

SECTION 10. MARKETING

10.1 Theoretical and methodological aspects of marketing complex formation in agricultural service cooperatives

It is believed that the term "marketing complex" arose in 1948, it was introduced by J. Culliton and suggested "that in order to carry out marketing activities in practice, it is advisable to use a certain "recipe" that causes their effectiveness . The scientist noted that managers of firms use a variety of procedures and techniques in marketing programs that do not depend on the profile of the enterprise, and he concluded that a successful head of the company should not only follow the instructions, but also be a creative nature – "a person who mixes ingredients", forming a marketing program . The metaphor of J. Calliton not only assumes the presence of a wide range of possible components and a large number of combinations, but also the fact that different combinations lead to different results, some of which are the most overwhelming: "Not every vegetable stew has an excellent taste, not any alcoholic beverages can be mixed" .

Neil Borden summarized them into a model "called "marketing mix" and it consisted of 12 elements, such as product planning, pricing, branding, distribution channels, personal sales, advertising, promotion, packaging, demonstrations, maintenance, material processing, fact-finding and analysis. Let's consider the essence of these components.

1. Product planning – policies and procedures related to planned product lines – properties, product design, etc.; target markets – to whom, where, when and in what quantity goods are offered; policy towards new products – research and development programs.

2. Pricing – settings and procedures related to the selected price level; setting a specific price; pricing policy, preservation of price, use of price list prices, etc.

3. Branding – installations and procedures related to the choice of trademarks; trademark policy; sales under the private brand of the intermediary.

4. Distribution channels – installations and procedures related to channels connecting the manufacturer and the consumer; degree of selectivity of wholesale and retail sellers; aspiration for cooperation with trade.

5. Activities of trade representatives – installations and procedures related to the load of trade representatives and methods used in sales to manufacturers; wholesale segment; retail segment [783].

6. Advertising – installations and procedures related to the advertising budget; selection of the conceptual basis of advertising (the desired image of the product; the desired corporate image); advertising mix – advertising focused on trade, and through it – on consumers.

7. Promotion – installations and procedures related to the load of special sales plans or trade-oriented activities; form of these measures to stimulate consumers and stimulate trade.

8. Packaging – installations and procedures related to the creation of packaging and labeling.

9. Demonstration of goods – installations and procedures related to the load on favorable effective sales of demonstration and presentation of goods; methods chosen to ensure the demonstration of the product.

10. Maintenance – installations and procedures related to the provision of the necessary service.

11. Material processing – installations and procedures related to warehousing; transportation; management of material and technical reserves.

12. Search for factors and data analysis – policies and procedures related to the search, analysis and use of information in marketing operations .

Albert Frey divided the elements of the marketing complex into 2 groups, such as "offer (product, packaging, brand, price, service), as well as methods and tools (distribution channels, advertising, personal sales, sales incentives, PR) in 1961 ".

In 1964, Jerry McCarthy proposed the "4P" model, that is a marketing complex" consisting of only 4 elements: product, price, distribution ("place"), promotion, and since then it has become common and most often used in marketing management ."

"Marketing complex is a set of marketing tools, a certain structure of which ensures the achievement of the goal and solving marketing problems. Each of the system tools in the marketing complex must be used together with other tools, because their properties, affecting the consumer separately are lost; and together they help to respond promptly to the changing market situation [784].

The term "marketing mix" is the main term that defines the combination of tools of an enterprise at the operational level used by it for a certain period of time. Thus, the main elements of the marketing complex F. Kotler considers "the product, price, methods of distribution (distribution) and promotion of goods".

Let's consider the definition of "marketing complex" by leading scientists (Table 1).

Table 1

Definition of marketing complex

Author	Definition Entity
N. H. Borden	proportional ratio of efforts, combination of measures, project plan and integration of marketing elements into the program or "complex", which, based on the assessment of market forces, will most contribute to the enterprise in achieving its tasks and goals at a specific time
J.P.P. Rowling McCarthy	a set of marketing tools, a certain structure of which ensures the achievement of the goal and the solution of relevant tasks
T.A. Kapustina	system of variable and enterprise-controlled factors and methods of their management, which is aimed at achieving the goals of the company's marketing strategy
A.I. Kredisov	a set of interrelated elements used to meet the needs of the relevant market or part thereof (segment) taking into account this environment (political, cultural, economic, institutional)
G.D. Krylova, M.I. Sokolova	a set of practical measures to influence the market or adapt the company's activities to the market situation, as well as timely and flexible response to its changes
Van Waterschut U.	a set of controlled instruments that intervene in the nature of demand that can be combined as part of a marketing program used by a company (or any organization) to achieve a certain level and nature of reaction from the target market
P. Doyle	a set of marketing decisions made by managers in order to implement the strategy of positioning and solving the tasks

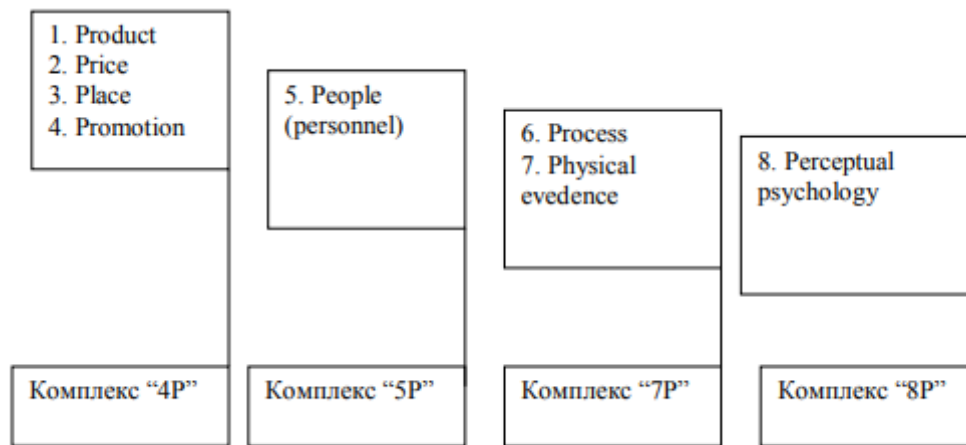
Continuation of table 1

E.P. Holubkov	a set of managed parameters of marketing activity, manipulating which the management of the organization tries to best meet the needs of market segments
T. O. Primak	a set of practical measures to influence the market, adapting the company's activities to market situations, quickly and flexibly responding to their changes
F. Kotler	is a set of variable marketing factors to be controlled, the totality of which the company uses in an effort to cause the desired response from the target market

The optimal marketing mix is such a combination of marketing tools, thanks to which the achievement of the goals for the rational use of marketing budget funds is ensured as much as possible. The relative significance of each individual marketing element depends on various factors, such as the type of organization, the type of product, and the behavior of consumers.

Currently, the proposed marketing complex is the standard in theory and practice of marketing activities, but due to rapid changes in the market environment and consumer values of consumers, the concept of "4P" is undergoing certain additions all the time. Thus, some foreign and domestic marketing theorists, guided by the formed concept, complement it with new elements that are combined into such models as "6P", "7P", "8P", "10P", "12P", etc. However, it can be argued that each new content inherently includes elements that were previously included in the previous marketing complex and reflect the links between its components .

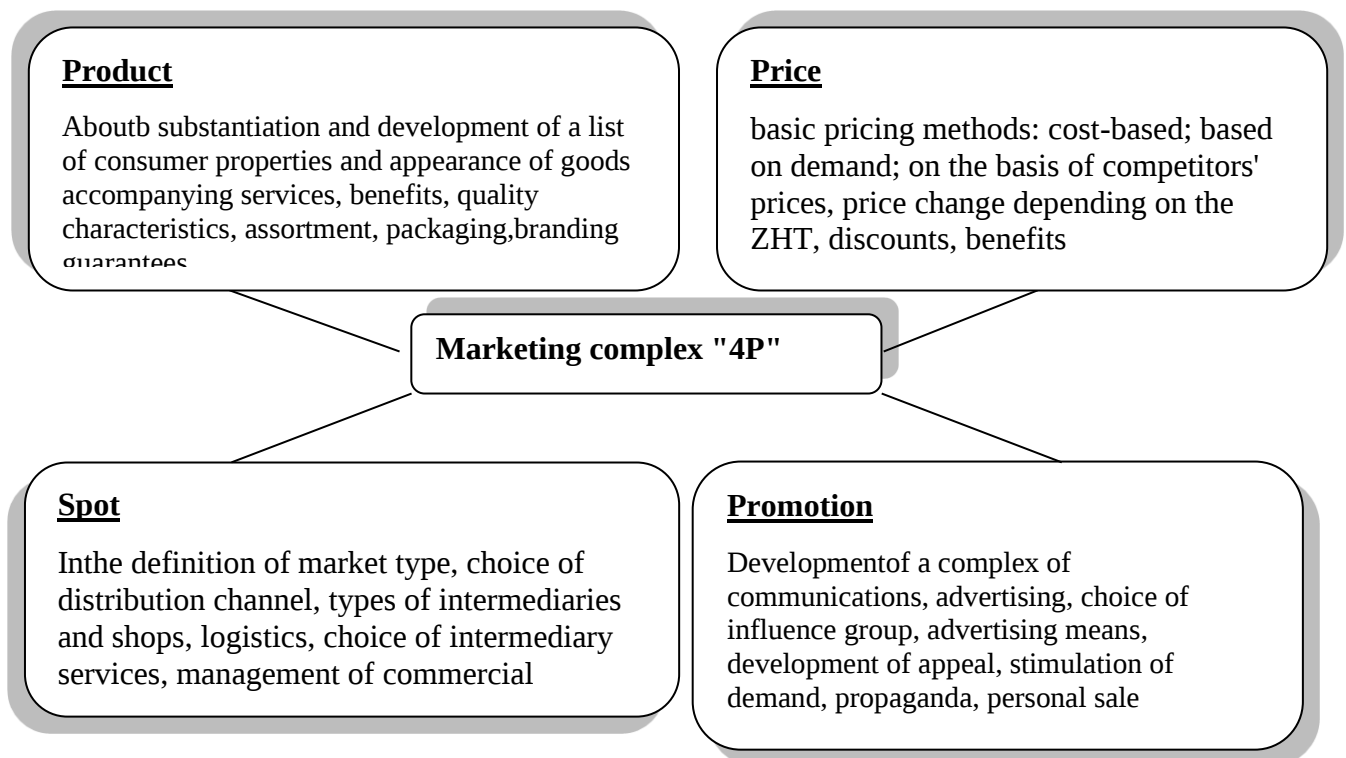
In the process of applying the concept of marketing mix, a number of alternative classifications were formulated, which often reflected the features of a particular sphere of application of the marketing complex. For the most part, adaptation was carried out by adding one or more "P" to the list of "4P" by J. McCarthy (Rice. 1).



Rice. 1. Transformation of complex "4"

It should be noted that now there are a large number of marketing complexes. Their occurrence is associated with the clarification of the traditional concept of "4P". The use of marketing mix with new additional tools is due to the need of the enterprise to adapt to modern market requirements.

In the classic presentation, there are only four elements of the marketing complex – the product, price, sales and promotion of the product, which are controlled tools of the marketing complex (Rice 2).



Rice. 1.2. Components of the marketing complex of the enterprise "4P" [786]

And now let's look at the main components of the marketing complex in more detail.

Commodity. One of the main elements of the marketing activity of the enterprise is the development and maintenance of effective commodity policy, the choice of the product range, the expansion of the production nomenclature. In the production of products, special attention should be paid to the quality of products.

Price. It is the most important element of the marketing complex. To choose a price strategy, the company must identify and analyze all factors that may affect the price level. The marketing goals and costs of the enterprise are only approximate benchmarks for determining the final price of the product.

Distribution. In the context of market relations, one of the most important tasks facing producers is the formation of an effective distribution policy taking into account supply and demand in the market, the level of competition. There are such channels for the sale of products direct channel, single-level, two-level, multilevel.

Promotion. This component of the complex of marketing enterprises is understood as their communication policy, which distinguish such basic elements as advertising, direct marketing, sales promotion, public real estate, with the help of which it is possible to inform consumers about the enterprise and its products, to form the image of the enterprise, to cause consumers affection for the enterprise and its products.

In addition to the complex of marketing in marketing activities, it is necessary to take into account 4 market forces that the marketer must study in the development of a successful marketing program, according to N. H. Borden:

1. Buying behavior of consumers, due to their motivation to make a purchase; buying habits; life habits; external environment (present and future, the impact of which is manifested through trends: the environment affects the consumer's attitude to goods and their use); purchasing power; quantity (i.e. purchase volume).

2. Behavior of wholesale and retail trade, which is influenced by their motivation; their structure, practical activity, attitude to the goods; trends in the development of structures and procedures.

3. The position and behavior of competitors, which are influenced by the structure of the industry and the place of the enterprise in it (the number of competitors and the level of industry concentration); indirect competition (from substitution

goods); the relationship between supply and demand; the choice offered by the industry (quality of goods, prices, service); intensity of price and non-price competition; motivation and installation of competitors – their probable reaction to the action of other enterprises; technological and social trends that affect changes in supply and demand.

4. Behavior of state regulatory authorities – control over marketing (regulation of production of goods, prices, competition practices; advertising and promotion) .

We agree with scientists who note that during the entire period of research, scientists do not add new elements of the classical marketing complex, but crush the four main components of the marketing complex into smaller, inherent in a certain situation, object and subject of marketing activities.

All complexes other than "4P" essentially describe in more detail the specific elements of a specific complex. For example, packaging is the same element of the product. Only splitting allows you to focus more on significant elements for a particular industry, for example, "7P" is relevant for the service sector, although now such an element as people is important for any enterprise and any field of activity.

We believe that the marketing complex of any enterprise is an interdependent combination of four marketing policies: commodity, pricing, distribution marketing policy and communication.

Consequently, all four elements of the marketing complex are the main ones, and in their complex use they form a comprehensive marketing system, which is used constantly depending on the economic activity of the enterprise, as well as the market situation. Even one of the four elements of the marketing complex – incorrectly developed – can cause a negative impression of the buyer and lead to a decrease in the seller's profits. The ability to properly use the above elements is the basis of the marketing activity of the enterprise.

Farms, personal farms, as well as small agricultural enterprises today are an integral part of agricultural production. They play an important role in the production of agricultural products, food supply to residents of rural areas, as well as in the formation of proposals in regional and local food markets. But, despite this, small

agricultural producers are currently unable to process their land, due to the low level of technical support.

Thus, in most private agricultural producers in small areas and a small number of workers, in the absence of the necessary agricultural machinery, it is almost impossible to independently organize the effective production of competitive commodity products, as well as to ensure an effective system of its harvesting, storage, sales and processing. In addition, farms and private farms, with all their importance and significance, will not be able to provide the population with high-quality food, taking into account the world standards and WTO requirements to which Ukraine joined. Therefore, one of the ways to solve this problem is the cooperation of small producers and personal farms not only in production, but also in maintenance activities, in particular, in the processing of land, in the field of processing, harvesting and marketing of products, etc.

As the experience of developed countries shows, cooperation is not needed for farmers who have 500-1000 heads of livestock. The cooperative is needed by small producers, and among milk suppliers in Ukraine there are about 80.0%. The cooperative helps to sell products to processing enterprises at a higher price. Contracts are concluded with the population that guarantee the purchase of products by processing enterprises at a high price.

Trends in the development of global and regional economies are formed under the constant influence of modern information and communication technologies, which cover more and more areas of human activity. The processes of rapid spread and implementation of information and communication technologies in our country include financial management at the state level (for which the Strategy for Digital Development, Digital Transformations and Digitalization of Public Financial Management until 2025 was developed and approved) and economic activity most Ukrainian enterprises.

According to researchers, no business entity can imagine its existence without the use of Internet technologies, because a more or less serious organization can not form a positive image without its own corporate website, a full-fledged organization of

business relations both inside and outside the enterprise without the means of electronic document management, to establish contact with consumers and partners without using the capabilities of the Internet.

Under such conditions, digital marketing is actively developing at agribusiness enterprises. Digital marketing uses the Internet - marketing technologies, mobile technologies, cloud technologies, business intelligence based on digital technologies, social media. This helps to increase: conversions, the number of site visitors (existing and potential users-consumers), sales of specific products and sales in general; improving the image and popularity of the enterprise. The development and implementation of digital marketing tools is an urgent problem for most agricultural enterprises.

The problem mentioned in the article is certainly relevant, as evidenced by numerous scientific publications and studies on this topic. Thus, scientists Borisenko OS, Fisun Yu. V., Tkachenko A. Ya., Zibareva OV, Goltsova IL thoroughly investigated the tools of Internet marketing communications and modern trends in digital technology in the activities of domestic enterprises. Researchers Ilchenko TV and Mozgova GV in their works considered the role and their benefits of Internet marketing tools in the innovative development of agricultural enterprises. Researcher Romanenko OO substantiated the use of digital marketing system for effective implementation of marketing strategies by food industry enterprises. In her research, Rosola VV considered methodological approaches to the formation and development of marketing activities of agricultural enterprises in the region, in particular in terms of their implementation of digital marketing tools. But the results have not solved this problem in full and require research into the implementation of digital tools for external and internal marketing in agricultural cooperatives. The aim of the study is to study the state of implementation of digital tools of external and internal marketing in agricultural cooperatives, as one of the most important mechanisms for solving economic problems in rural areas and a factor of stable growth of the agricultural sector is the development of agricultural cooperatives.

The cooperative movement in the world began to emerge at the beginning of the XXI century and now has more than 700 million cooperatives worldwide. Some of them have long gone beyond a certain country - they are powerful transnational associations with thousands of employees and billions in earnings. For example, the turnover of the world's largest South Korean cooperative NH Nonghyup (Korea) reaches \$ 63 billion .

In the EU, the "General Confederation of Agricultural Cooperatives in the European Union". Currently, this organization represents the interests of about 40,000 farmers' cooperatives, which employ about 660,000 people and have an annual total turnover of more than 300 billion euros. Today, there are about 14 million farms in the EU and other production formations that directly carry out agricultural activities. The average farm size in the EU is less than 13 hectares. The largest farms are in Denmark (about 59.7 hectares), Great Britain (about 53.8 hectares), France (over 52.1 hectares). On average, cooperation in the EU covers more than 40% of farms. The largest number of agricultural cooperatives operates in Italy (5,834 units), Spain (3,844 units), France and Germany (2,400 units each). At the same time, the largest number of members (1,440,600 people) was attracted by German and (1,179,323 people) Spanish cooperatives. The highest annual turnover from sales in 2017 was received by French (84,350 million Euros) and German (67,502 million Euros) cooperators. Agricultural cooperatives of almost all European countries are widely supported by the state.

Implementation of the principles of cooperation in the formation and development of the system of agricultural cooperatives is an urgent problem for Ukrainian farmers. World experience confirms that one of the effective mechanisms for improving the efficiency of marketing activities of small, small and medium producers is the creation and operation of agricultural cooperatives.