

9. Innovative development of the crop industry based on the marketing approach

The marketing approach to innovation development is related to the need to ensure the sale of products resulting from innovation activities. The problem of sales is highly relevant in the case of product innovation, especially when it comes to goods that are new to the market, which is actively promoting the company. If the introduction of innovation involves a significant development of production or improvement of its characteristics, you need to assess the prospects for sales. In the first case, it is about the probability of organizing the sale of more goods. The second case – about how favorable for the company are the conditions of sale of products with improved characteristics, taking into account changes in its cost. The assessment of the marketing component is carried out according to the criteria: the composition of sales departments and services of the enterprise and the effectiveness of their operation, the ability to carry out the necessary marketing activities, the level of competitiveness of the enterprise taking into account market conditions.

To analyze the characteristics of individual components of the innovative development of the crop industry using a system of indicators, the composition of which depends on the task set in the research process. Indicators that characterize the resource provision of agricultural enterprises, the efficiency of their operation, development trends, can be considered as a result of innovative changes in the industry.

Peculiarities of using the marketing approach are the subject of research by scientists such as T. Vaidanich, A. Vichevich, I. Didovich [223], M. Polonsky [220], D. Fuller [215], E. Sadchenko, Z. Kharichkov [221] and others.

Many business practitioners equate marketing activities with sales and commercial activities. There are common interpretations of marketing as a function of management [224]. It does not take into account that marketing is the leader of commodity production, and marketing activities are a natural reaction of the business entity to market activities.

In the conditions of development of market relations it is natural to expand the sphere of marketing activity, its understanding as a general philosophy of business.

Agromarketing is an important element of the economic system of any country. The quality of life of the population directly depends on the efficiency of agricultural producers. Agromarketing can be defined as economic entrepreneurial activity in the system of agro-industrial complexes, which is aimed at the production and sale of agricultural products. The basis of such business is the free market.

The purpose of agromarketing is to maximize income by fully meeting the demand for agricultural products and products of its processing [218].

Marketing in the crop industry is an independent area of modern marketing and involves the study, forecasting and implementation of business activities of market participants in the production, processing, storage, transportation and sale of plant products in order to obtain high market results.

Tasks of marketing in the crop industry are presented in table. 1.

Table 1. Tasks of marketing in the crop industry

The tasks of marketing in the crop industry are:	
Monitoring compliance with applicable environmental and medical requirements	Formation of requirements for product packaging; development of a business plan and conditions for conducting commercial operations, etc.
Justification of volumes and terms of production of plant products	Product selection, determination of its consumer properties
Establishing quality production parameters	Calculation of the need to attract additional funds with an indication of the sources of their involvement

Source: compiled by the author

The purpose of marketing support for the crop industry is to use a set of marketing, made on the basis of marketing tools, combined with appropriate methods and marketing concept, which is focused on the industry.

The main marketing tools that form the basis of the development of the marketing complex are shown in table. 2 [217, 222].

Table 2. Basic marketing tools

Basic marketing tools	
Price	Determining and, accordingly, setting a price for products that would fully cover the cost of its production and provide the company with a profit
Product	Development of appropriate measures to strengthen and improve the competitiveness of goods
Freight	Production of environmentally friendly, quality products Minimization of environmental pollution during production Production of products using resource-saving technologies
Promotion	Formation of an appropriate sales promotion system
Marketing	Formation of sales channels for environmentally friendly products
Place	Creation of appropriate sales channels in order to bring it to the final consumer
Employees	Selection of skilled workers, whose functions will be to manage marketing in enterprises

Source: compiled by the author

For the enterprise to manage the sale of agricultural products is the biggest problem, so in fact a significant part of the products they sell at minimum prices to intermediaries who earn high profits through the use of effective distribution strategies [212].

Sales policy and organization of trade is no less important part of the marketing management system of the enterprise.

The main promotion strategies are:

- 1) coercion (stretching) – a strategy related to the inclination of the final consumer, which will force trade organizations to purchase the desired product;
- 2) pushing – a strategy focused on the reseller, who will promote the product to the final consumer.

It is better for plant companies to choose a push strategy, because in order to choose a strategy of coercion, it is necessary to carry out branding, which requires significant investment.

Important tools for implementing a push strategy can be:

- advertising;
- sales promotion;
- personal sale.

The means of communication policy are:

1. Advertising:

- creating your own website;
- business cards;
- firewalls and billboards, for example, with the image of the harvest «from the field» and the caption «made in Ukraine» or «support domestic producers» and the address of production facilities, etc.;
- souvenir advertising;
- advertising in the media.

2. Sales promotion:

- discounts on the purchase of agricultural products in large batches on the principle of «more – cheaper»;
- discounts on the purchase of a certain amount of additional products to the main at a discount of up to 10%;
- discounts for regular partners and consumers;
- free delivery of goods, for example, in excess of 5 tons, etc.

3. Personal sales:

- communication by phone with potential resellers (wholesale, retail and other companies);
- communication with consumers about the quality of agricultural products and possible benefits of their purchase (population, wholesale and retail market, etc.).

In addition, it is advisable for agricultural enterprises to participate in exhibitions, fairs, which will not only inform consumers of the enterprise, but also to intensify sales [213].

The crop industry effectively uses marketing tools that provide companies with a niche in the market and gain leadership positions through knowledge of consumer psychology and patterns of economic processes.

At the same time, it was found that the structure of marketing costs in agricultural enterprises contains [214]:

- costs of organizing and conducting marketing research;

- costs of developing and creating new products and improving existing ones;
- costs of product analysis in relation to its competitive advantages;
- costs of improving the pricing system;
- costs for improving the sales system (for advertising products and for measures to motivate and stimulate sales), etc.

The system of agricultural marketing includes not only the sphere of production, processing and sale of products, but also industries that produce production resources for vegetable growing.

The application of the modern concept of marketing implies that the producer, identifying and meeting the needs of consumers in the market more effectively than competitors, while ensuring the interests of both consumers (needs) and enterprises in economic profit and welfare [219].

In the course of marketing research, first of all, the following is analyzed:

- the microenvironment of the firm itself, its mission, purpose and objectives that determine its business and place in the market;
- the work of management, which is responsible for the correct choice of field of activity (functions, territorial boundaries, forms of ownership, general product categories, etc.);
- general indicators (sales, profit, image, etc.);
- the role of marketing and other business functions (production, finance, accounting, design, research);
- development of corporate culture (system of values, norms and rules of conduct in the market) [216].

The marketing approach in the crop industry has its own features in comparison with industrial, banking and other types of marketing. This is determined by the peculiarities of agriculture, namely:

- dependence of results on natural conditions;
- variety of forms of ownership;

- mismatch of working period and production period;
- seasonality of production and obtaining results;
- participation of state bodies in the development of the agro-industrial complex and its branches.

Natural and economic processes in agromarketing activities affect each other and create special conditions for the organization of marketing.

The first special condition is that the marketing department of the crop industry deals with essential goods, so it is necessary to meet their needs in a timely manner, in a certain amount and range, taking into account national traditions and the state of health of consumers.

The second special condition is the mismatch between the working period and the production period. In this regard, marketers must be able to predict consumer demand, market conditions and more.

In addition, the seasonality of agricultural production affects the forms and methods of agromarketing, determines their difference from the forms and methods of industrial marketing.

The third special condition – the production of agricultural products is determined by the main means and subject of production – land, its quality and intensity of use. All this affects the volume, range, quality of products, gives agromarketing specificity in the process of its organization and implementation.

The fourth special condition is higher adaptability, self-organization and self-management of the agromarketing system in comparison with other types of marketing, which is explained by the peculiarities of consumer demand, the intensity of competition in the agricultural market.

The fifth special condition is a lower level of science and art of marketing activities in agriculture compared to other industries, the lack of scientifically sound recommendations for the use of agromarketing.