increasing the efforts of the enterprise, taking into account its potential and the conditions of the business environment.

F. Kotler argues that the firm can choose any way to increase sales of goods, which reflects one of the five approaches to the organization of marketing activities, namely:

- the concept of improving production;
- the concept of product improvement;
- sales concept;
- marketing concept;
- the concept of socio-ethical marketing [43].

Every company has the right to choose the concept of marketing management that will ensure the achievement of maximum efficiency.

Marketing theory recognizes several basic concepts that have evolved as the economic situation changes (Table 1):

- production;
- freight;
- sales;
- traditional;
- socio-ethical marketing;
- concept of interaction marketing.

Table 1

Basic marketing concepts

Production concept of company marketing	
Key concept idea:	Increasing the volume of production of existing items.
Tools:	Cost of production, productivity.
Main goal:	Optimization of production – sales growth – increase profits.
Commodity marketing concept	
Key concept idea:	Development and production of good quality goods.
Tools:	Commodity policy.
Main goal:	Development of new product items and modification of existing products.
Sales marketing concept	
Key concept idea:	Increasing sales channels.
Tools:	Sales policy.
Main goal:	Improving the efficiency of sales of goods through marketing activities for the sale of goods.
The concept of socially responsible marketing	
Key concept idea:	Production of goods that meet existing needs, taking into account the requirements and restrictions of the company.
Tools:	Complex Product Price Place Promotion. Research of needs, needs and expectations of the consumer. Study of social and environmental consequences of production and consumption of goods and services.
Main goal:	Satisfying the needs and demands of customers while preserving human, natural, energy and other resources without causing great harm to the environment and humanity as a whole.
Relationship marketing concept	
Key concept idea:	The activities of the organization should be aimed at long-term cooperation, taking into account all the nuances of the relationship with customers and partners.
Tools:	Complex Product Price Place Promotion. Marketing system of interaction.
Main goal:	Establishing long-term mutually beneficial relationships with market participants in the business process

Source: generated by the authors according to [44].

Each of these concepts has its own specifics and priority areas. Changing the focus of marketing policy depends on market fluctuations and the state of affairs within the company.

Studying the stages of the evolution of marketing will help determine the level of marketing thinking of the company and understand in which direction to move next. The development of marketing as a science of management is characterized by a

reorientation to external aspects of business and compliance with the interests of other market participants [44].

Historically, marketing concepts have been linked to market development and have changed along with market changes, the development of approaches to improving product quality, customer focus, social marketing, and more.

The concept of improving production, as the name implies, the determining factor in the orientation of the firm in the market space is production. Consumers prefer cheap and affordable goods. And high production efficiency allows you to keep costs low and thus ensure low prices.

Enterprise management, which focuses on this concept, focuses on improving production and improving the efficiency of the distribution system.

This approach is justified in one of three cases:

- there is a shortage of goods;
- demand can be increased by lowering the price;
- there is an opportunity to reduce costs by increasing production [43].

The main purpose of the production concept is to increase the production of existing product items.

The production concept of marketing is based on the fact that demand exceeds supply. Optimization of production processes will increase production rates, reduce production costs, reduce the cost of goods for consumers and, consequently, increase demand.

Thus, the considered concept of marketing is aimed at improving production in order to increase production, increase sales and increase profitability.

Priority areas for the company's management are to ensure maximum serialization and sale of goods through all possible sales channels.

Passing the production concept of marketing is relevant in the following cases:

- most of the target audience is significantly limited in financial capabilities;
- the demand for the product exceeds the supply, and some buyers buy the product, even if they are not very satisfied with its properties;

– in the current conditions of production, the cost of production is too high, and you need to find a quick way to reduce it to take a place in the market.

This concept is relevant in a shortage of goods, which is observed in limited production [44].

Managers and specialists of the enterprise that uses this concept must systematically improve the production system and distribution system, direct their efforts to achieve high serial production and sale of goods through all possible sales enterprises. Therefore, the main focus of this concept is to improve production and increase the efficiency of the distribution system.

The leading means of achieving the goal are to increase the scale of production and reduce the cost and price of products (Fig. 1).

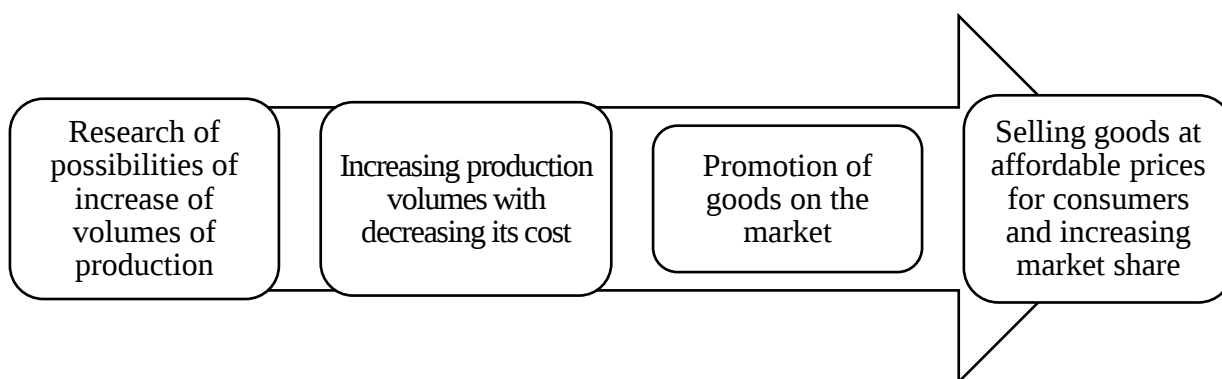


Fig. 1. Scheme of the concept of production improvement

Source: generated by the authors

The concept of product improvement – puts the product in priority. The company's activities are focused on its continuous improvement and development of a sufficient number of modifications.

This concept assumes that consumers prefer products with the highest quality and reliable performance.

According to the ideology of the product concept of marketing, the buyer is almost one hundred percent likely to buy a product of good quality and at an affordable price.

Paying attention primarily to the quality of goods, the manufacturer means that consumers are interested in purchasing these goods, know about the availability of competitors' products and make their choice based on high quality and agreeing to

pay a higher price for it. The strength of this approach is the excellence of the technology used by a firm leading in a particular field. The weak point of this approach is technology. After all, the focus on product quality sometimes does not allow to feel the threat of new technologies in time, when other products appear that meet the same needs as the company's product. (example plastic packaging) [43].

Much attention is paid to the development of new names, as well as improving the quality of items that are already available. It is assumed that the company's products are in high demand by the target audience, ie the consumer chooses a particular product by comparing the characteristics with similar units on the market.

The use of the principles of the product concept is appropriate in the following cases:

- most of the target audience has an income sufficient to purchase all necessary goods to meet current needs;
- demand meets supply and buyers, buying a product, choose products with the best characteristics from several analogues of approximately the same value;
- modification of the product does not entail an increase in cost compared to analogues included in this price group [44].

Business management that uses this concept should focus on achieving high product quality. The main object of attention is the product. Marketing efforts are focused on improving the quality of goods, the leading means of achieving the goal is the modernization of manufactured goods (Fig. 2).

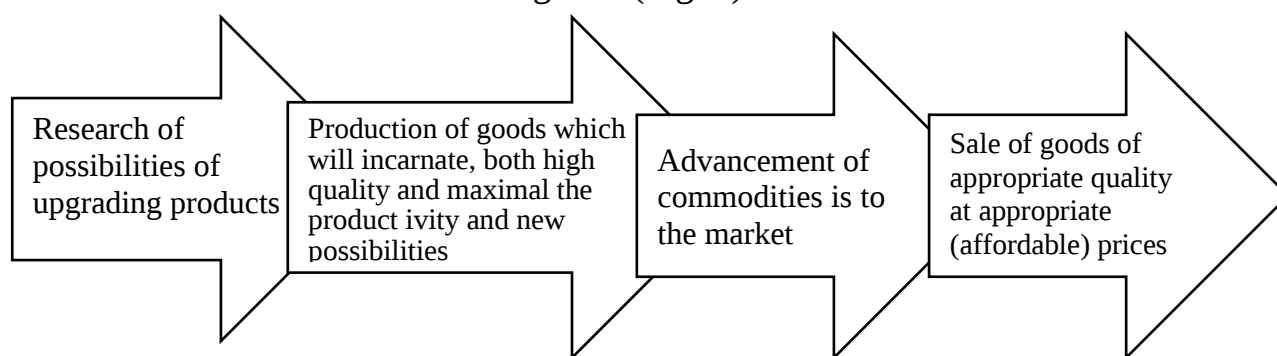


Fig. 2. Scheme of the concept of product improvement

Source: generated by the authors

The scope of this concept is those enterprises that are dominated not only by production, but by the technocratic approach. Negative features and consequences of the

implementation of this concept: marketing short-sightedness, love for your product, neglect of the problems and needs of customers, design opportunities, packaging, prices.

Thus, the basis of the product concept of marketing are the following prerequisites:

- the company focuses on the production of high quality goods that are sold at reasonable prices;
- consumers are interested in purchasing such goods;
- consumers are aware of the availability of similar products;
- consumers draw conclusions based on comparisons of prices and quality of goods.

This concept is used in many countries at this time. But it has changed (the company is trying to shape its customers, its niche in the market). Commodity marketing concept is typical for the first stage of marketing development.

It turns out that the product concept of marketing is relevant for cases where the market situation is characterized by a balance of supply and demand, and the buyer focuses on choosing the best product from those presented.

The sales concept is focused on the sales process itself. This concept is based on the fact that consumers will not buy the company's goods in sufficient quantities if it does not make significant efforts in the field of sales of goods.

This concept is possible in conditions of insufficient awareness of the buyer about the properties of the product, when consumer behavior is influenced by various means: advertising, convincing sales methods, product demonstrations, special discounts.

Businesses focused on this concept are guided by the fact that consumers mostly do not intend to buy their goods, and therefore it is necessary to take active measures to sell goods.

In practice, the concept of sales is implemented by imposing a purchase on the consumer, and the seller tries to sign an agreement and sell under any circumstances, and consumer satisfaction is a secondary matter for him [43].

Thus, the main focus of sales marketing – sales. The bottom line is that the buyer will buy any product if it is properly promoted and offered.

According to the concept of promotion and sale of goods is carried out in all possible ways, including intrusive advertising, as well as through various discounts, markups, lotteries, raffles, etc. Much attention is paid to product packaging, which is designed to distinguish goods from counterpart's competitors.

The motto of an active sales policy: you can force the buyer to buy any product, the main thing – to choose the right method of influence. This implies that the consumer is able to buy the product, but does not see the urgent need [44].

The sales concept of marketing (the concept of intensification of commercial efforts) is based on the following prerequisites:

- the purpose of the enterprise is to achieve such a volume of sales of goods that would allow him to get the maximum profit;
- consumers will not buy goods in the desired volume of the company without some influence on them;
- consumers can be forced to buy goods through certain measures to promote sales;
- buyers will re-purchase if the company has a sufficient number of potential customers.

The main object of attention is the goods of the enterprise and the process of their sale. The main content of marketing is to take care of the seller's needs to convert his goods into cash. Leading means of achieving the goal – commercial efforts and methods of STIZ, "hard" sales in order to force the purchase immediately, on the spot (Fig. 3).

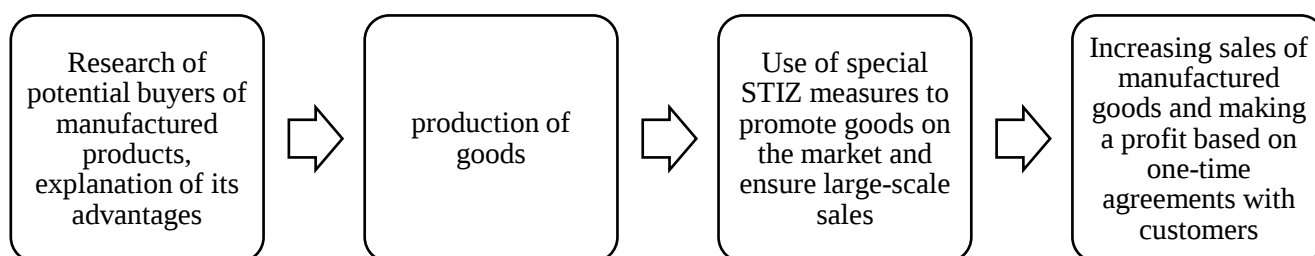


Fig. 3. Scheme of sales concept

Source: generated by the authors

Possible cases of application of the concept of sales marketing:

- the income of the target audience is considered sufficient for the purchase of goods produced by the company;
- the supply of goods of this group does not significantly exceed the demand, so consumers are waiting for the most favorable supply;
- buyers do not feel an urgent need to purchase a particular product.

The concept is most often used in situations where products from different manufacturers have approximately equivalent characteristics and market supply does not significantly exceed demand. That is, the buyer tends to choose the most advantageous and best offer. Sometimes the consumer does not even think about the need to purchase these goods [44].

Modern scope of this concept:

- sale of goods and services of passive demand, which the consumer usually does not think about and they have a limited market (vehicle insurance, reference books, books on specific areas of knowledge, pensions), sale of bulky goods;
- non-profit organizations (charitable foundations, educational institutions, political parties, election campaigns);
- enterprises that have difficulties with the sale of goods, when there are signs of overproduction and enterprises fight for each client through TV and radio advertising;
- advertisements in newspapers, magazines; direct mail advertising.

The negative consequences of using the concept are the loss of trust due to concealing the lack of goods, forcing them to buy goods immediately.

The concept of marketing (market concept) implies that the key to achieving the goals of the enterprise is to determine the needs of consumers and meet these needs more efficient and productive methods compared to competitors.

Introducing this concept, companies focus primarily on meeting the needs of a particular group of consumers, for which they constantly conduct marketing markets, analysis and control of marketing activities [43].

In order to meet the needs of the target audience, the organization must use operational marketing tools – a set of Product, Price, Place, Promotion (4P) in

combination with cross-functional coordination (Fig. 4).

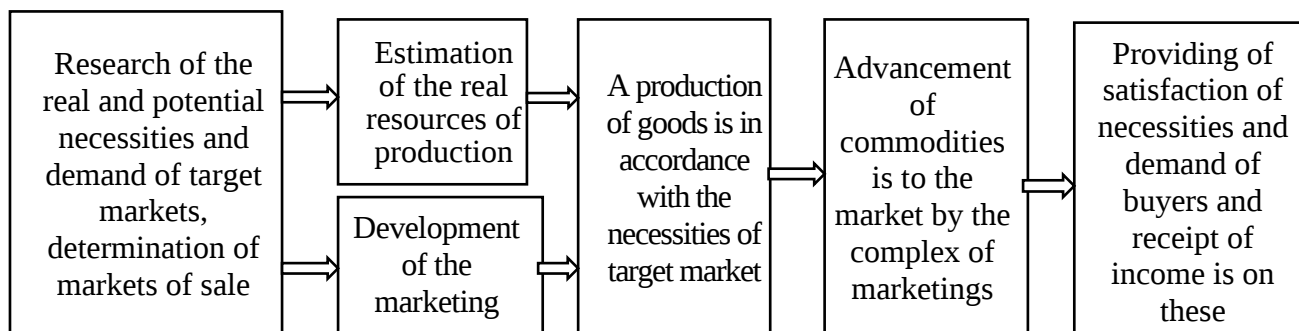


Fig. 4. Scheme of the concept of marketing

Source: generated by the authors

Marketing activities, which correspond to the concept of classic marketing, begins with identifying real and potential customers, as well as their needs. Thus, the company's strategic goals can be achieved only by researching the demands and expectations of the consumer sector, to which the company offers and directs a product that satisfies the customer in terms of quality and cost.

The implementation of the concept of traditional marketing involves the use of a set of actions that affect the user and allow for profitable production. The idea of the concept is that by studying the target audience you can identify unmet needs and, with the help of operational marketing, develop and offer a product that best meets customer expectations.

The concept of classic marketing is effective when the following conditions are met:

- market supply exceeds demand;
- there are needs in the target audience that are not met by the products presented on the market;
- Users have the opportunity to buy higher value goods if they best meet their demands.

Adherence to the concept of traditional marketing is possible in cases where the products of different manufacturers are approximately the same in characteristics and between supply and demand there is a significant imbalance in favor of the latter. Competitive advantage is given to the organization that offers the product that best meets the needs of the target audience [44].

The concept of marketing is a modern concept of entrepreneurship, which is more advanced than the previous three.

The concept of socio-ethical marketing involves identifying the needs of consumers and meeting them more effectively than competitors, taking into account the interests of all members of society.

This concept arose under the influence of many external factors, including the deterioration of the environment, limited natural resources, rapid population growth and more.

In particular, it is about increasing attention to the problem of environmental protection, including economic methods.

The concept requires a balance of all three factors:

- profits of the enterprise;
- consumer needs of the target group;
- the interests of society [43].

Thus, the concept of socially responsible marketing involves activities aimed at meeting the needs of the target audience, taking into account the social and ethical needs of society as a whole.

If the company positions the passage of this concept, in addition to studying the requests of the target audience, it must also identify public interests, and seeks to meet them.

The main provisions of this concept:

- in addition to the needs of customers, there are public interests that must be understood and accepted by consumers;
- the company's reputation and profitability of business depend on public opinion, which will be positive only if the activities of the organization are aimed at the public interest;
- among equivalent offers, the buyer chooses a product produced by a company that takes into account the interests of society.

This concept is relevant in cases where most manufacturers produce a product with similar quality characteristics, and competition in the market is very high.

Preference is given to the organization whose proposal not only best meets the needs of the target audience, but also takes into account the interests of society as a whole, as well as satisfies them [44].

Thus, there is a reorientation to combine the interests, needs of producers, consumers, society as a whole. The purpose of socio-ethical marketing is to provide the desired satisfaction of target groups of customers in more effective ways than competitors, while maintaining or consolidating the long-term well-being of consumers and society as a whole. The concept of socio-ethical marketing considers marketing activities in close connection with new global issues: environmental, ethical, educational issues (Fig. 5).

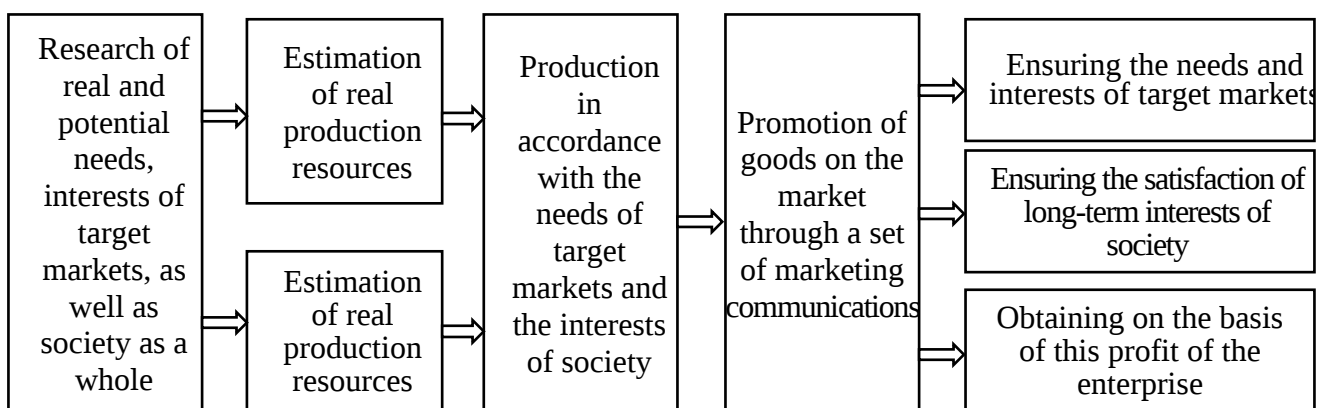


Fig. 5. The concept of socio-ethical marketing

Source: generated by the authors

Due to the focus on the concept of socio-ethical marketing, some foreign companies have already achieved significant growth in sales and profitability, as they have won the trust of consumers.

The concept of relationship marketing involves the focus of marketing activities of the enterprise to establish long-term constructive, privileged relationships with potential customers. The focus on creating long-term relationships between customers, suppliers, intermediaries explains the expansion of the range of marketing functions. The customer interaction feature appears.

Relevant for cases where the company can not overtake opponents only through marketing activities. That is, competition arises not only among manufacturers, but

also between systems of interaction in general.

The following tools can be used to build close relationships with consumers and partners:

- material incentives (price discounts, benefits systems for profitable customers);
- moral incentives (offer of individualized goods focused on a particular consumer on the basis of studying his needs and preferences);
- structural connections that facilitate interaction with the buyer (trade equipment for the sale of branded goods, electronic means of communication to simplify the ordering system, payment for goods, etc.).

Much attention is paid to personality and contacts in the system of effective communications. Adherence to the principles of the concept involves the distribution of responsibility for decision-making to all staff of the company, as effective activities require the participation of not only marketing professionals, but also other employees, including senior managers. It turns out that the main responsibility for establishing and maintaining relationships with various market participants lies with the company's management.

The principles of the concept of interaction marketing are as follows:

- the needs of the target audience can be met by a large number of similar products;
- the company's image is determined by the number of repeat customer applications and stability in relationships with partners;
- the company's partners and clients are interested in long-term cooperation, taking into account their individual preferences and other features of the interaction.

The concept is effective if there are a lot of offers on the market and the goods have almost no significant differences for buyers. Long-term cooperation with market participants allows to reduce the cost of concluding agreements, minimize service time and increase business efficiency [44].

Comparative characteristics of the considered marketing concepts are given in table 2.

Table 2.

Comparative characteristics of marketing concepts

Concepts	Startingpoint	Object of attention	Means of achieving thegoal	Result (ultimate goal)	Taking care of needs
The concept of improving production	Production	Improving production and increasing the efficiency of the distribution system	Scale building production, cost reduction, commodity prices	Achieving high efficiency of production	Producer
Concept improve mentgoods	Production	Goods with its quality, operational properties, characteristics	Modernizationof goods, quality improvement	Making a profit from the production and sale of high quality goods	Producer
Concept sales	Production	Enterprise goodsand the process of their sale	Commercial efforts and means of STIZ	Making a profit by increasing sales	The seller
Concept marketing	Targetmarket	The needs of target consumer groups	Comprehensive marketing efforts (integrated marketing or marketing mix)	Making a profit by meeting the needs of consumers	Buyer, consumer
Socio-responsible (socially-orientedor ethical) marketing	Target market, society	The needs of target consumers, long-term interests of society	Achieving a balance of three factors: the company'sprofits, customer needs, the interests of society	Ensuring the desired satisfaction of the target group of consumers, the welfare of society, the profit of the enterprise	Buyer, manufacture, society
Relationship marketing concept	Potential customers	Long-term relationships with consumers and partners	Material and moral incentives, targeting specific consumers, structural relationships for interaction with the buyer	Making a profit by establishing long-term close relationships with consumers and partners	Specific consumer, partner

Source: generated by the authors

In terms of market relations, Ukrainian enterprises should use the concept of marketing (market concept), as it will ensure the efficient use of limited resources, focus production and sales of goods and services to meet consumer needs and make the necessary profit.

In order to choose the most effective strategy of the enterprise, you need to rely on a well-established and consistent with all the company's system of activities. The choice of strategy should be clear and unambiguous. That is, one direction should be chosen that best suits the activities of this company. The stages at which the strategy is developed, and in what form it is communicated to the team, have a generalized form and depending on the activities of the firm may be changed.

The process of implementing the chosen strategy is a very important part of the company's activities. After all, if successful, it will lead to the full implementation of strategic plans. Implementation is carried out through a set of actions: various programs and procedures are developed, which make up long-term and short-term plans.

Innovative development is due to the need to constantly increase the level of competitiveness of enterprises. At the same time, the use of innovations gives them the opportunity to compete effectively in the market, attract new consumers, improve financial performance. Therefore, the growing role of strategic management of innovative development of the enterprise, which is aimed at maintaining and developing the competitiveness of the enterprise and its products on the market. The choice of innovation development strategy depends on the previously accumulated experience of innovative activities of the enterprise, the professionalism of personnel responsible for decision-making in innovation management, consumers and opportunities for practical application of the results of proposed projects.

A review of the scientific literature has identified different approaches to defining the essence of the concept of "innovation". For example, Fedulova L.I. [45] considers innovation as a consistent implementation of scientific, innovative, operational or marketing activities, and Peresada A.A. [46] identifies it with the innovation process in the form of certain stages of the life cycle of innovation – from the emergence of an entrepreneurial idea to its development and implementation. Melnyk V.I. [47] believes that innovation is the activity of developing, organizing and promoting new types of technologies, goods, services aimed at meeting the identified new needs of society, in turn, Shpykulyak O.G. [48] considers it as a set of consistent actions to transform ideas (in the form of research results, engineering, business and management decisions) into advanced

developments and technological processes to create new or improved goods and services that are in demand. market.

We offer the author's interpretation of the essence of the term "innovation" from the standpoint of development of milk processing activities of the enterprise as a process of development and implementation of new resource-saving technology, product or service in the dairy industry for third parties.

The main tool of innovation is innovation, which in the narrow sense contributes to the implementation of various innovation projects and is the engine of scientific and technological process in a broad sense [49].

Scholars view innovation as the result of innovation, or any change (even modernization), as a process, as a system, as an object, and as an idea (Fig. 6).

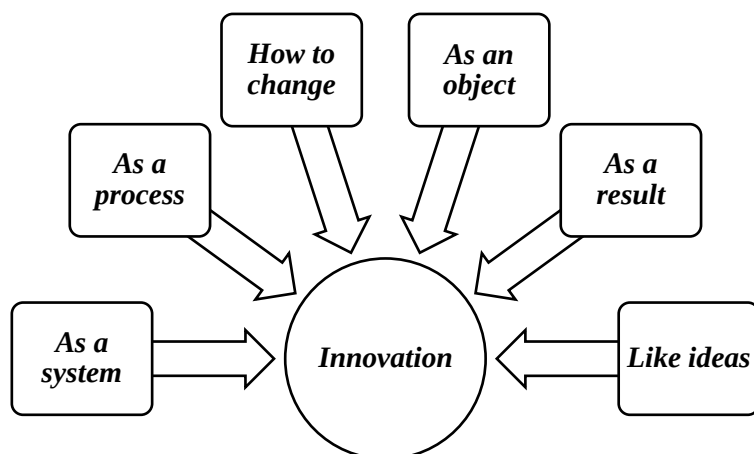


Fig. 1. Interpretation of the concept of "innovation" in research

Source: systematized by the author for [49].

Kaletnik H.M. and Honcharuk T.V. [43] note that the effective use of innovation is the most favorable tool for achieving the goals of food, energy security, environmental protection, increasing productivity and attracting foreign investment. All this will improve the standard and quality of life of citizens and will be able to make the peasant wealthy.

In conditions of constant competition, the ability to create and maintain a leading position in the market has only those companies that are able to constantly improve their performance, optimize their internal capabilities, as well as continuously improve productivity and quality of results. Dairy enterprises are no exception.

The dairy industry is one of the most intensive, dynamic and important components of the agro-industrial complex of Ukraine. In recent years, domestic dairy enterprises have been actively modernizing and introducing new technologies, developing high-tech production, increasing capacity, bringing production closer to European standards, reducing raw material costs, expanding the range of products and producing high quality dairy products.

At the same time, modern economic realities in Ukraine put forward new requirements for the organization of the market of milk and dairy products. Reducing raw milk production, reducing domestic consumption of dairy products, changing consumer tastes, instability and declining exports, increasing competition between dairy companies require finding new methods and approaches to business, attract and retain consumers and increase the role of marketing in effective operation and achievement competitiveness in the market of milk and dairy products.

The organization of domestic enterprises operating in the market of milk and dairy products today requires sound rational action, because not only the external environment but also the enterprises themselves and their product offer under the influence of time and circumstances change significantly.

Marketing, modern methods and tools play an important role in improving the efficiency of management and development, strengthening competitive market positions. Issues of marketing support of enterprises and products of the dairy industry and the practical application of balanced marketing tools, taking into account the specifics of the industry need to adapt to the current stage of economic development and further research. This is due to the fact that increasing the complexity of the dairy market in general and the behavior of each entity in particular necessitates reviewing the effectiveness of existing and developing new, more effective in a dynamic environment of marketing activities and programs within the marketing concept.

The production activity of any enterprise is aimed at creating conditions for maximizing sales of products, profitable positioning of products on the market, meeting the ever-growing demands of consumers and, consequently, obtaining high profits. Marketing management comes to the fore and defines the target

audience, sets certain standards of the final product, creates conditions for improving quality and reducing current production costs.

Coordination of production and sales processes allows the company to carry out operating activities smoothly, rhythmically and harmoniously, to respond quickly to changes in the market environment. This necessitates a constant search for marketing tools to maintain and expand their market position. It is modern marketing strategies that allow the company to balance between limited material and financial resources and meet the needs of consumers. In modern conditions it is extremely important to be able to choose, justify and successfully implement a marketing strategy that will most organically correspond to the overall strategy of the enterprise.

In Ukraine, as in the rest of the world, complex socio-economic and political processes are taking place, which form the conditions for the development of the domestic food industry, which in the global dimension is part of the world food market. In this market, Ukrainian producers traditionally have high positions. At the same time, having unconditional success in modernizing the technology of dairy production, improving its quality and expanding the range, the domestic dairy industry has not yet entered the trajectory of sustainable development. The country is experiencing a decline in the level of dairy production, rising prices for raw milk, insufficient level of cooperation between producers of raw materials and producers of the final product.

In general, the dairy industry is a branch of the food industry, but given that all the raw materials needed for the manufacture of dairy products are mainly agricultural products, it is necessary to take into account the peculiarities and weaknesses of marketing in this area. Also, the specifics of this industry, in particular the specifics of goods, the mismatch of production cycles, working hours and shelf life and consumption, dependence on climatic factors, the obsolescence of production assets and technologies and more.

It is necessary to disperse the dynamics (Table 3) and the structure (Fig. 7) of existing enterprises in the dairy industry.

Table 3

Number of operating entities of the dairy industry in Ukraine in 2011-2020

Indicator	Years										Deviation 2020/2010 (+,-)
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Number of active business entities, total, units	587	583	641	655	675	649	670	709	730	734	147
Including natural entities – entrepreneurs, units	146	166	174	254	283	294	290	308	318	340	194
in % to the total of business entities of corresponding type of economic activity	24,9	28,5	27,1	38,8	41,9	45,3	43,3	43,4	43,6	46,3	21,4

Source: calculated by the authors according to [50].

Analyzing the dynamics of changes in the number of operating entities in the dairy industry, we can emphasize that over the past decade there is a clear trend of growth of such enterprises, an increase of 147 enterprises in 2020 compared to 2011. It should be noted that the rapid growth in the study period is observed among natural persons-entrepreneurs among all milk processing enterprises, their number increased in 2020 by 194 farms compared to the same indicator in 2011.

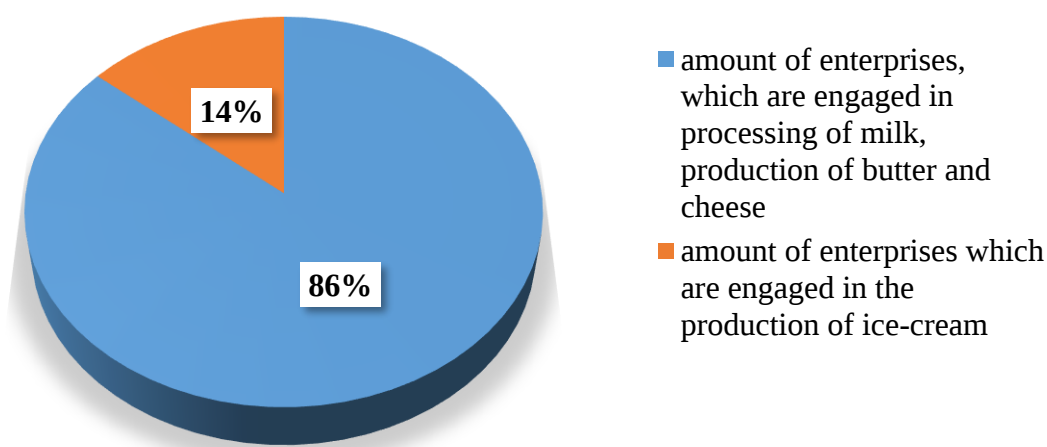


Fig. 6. The structure of the number of operating entities of the dairy industry in Ukraine, 2020

Source: calculated by the authors according to [50].

Examining the structure of the number of operating entities in the dairy industry in the country in 2020, we can emphasize that the largest share among enterprises engaged in dairy production is occupied by businesses specializing in milk processing, butter and cheese 86 %, which equivalent to 632 units, the remaining 14 % are enterprises engaged in the production of ice cream 102 units.

Without a well-chosen marketing strategy, the company does not have a sound action plan, there is no single program to achieve the desired results. A well-foreseen strategic vision prepares the company for the future, sets a long-term direction of development and determines the company's intention to take specific market positions. The better thought out and planned marketing strategy, the more detailed the elements of its implementation, the stronger the position that the company will take.

Marketing strategic planning of the enterprise, as a rule, consists of reasonable purposeful actions and reactions to unforeseen developments and constantly growing competition, the environment which is constantly changing (for example, opening in the field of technologies, successful introduction of a new product, change of state policy, expanding the interests of buyers).

The choice of strategy depends on the situation in which the company is, so marketing programs, both short-term and long-term, require the development and implementation of a strategy that under given conditions would provide businesses with the necessary efficiency, profitability and financial interest in performance and would correspond to the state economic policy.

Prerequisites for substantiation of the main elements of marketing strategic planning are strategic analysis of the existing position of the enterprise, assessment of enterprise potential and risks of economic activity. This set of information is the analytical basis of strategic marketing and allows you to define the mission and goals, justify strategic directions and evaluate the effectiveness of alternative directions. At the stage of implementation of the strategic marketing plan, we can move on to detailed planning of activities (stages, deadlines, responsibilities, budget) and to assess the effectiveness and control the implementation of plans. Schematic representation of the stages of strategic marketing planning is shown in Fig. 8.

The dairy industry occupies an important place in the economy of any country, and in the diet of a healthy person it is essential food. The milk processing complex includes the production, procurement, processing and sale of dairy products. The dairy industry includes such groups of production as butter, cheese, production of whole milk products (pasteurized milk, sour cream, dairy products, etc.) and milk canning production [52].

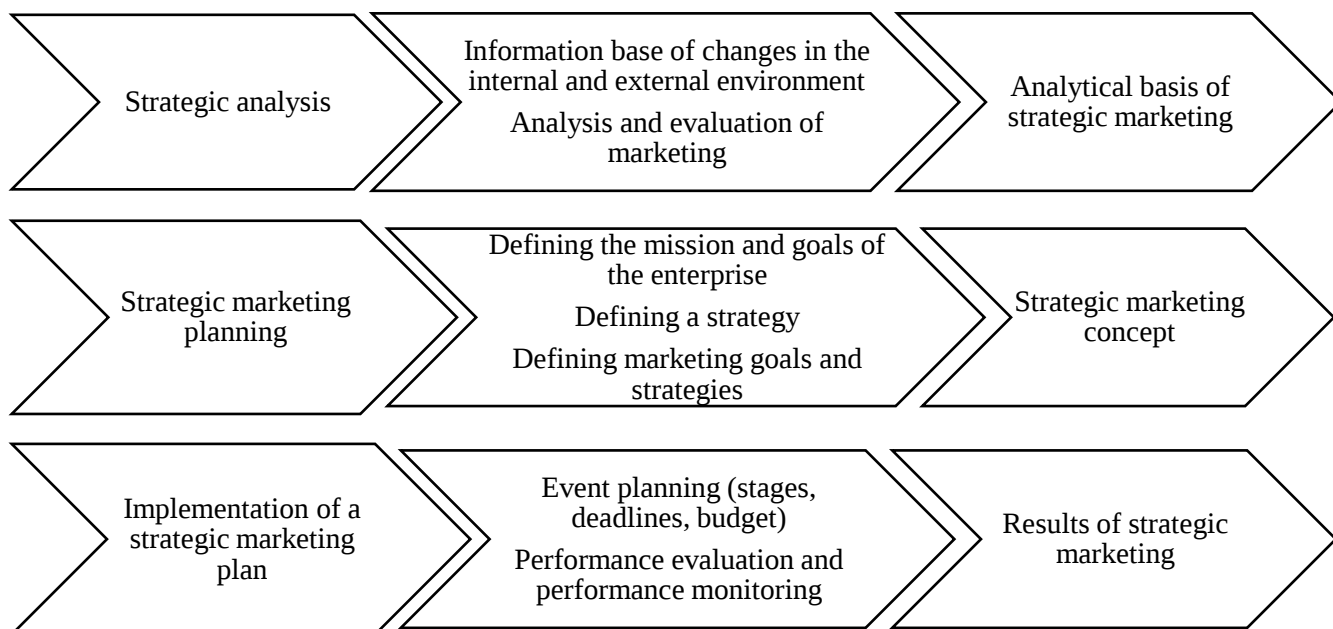


Fig. 8. Model of strategic marketing planning

Source: summarized by the authors according to the source [53].

The dairy industry occupies an important place in the economy of any country, and in the diet of a healthy person it is essential food. The milk processing complex includes the production, procurement, processing and sale of dairy products. The dairy industry includes such groups of production as butter, cheese, production of whole milk products (pasteurized milk, sour cream, dairy products, etc.) and milk canning production [48].

It is important to study the dynamics of production volumes by economic entities specializing in dairy farming (Fig. 9), as well as the dynamics of dairy production in eneral in recent years (Fig. 10).

During the study period, the dynamics of the volume of production by economic entities engaged in breeding dairy cattle throughout the country, there are clear growth trends, as evidenced by the indicators shown in Fig. 8. In 2020, compared to 2016, the volume of growth of products produced by these enterprises increased by 31.5 %, which is equivalent to 6010130.3 thsd. UAH.

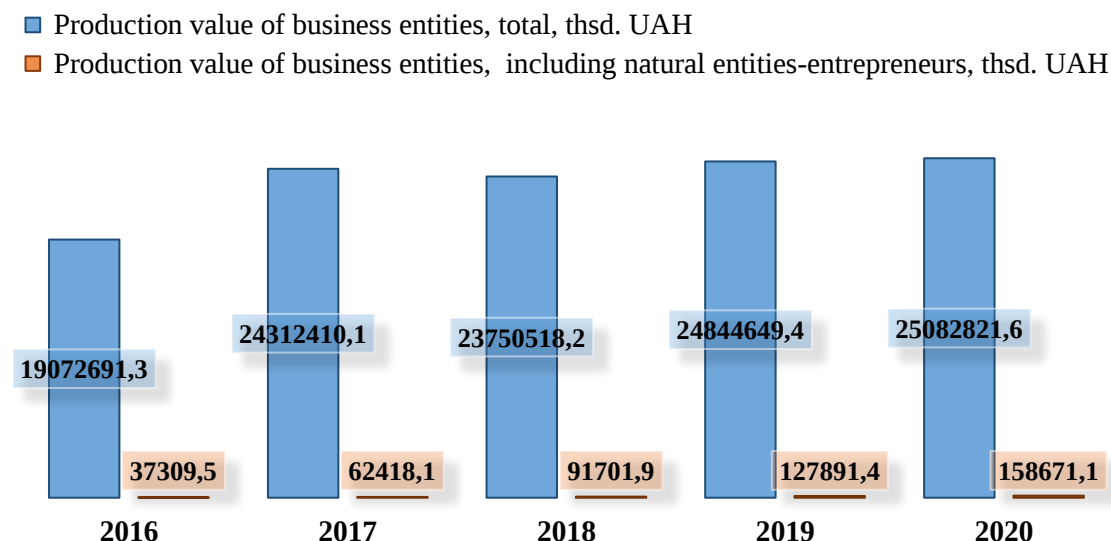


Fig. 9. Dynamics of volumes of products produced by economic entities engaged in dairy cattle breeding in Ukraine, 2016-2020, thsd. UAH

Source: calculated by the authors according to [50].

With regard to the dynamics of output of natural persons-entrepreneurs engaged in breeding dairy cattle, we can also note that over the past five years there has been a rapid increase, in particular in 2020 compared to 2016, the volume increase is 325.3 %, which is equal to 121,361.6 thsd. UAH. Such results testify to the prospects of such business in Ukraine and as a consequence of growing competition.

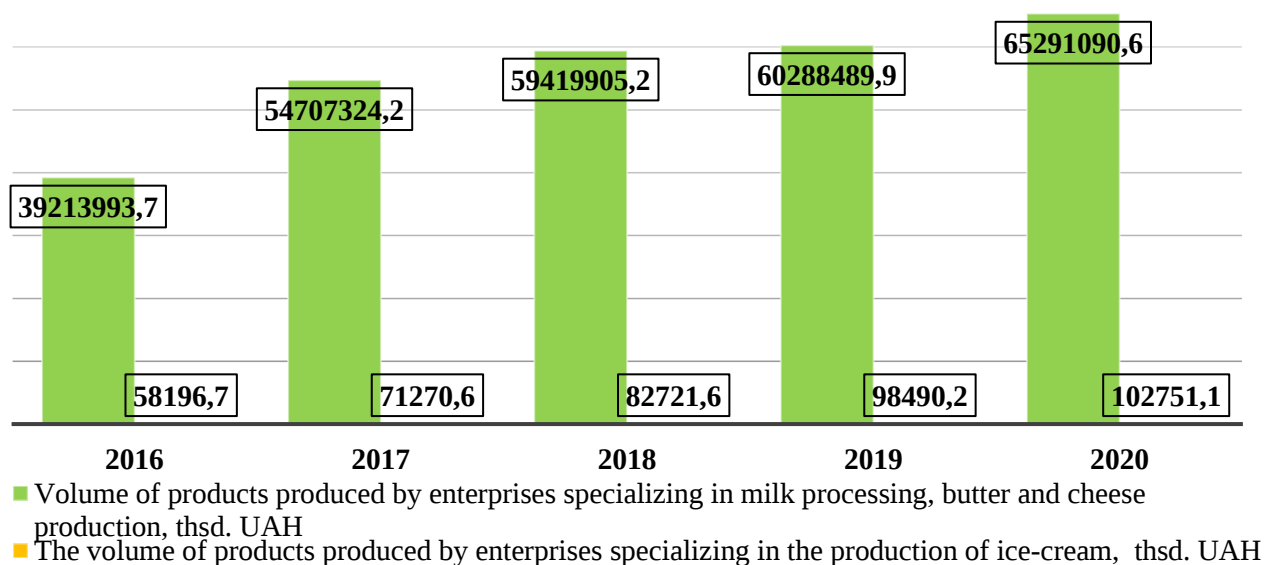


Fig. 10. Dynamics of production volumes by business entities engaged in the production of dairy products in Ukraine, 2016-2020, thsd. UAH

Source: calculated by the authors according to [50].

Examining the dynamics of changes in the volume of production by economic entities engaged in the production of dairy products over the past five years, we see their rapid growth, in particular the growth of production by enterprises specializing in milk processing, butter and cheese production was 66.5 % (26077096.9 thsd. UAH), and the volume of growth of products produced by enterprises specializing in the production of ice cream is 76.6 % (44554.4 thsd. UAH).

The effective functioning of the dairy industry directly depends on the availability of raw materials for further processing, so to better understand the situation in domestic enterprises, it is necessary to accelerate the dynamics of production of basic livestock products, in particular, we are interested in milk production (Fig. 11).

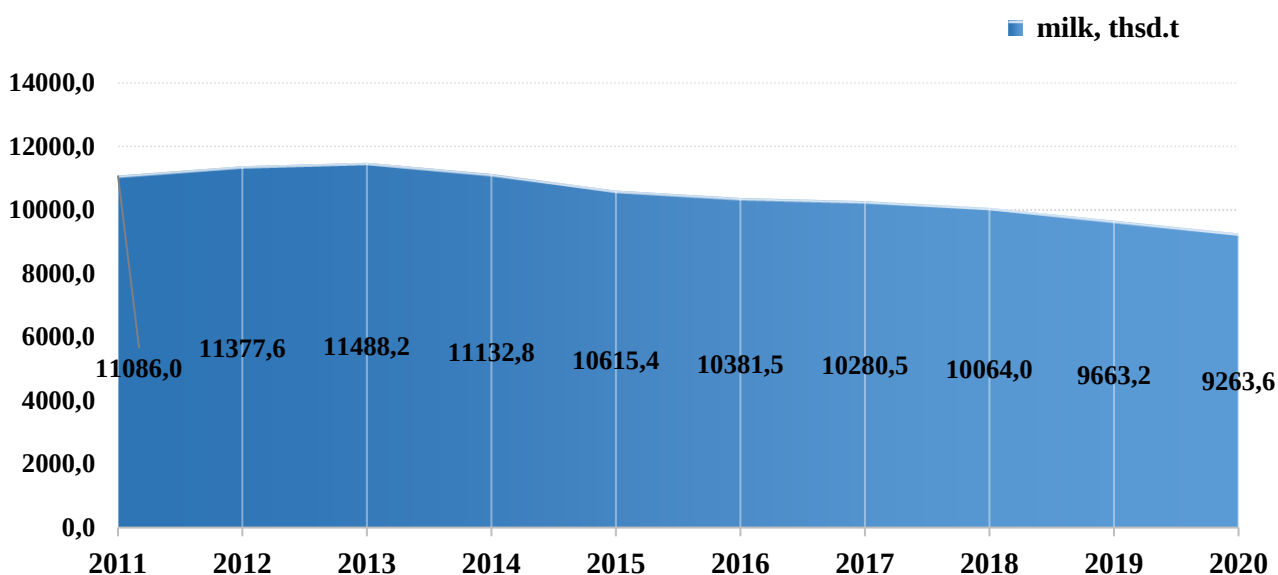


Fig. 11. Dynamics of milk production by agricultural enterprises of Ukraine in 2011-2020 thousand tons

Source: calculated by the authors according to [50].

Examining the dynamics of milk production by domestic agricultural enterprises, we note a negative trend, which indicates a decline in production of such products over the past ten years, in particular in 2020 milk production decreased by 1822.4 thousand tons compared to 2011.

Given the previous research, where, on the contrary, there is a positive trend of growth in the volume of products produced by economic entities engaged in the production of dairy products, indicate that part of the raw materials used to produce

such products are imported and / or substituted. Such trends are threatening for both producers and consumers. For entrepreneurs, this situation is particularly threatening for those involved in production, because the reduction in demand for their products may lead to doubts about the feasibility of such a business and as a consequence to its termination, such as job losses, reduced budget revenues and more. Entrepreneurs engaged in dairy processing also have significant risks in this situation, because if some raw materials are imported, the impact of external factors on the efficiency of such an entity increases, in particular possible supply disruptions that affect the timeliness of production and sales, currency fluctuations may be reflected in the price of goods that will not be positively perceived by consumers, as well as the impact of other factors that may affect the activities of the enterprise, including its competitiveness.

Given that in the near future the conditions of enterprises will be difficult, because, in addition to the lack of financial resources, outdated material and technical base, unfavorable prices for some products, operation in a pandemic and wartime, there are increased requirements for quality characteristics dairy products, the main priorities of the formation of marketing strategic planning of domestic enterprises should be focused on understanding the market behavior of agents, relationships with them (including market trends, the basis of competitive advantage), maintaining existing human resources, increasing productivity at the enterprise, expanding markets and range of products. It is on this basis that the marketing strategy of dairy enterprises should be developed and implemented [54].

There is no single universal marketing system for agricultural production. Each company, based on the main goals and approaches of marketing, uses a strategy. The formation of such a system is determined by the development of a set of marketing activities by agricultural enterprises and purposeful agricultural policy of the state.

Dairy marketing is an extremely important component of agricultural marketing, as dairy products form the consumer basket.

Dairy products are the most valuable foods that contain animal protein. Production and sale of dairy products is determined by the real solvency of the population, ie actual demand.

Dairy marketing is a set of actions that are necessary to bring dairy products from producer to consumer. The system of marketing of dairy products should cover all enterprises of the dairy subcomplex of agro-industrial complex, ie the subjects of marketing are producers of raw milk, procurement, processing enterprises and enterprises for logistics. Thanks to marketing, the production and sale of dairy products are refocused on meeting the needs of consumers. This shows the social role of marketing.

Dairy products are products of daily demand, ie basic necessities. It requires rapid implementation, is used by consumers in quantity and range in accordance with physiological norms of consumption, can act as a complementary and interchangeable product in the absence of the necessary. Such features of this product require the creation of all conditions for increasing the efficiency of economic relations between its producers and units, which contribute to its rapid delivery to consumers. When organizing marketing activities in the dairy subcomplex, it should be borne in mind that the demand for dairy products may change, but in general it is quite stable, because these products support human life potential. A characteristic feature of dairy products is also that its purchase is not postponed "for later".

Dairy products are heterogeneous, it is divided into groups according to the increased range. Consumer demand for products in each of the groups is not the same, varies throughout the year, by region, depending on the recommended physiological norms and a number of other factors. The system of marketing dairy products should have information about world prices for products, prices prevailing in Ukraine, advanced technologies, the results of research on dairy market conditions, research on technological aspects of consumer behavior in the selection and purchase of dairy products. To achieve this, it is necessary to conduct marketing research that determines the demand for dairy products, industry trends, the state of the industry in the economy.

Marketing strategy for the development of dairy enterprises – is to determine the main long-term goals and objectives, approval of a course of action and allocation of resources needed to achieve these goals, taking into account advanced strategic management technologies based on marketing knowledge of the enterprise;

development of competitive advantages of the organization in the food market; increasing the efficiency of production and commercial operation and profit.

Currently, there are a large number of marketing strategies of enterprises, each of which is developed by their authors seek to make their own subjective view of the future development of the organization to achieve its goals. However, there is no universal scheme for building a marketing strategy. Each company, based on its specifics, creates its own marketing methodology, the general concept of its further development (table 4).

Table 4.

Groups of typical marketing strategies

A typical set of strategy options	Example of implementation
Commodity	New product development Product differentiation by product improvement segments
Price	Low price strategy Sliding price strategy Seasonal pricing strategy Incentive pricing strategy
Distribution	Strategy for the use of traditional (horizontal) distribution channels Strategy for the use of vertically integrated distribution channels
Promotion	Strategy for mass audience coverage Selective coverage strategy
Market coverage	Intensive distribution Selective (selective) distribution
Intensive growth	Deep market penetration strategy Market development strategy Product development strategy
Competitive strategies	Market leader strategy Challenger strategy Follower strategy Niche strategy
Communication strategies	Pushing strategy Stretching strategy Combined communication
Social and ethical marketing strategy	Strategy of social and ethical responsibility Strategy of mutual relations

Source: generated by the authors

The formation of the marketing strategy of the dairy enterprise is primarily due to the following factors:

- a sharp increase in the role of marketing activities in market conditions and growing demand from consumers of dairy products;
- a significant increase in competition in the dairy market;
- the need for widespread use of tools of the logistical approach to the management of the organization;
- development of informatization of society;
- improving the methods of marketing research;
- the growing role of the knowledge economy in the development of the industry.

Substantiating the elements of marketing strategic planning of the dairy enterprise, we must take into account the important specific features of the industry. Marketing activities are mainly due to the geographical location of enterprises in this industry, the availability and development of raw materials and market for finished products. The production of milk and dairy products has the following specific economic and organizational features [52]:

- very limited period and specific conditions of storage of products in unchanged, raw form;
- variety and breadth of the range of processed products;
- features of milk processing determine the need for cooperation and integration.

The dairy market is constantly growing, but competition is intensifying. It is extremely diverse in its structure, so each segment has its own characteristics in terms of product promotion [54].

When specifying the goals of marketing strategic planning for dairy enterprises, we believe it is appropriate to be based on the classic definition of the marketing mix with "four P": product (product), price (price), place or distribution (place), promotion (promotion), proposed by renowned marketer Jerome McCarthy. Thus, the goals of marketing strategic planning of dairy enterprises can be grouped into the following five groups (Fig. 12):

- market (gaining market share, identifying promising markets);
- marketing (creating an image for the formation of public opinion, sales, profits, competition);
- structural and managerial (improvement of management structure);
- security (pricing policy, sales promotion, consumer properties of goods, parameters of trade);
- controlling.

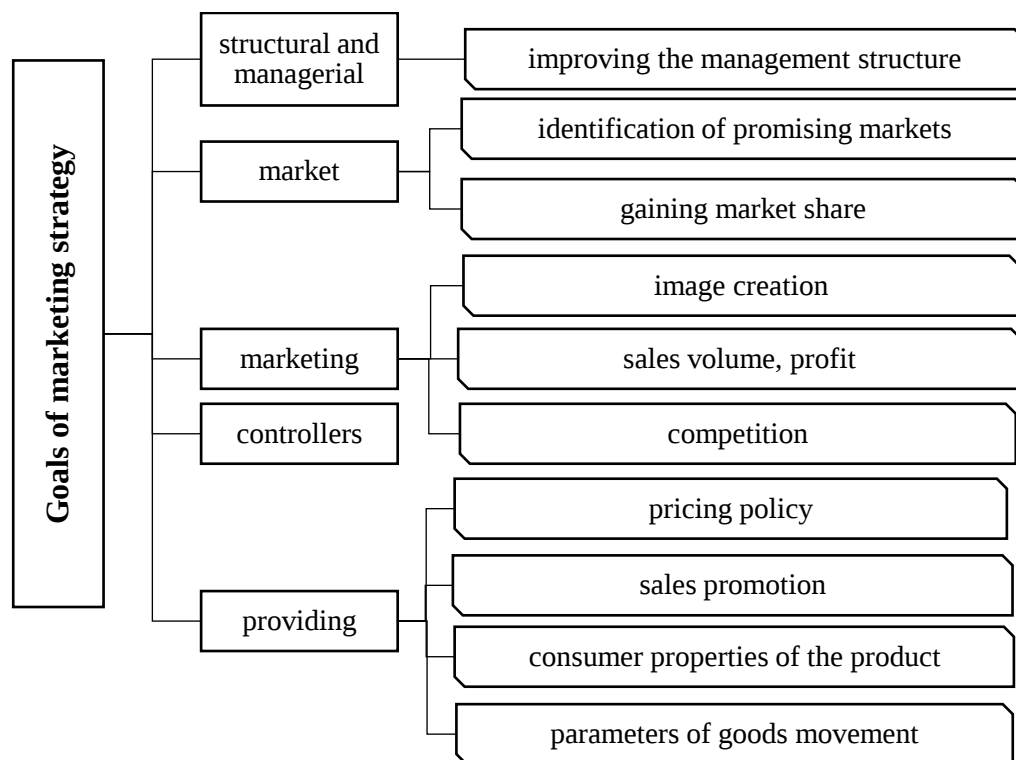


Fig. 12. Objectives of marketing strategic planning

Source: calculated by the authors according to [55].

After setting strategic goals, they are specified at each level of enterprise management. Marketing goals are subordinated to the general goals of the enterprise, and marketing strategy is an integral part of the overall strategy of the enterprise, which is formed on the basis of strategic analysis of the marketing environment (strategic audit) [55].

Strategic management is not only a set of concepts of approaches and methods, it is a dynamic process of analysis, selection of strategies for planning, ensuring and implementing plans developed by the organization, which consists in a repetitive cycle of solving five main tasks (stages):

1. Determining the future business of the company, forming a strategic vision for the development of the organization;
2. Transformation of strategic vision and mission into measurable goals and objectives;
3. Development of a strategy to achieve the desired target results;
4. Implementation and implementation of the chosen strategy is qualified and effective;
5. Assessment of the level of achievement of goals, consideration of new directions of development and proposals with adjustment of long-term directions, goals, strategies or its implementation in the light of accumulated experience, changing conditions, new ideas and new opportunities.

The formation of directions of strategic marketing planning is complicated by the constant search and evaluation of alternative investment solutions that best meet the company's mission and objectives of its development. Another feature is that it is constantly reviewed and changed under the influence of changes in the external environment and new opportunities for growth of the company [55].

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The main factors that led to the need to apply the techniques and principles of marketing in the dairy industry are growing consumer demand for dairy products, the need for independent search for markets, significant saturation of the dairy market and intensification of competition. At the same time, the product range and other components of the marketing complex at enterprises need an effective organization to maintain a sufficient level of functioning, consolidating market positions. All processes at dairy plants must be well regulated, and marketing can provide feedback to the market and provide information about the market situation. Only a marketing approach

to decision-making allows you to develop specific goals, strategies, tactics of behavior in the market and increase the profitability of enterprises [57].

The essence of marketing activities can be revealed through various aspects and at the same time be a science, the concept of management, social and managerial process, a separate activity and a kind of philosophy of modern business.

From the standpoint of differentiation as a system of views, marketing is considered:

- as a market concept of enterprise management;
- as a set of functions, tools, methods and tools that allow you to work effectively in the market;
- as a philosophy of business – offers a system of thinking and ideological basis of entrepreneurial activity;
- as an active process – solves a number of problems that arise during the operation of the enterprise in market conditions and are considered as a basis for achieving the goals of the enterprise [56].

The purpose of marketing activities of dairy enterprises should be to focus on the needs of the buyer, as well as profit from competitive advantages, strengthening market position, expanding production and sales of dairy products. The organization of marketing of dairy enterprises should be based on the marketing information system, cover issues of consumer orientation, development and management decisions, differentiated approach to markets and their segments, use program-target method and comprehensive approach to achieving current and strategic goals. dairy products.

The components of the marketing activities of the dairy enterprise are shown in Fig. 13.

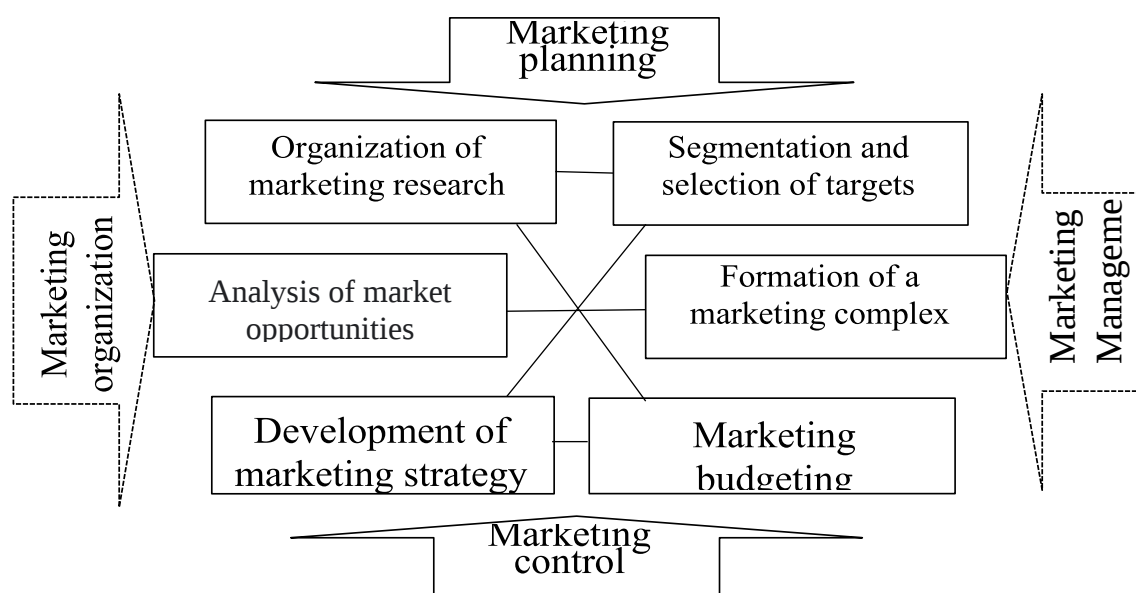


Fig. 13. Components of marketing activities of a dairy enterprise

Source: calculated by the authors according to [55].

As you can see, they are represented by the main elements (blocks), which are in constant contact with each other. Excluding at least one of these elements will lead to the malfunction of the whole system. In addition, they are based on strict control planning. Complexity and systematization are mandatory principles of activity not only for a holistic marketing system, but also for individual components of marketing [58].

Elements (components) of marketing activities must be clearly regulated over time. They must be hereditary and consistent in the location of activities, have a cyclical structure of activities. The functional tasks of marketing of dairy enterprises, according to the selected components, include:

- marketing research and analysis of market opportunities:
- analysis of factors of the marketing environment;
- planning, collection, processing, analysis of marketing information;
- analysis and forecasting of milk and dairy products market conditions;
- study of the market structure (consumers, competitors, intermediaries, suppliers of raw milk);
- diagnostics of the microenvironment of the enterprise;
- formation of marketing information system at the milk processing enterprise;

- segmentation, positioning and selection of target markets: segmentation of the dairy market; assessment and selection of the most promising market segments; appropriate positioning of dairy products;
- development and implementation of a marketing complex of a dairy enterprise: formation of product policy (range, quality);
- pricing (choice of methods and development of pricing strategies);
- building a system of sales and marketing of dairy products (distribution policy);
- promotion of dairy products on the market (marketing communications policy);
- development of marketing strategy: making strategic marketing decisions;
- development of a marketing plan (program);
- definition of tactical and operational marketing decisions and measures in accordance with the strategy.

Problems of organization and development of marketing of the dairy industry are shown in Fig. 14.

During the development of a system of measures for the organization and development of marketing activities of the dairy enterprise, it is advisable to:

- identify and evaluate the prospects of enterprise;
- to carry out clear coordination of efforts to achieve the set goals;
- to develop and use own system of criteria of an estimation of indicators of marketing activity of the enterprise necessary for the further control;
- formulate marketing goals and ways to achieve them, be prepared for unpredictable changes in the market situation;
- formalize the duties and responsibilities of all heads of structural units of the enterprise;
- to ensure control over the implementation of marketing strategy and marketing plan (program) by recording the results with further development of recommendations for adjusting plans in accordance with the conditions of the enterprise [56].

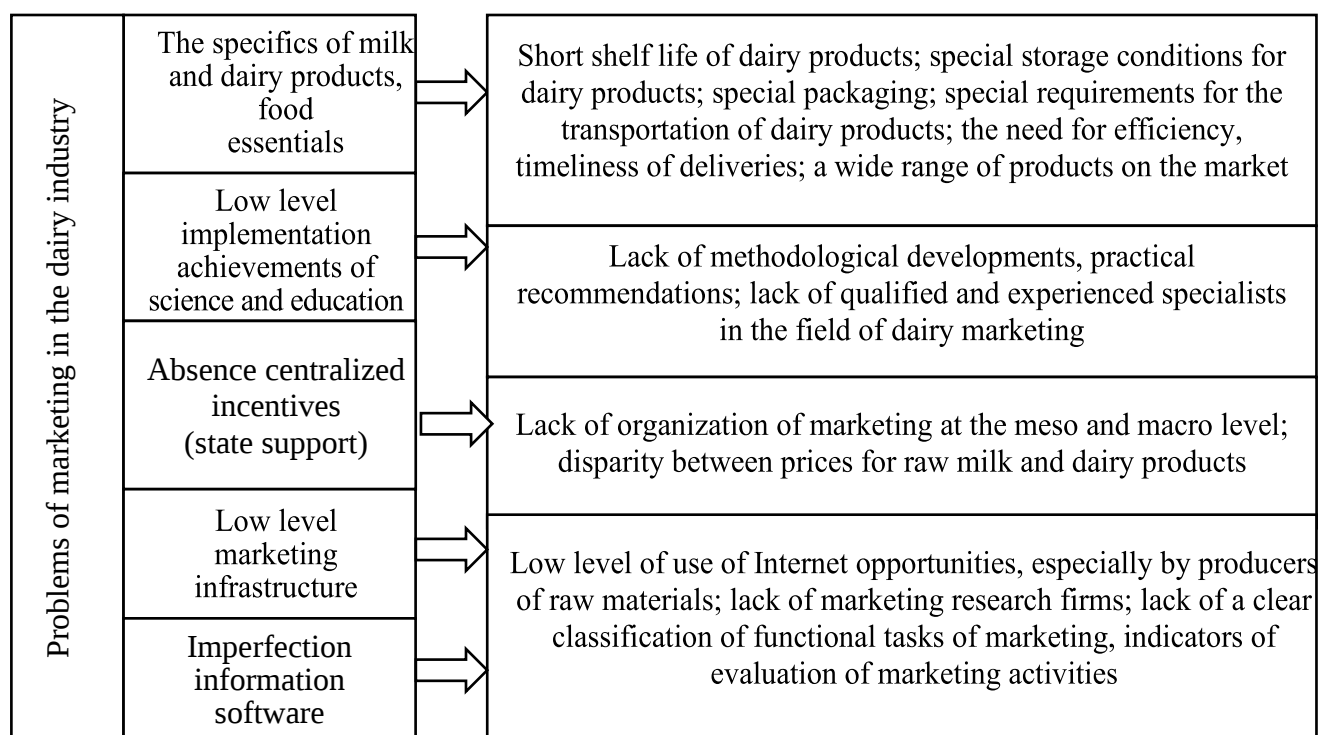


Fig. 14. The main problems of marketing activities in the dairy industry

Source: calculated by the authors according to [55].

Marketing of dairy enterprises is a complex and multifaceted business activity, which should focus on meeting the interests of:

- consumer – in more efficient satisfaction of needs;
- commodity producer – in making a profit, ensuring sustainable development;
- states – in improving welfare.

The organization of marketing activities in the dairy industry is determined directly by the characteristics of the industry, in particular: the importance of dairy products for humans, seasonality of raw milk production, foreign economic relations, participation of government agencies in the dairy industry. Natural and economic processes in the dairy industry are integrated and create special conditions for the organization of marketing activities (Table 5).

Table 5.

Features of marketing of dairy enterprises

Specifics	Forms of manifestation
The composition of the dairy subcomplex	The dairy industry includes interconnected elements – livestock and dairy. Any significant changes in the economic policy of the state affect the integrity of the whole chain.
The dairy industry produces basic necessities	Dairy products need timely production in the required quantity and range, taking into account age, national traditions, health status of consumers; the product has the ability to deteriorate quickly, so it requires prompt delivery, proper packaging and transportation; forms price inelasticity of demand and disparity in prices for raw milk and finished dairy products, which requires a flexible government policy to support producers.
Production of raw milk	Reduction of raw milk production by agricultural enterprises is one of the causes of raw material problems, which are manifested not only in the reduction of production, but also in its quality and rising prices for it. Production capacity of small-scale production of raw milk is not able to form a strong volume of raw materials, and sanitary and hygienic conditions for obtaining milk in them are not able to ensure its proper quality. Only agricultural enterprises, which carry out mechanical milking, cleaning and cooling, ie ensure the technological process of raw milk production, can ensure the appropriate quality of raw milk.
Competitiveness of the dairy industry	It largely depends on: the level of capacity utilization of dairy enterprises; dynamic supply of raw milk for processing; the quality of raw milk for processing; product costs; technological prerequisites; the level of marketing support for dairy enterprises.
Alternative sources of raw materials for the dairy industry	Growth of imports of dairy raw materials, consolidation with suppliers of raw materials, investment in the development of its own raw material base, changes in the technology of dairy production; investing in the development of its own raw material base by creating modern dairy farms.
Development of finished dairy products	Concentration of production on large enterprises, as it is large processing enterprises that are able to respond mobile to market changes; have the opportunity to invest heavily in modernization of production, expand the range of products, increase the sales market.

Source: calculated by the authors according to [59, c. 33].

The main function of marketing in the dairy industry should be the organization of integrated marketing activities aimed at the production and sale of competitive dairy products that will meet the needs of consumers and contribute to a positive result of enterprises [59].

Marketing of dairy enterprises as a complex socio-economic system should be formed taking into account the above features and forms of their manifestation.

The methods and techniques that can be used in the marketing activities of milk and dairy producers are much more complex, as they are associated with a large number, variety of products, its purpose and importance for the final consumer.

Marketing activities in the dairy industry should, above all, provide reliable, accurate and timely information about the situation on the market of milk and dairy products, which will answer companies what products to produce, in what quantity and where and to whom it is more profitable to sell. It should also be based on the creative development of effective relationships between commodity production and the dairy market, aimed at increasing the impact, increasing market share and ultimately to ensure a positive financial result. The organization of marketing activities at dairy enterprises can be ensured in two ways:

- in large and medium-sized dairy enterprises – directly by creating a marketing department;
- in small enterprises – by introducing one position of marketer or using consulting services of marketing agencies [56].

Many domestic and foreign scientists are working to modernize existing or introduce new (innovative) technologies in production, to increase the efficiency and competitiveness of enterprises. With regard to the dairy industry in agricultural production, when choosing a strategy based on marketing concepts, you should focus on innovative approaches to improve production, including production technology and goods in general.

Modern milk processing enterprises will benefit from research and development Babyn I.A., who developed an installation that increases the efficiency of milking systems by using air and hydraulic injectors with automated control of operating parameters depending on the contamination of dairy equipment. This is extremely important, because as a result of bacterial contamination, which is the result of poor performance of the technological operation of washing milking parlors and the formation of milk deposits on the inner surfaces of the milk system, leads to a decrease in milk quality. To increase efficiency and save resources (reduce consumption of air, hot water, energy and operating costs), the process of washing milking parlors should

be adaptive based on data obtained from monitoring the condition of the surfaces of the milk system and hydrodynamic parameters of two-phase washing solution. air and hydro-injectors based on automated control. The results of the study of the developed installation confirmed the efficiency of its use allows to perform the corresponding technological process with higher productivity and quality while reducing water losses and energy consumption [63-65].

It is especially effective to use such developments at creation of the new business directed on manufacture of dairy products, also this development will be useful also to the existing enterprises, at a choice of methods of modernization of manufacture. After all, modern economic conditions require dairy processing companies to respond quickly enough to changing market conditions, subordinating the production of the enterprise to market needs. The need to implement the problems associated with these phenomena determines the development of marketing strategies in the enterprise, as the environment in which the researched enterprise operates is becoming increasingly unstable and uncertain.

In our opinion, the use of innovative technologies will contribute to the effective development of dairy enterprises, which will allow:

1. production of higher quality products, premium milk;
2. reducing the use of resources, which will reduce production costs and as a consequence – the price of finished products;
3. increasing the competitiveness of goods and enterprises as a whole;
4. meeting the needs of consumers, and as a consequence of growing demand for products;
5. positioning its products on the market as high quality and environmentally friendly;
6. expansion of markets for manufactured products, in particular bringing it to international markets;
7. expansion of production capacity of the business entity;
8. increase the profit of the enterprise, etc.