

10. Directions for improving marketing management of agro-industrial production in the region

New economic relations in the agro-industrial production of the region necessitate the formation of an effective system of management, organization of production, and sale of products to meet the needs of consumers. Market relations offer not only the production of products, but also the need to study possible sales channels, search for consumers, and focus on marketing activities.

In the conditions when Ukraine joined the WTO and guaranteed provision of food security is necessary, for agro-industrial production as a whole and for individual agricultural formations and processing enterprises that pursue long-term development goals, strengthening the marketing function of management becomes the basis of a comprehensive solution to a number of strategic tasks and a key tool, optimizing business in situations of uncertainty, risk and competition.

Ensuring balanced economic growth of agro-industrial production is impossible without effectively built marketing management.

According to F. Kotler [173], the process of marketing management includes four components: analysis of market opportunities, selection of target markets, development of a marketing complex, implementation of marketing enterprises. Each of these elements, in turn, consists of separate components.

Analysis of market opportunities, for example, consists of a system of marketing research, study of target consumer markets and enterprise markets.

The selection of target opportunities includes measurements of demand volumes, market segmentation, product positioning on the market.

The development of the marketing complex is based on product development, product pricing, product distribution methods, and product sales promotion.

Marketing in management activities is evolving, and certain stages can already be identified in this process. So. F. Kotler notes that:

1) marketing becomes a function equivalent to the management of production, finances, personnel;

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2) the role of marketing in comparison with the listed functions is increasing;

3) marketing is transformed into the main function to which others are subordinate;

4) the consumer becomes a controlling link that directs the development of the listed functions;

5) the actions of the consumer act as controlling, and marketing - as an integrating function [173].

The following stages of the evolution of marketing management are distinguished:

- pre-scientific, intuitive stage of marketing toolkit formation;

- the stage of formation and development of the entity's marketing management concepts;

- the stage of formation and development of the subject's marketing management concepts [172].

The need to use the concept of marketing in the management of the region at the current stage is determined by the following reasons:

- increased competition between regions, as well as their differentiation and division into promising and depressed ones;

- the growing inability of executive authorities at the regional level to make adequate management decisions that require sound market analysis and marketing thinking;

- the use of outdated organizational mechanisms, management procedures and directive methods in the management of the region, which does not allow the executive authorities to implement the policy of self-development of the region;

- a decrease in investment activity in many regions in recent years;

- a decrease in the standard of living of the population in most regions;

- predominance in the management of the region of the production concept, which is mainly connected with the use of traditional factors of production [176].

When marketing management of agro-industrial production in the region, key features of the functioning and development of the agro-industrial sector of the

economy should be taken into account:

1) agro-industrial products are essential goods that, as a rule, have a limited shelf life. Therefore, the movement of goods should be organized with the formation of the necessary stock, but at the same time, the socio-demographic and mental characteristics of consumers should be taken into account;

2) basic agricultural raw materials can objectively be produced only in the spring-summer season, while the production of final products can be carried out throughout the year. Therefore, it is important to ensure clear interaction of agricultural and processing enterprises;

3) modern innovative technologies can (and should) be used in the production of agricultural products. And this can become the main factor of positioning in the market, which wants to learn about quality products produced at high-tech enterprises;

4) high competition on the market and the identity of sold goods require constant contact of marketing services with consumers. For the field of agro-industrial production, this is still a new trend that can ensure a high level of consumer loyalty [175].

The need to use marketing management of agro-industrial production in the region is caused by the fact that it makes it possible to reveal the agricultural and production potential of the region, to determine the ways of gaining market positions, to study and forecast the state and development of the market, and on this basis to develop programs for the socio-economic development of the region taking into account its agricultural production.

Marketing management of agro-industrial production is characterized by higher receptivity, adaptability, self-organization and self-governance, which is explained by increased consumer demand for these products, fierce competition in agricultural markets due to the identity of agricultural raw materials and food products, the need for rapid adaptation of the marketing system to institutional decisions of decision-making bodies [175]. The structure of marketing management in the field of agro-industrial production is associated with various consumer properties of certain types of agricultural products and directions of their use. According to the territorial feature, it

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can be divided into macro (world, interstate, national), meso (regional, interregional, local) and micro (local) economic levels (see Fig. 1).

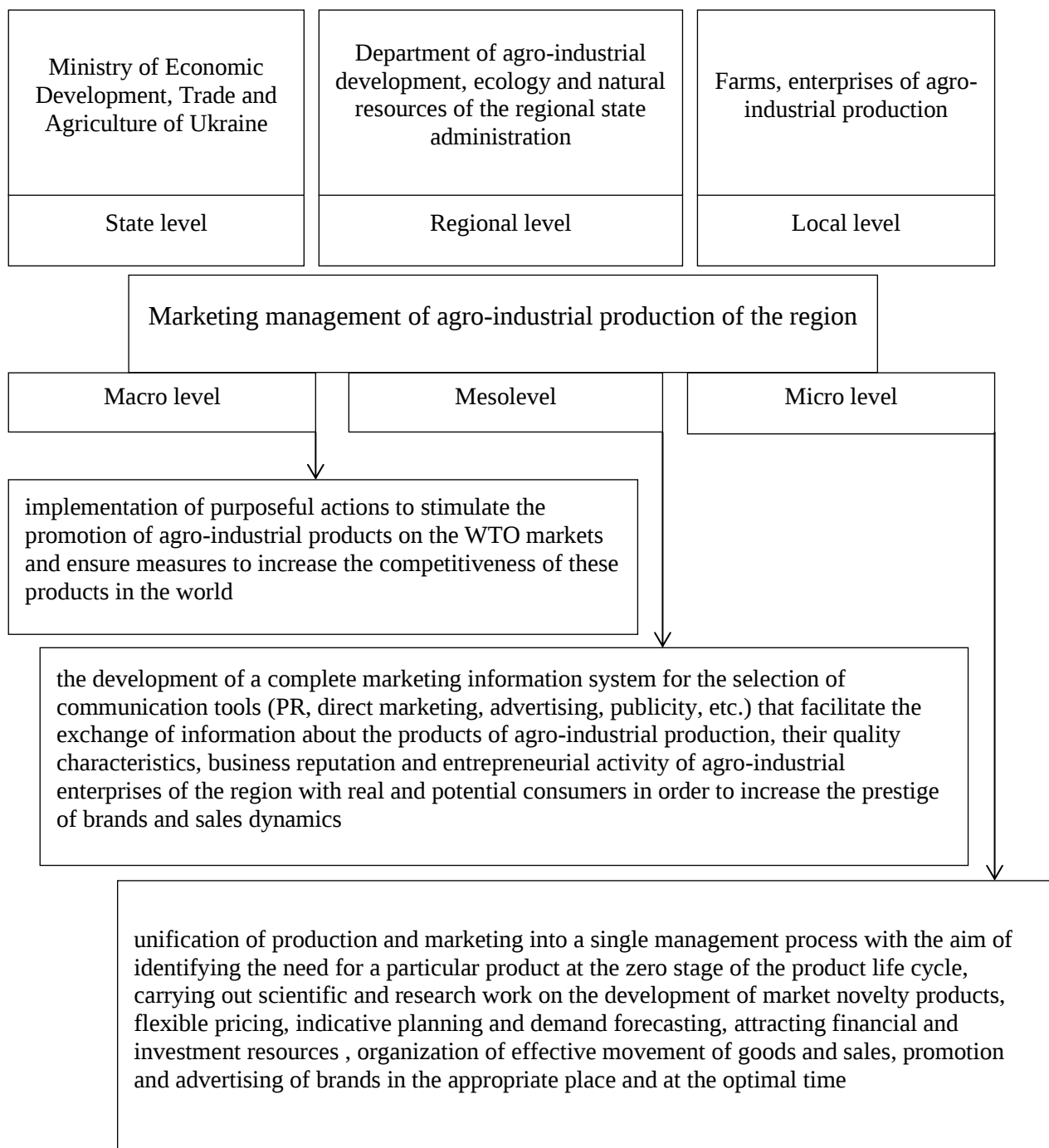


Fig. 1. Levels of marketing management of agro-industrial production in the region

Compiled by the author

The marketing management system is a set of organizational structures and specific forms and methods of management, as well as legal norms, with the help of which economic laws operating in specific conditions are implemented. Therefore, the

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Ministry of Economic Development, Trade and Agriculture of Ukraine acts as the highest body of state power, which carries out the functions of implementing state policy and legal regulation of the agro-industrial complex at the state level. The state pays special attention to the development and regulation of foreign economic activity. In the process of adapting our economy to the conditions of the World Trade Organization, it is necessary to ensure the economic interests of the domestic agro-industrial complex with the help of direct (legislation, the system of management bodies and their powers, state ownership of material resources, etc.) and indirect (fiscal, financial , monetary credit, tax policy, etc.) state regulation.

At the macro level, marketing management is carried out through the priority of stimulating and information-analytical methods, as well as through the direct directions of marketing regulation of the agro-industrial market, which include:

implementation purposeful actions with stimulation promotion of agro-industrial products production on WTO markets;

- software measures of increase competitiveness of this product in the world;
- support agricultural manufacturers in the form of state programs that mean – different benefits , subsidies and others levers regulation that increase competitiveness of products;

- promoting the integration of subjects of the agro-industrial production system;
- development of a competitive environment, conditions for creation and implementation of competitive advantages of subjects of the agro-industrial market of the region to form the attractiveness of this area of the region, including the investment area;

- informational support of the functioning of the market;
- promotion of the products of the subjects of agriculture and processing industry of the region;

- implementation of the ideas of social and ethical marketing through various programs of a social nature and the ecological component of production and consumption.

At the regional level, the Department of Agro-Industrial Development, Ecology

and Natural Resources of the Regional State Administration with the corresponding tasks, functions and rights as a Ministry deals with the regulation of marketing activities of agro-industrial production.

At the meso-level , marketing management is carried out through the development of a complete marketing information system for the selection of communication tools (PR, direct marketing, advertising, publicity , etc.) that facilitate the exchange of information about agricultural products produced, their quality characteristics, business reputation and entrepreneurial activity of enterprises agricultural sector with real and potential consumers in order to increase the prestige of brands and sales dynamics.

At the local level, marketing management of agro-industrial production is carried out by individual agricultural enterprises, peasant (farming) farms and households mainly according to the functional, commodity, regional, market, headquarters and matrix principles.

At the micro level, marketing management is carried out through the unification of production and marketing into a single management process with the aim of identifying the need for a particular product at the zero stage of the product life cycle, carrying out scientific and research work on the development of market novelty products, flexible pricing, indicative planning and forecasting demand, attraction of financial and investment resources, organization of effective movement of goods and sales, promotion and advertising of brands in the appropriate place and at the optimal time.

At the same time, the main attention in forming a positive image of agro-industrial production enterprises of the region and expanding distribution channels should be focused on the development of such PR tools that are available and applicable for any organizational strategy, with the help of participation in exhibitions and fairs, support of corporate style, reviews in press, interview.

Marketing management of the region's agro-industrial production is based on the analysis and awareness of the region's needs and is aimed at realizing the geophysical, labor, financial and other resources of the territory in order to meet the needs of the

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region's consumers.

Based on the above, we can form the goal of marketing management for the production of agro-industrial products in a specific region: on the basis of detailed study and forecasting of both current and potential demand and market conditions, ensure the effective development of this branch of the country's economy.

The marketing management system must be integral, with interconnected elements, economical, flexible, receptive to agribusiness policy, consumer needs and demand, market conditions, competition, commercial changes, entrepreneurship, production level. At the same time, it should be constantly improved on the basis of scientific achievements and best practices. The structure of the system of marketing management of agro-industrial production is shown in fig. 2.

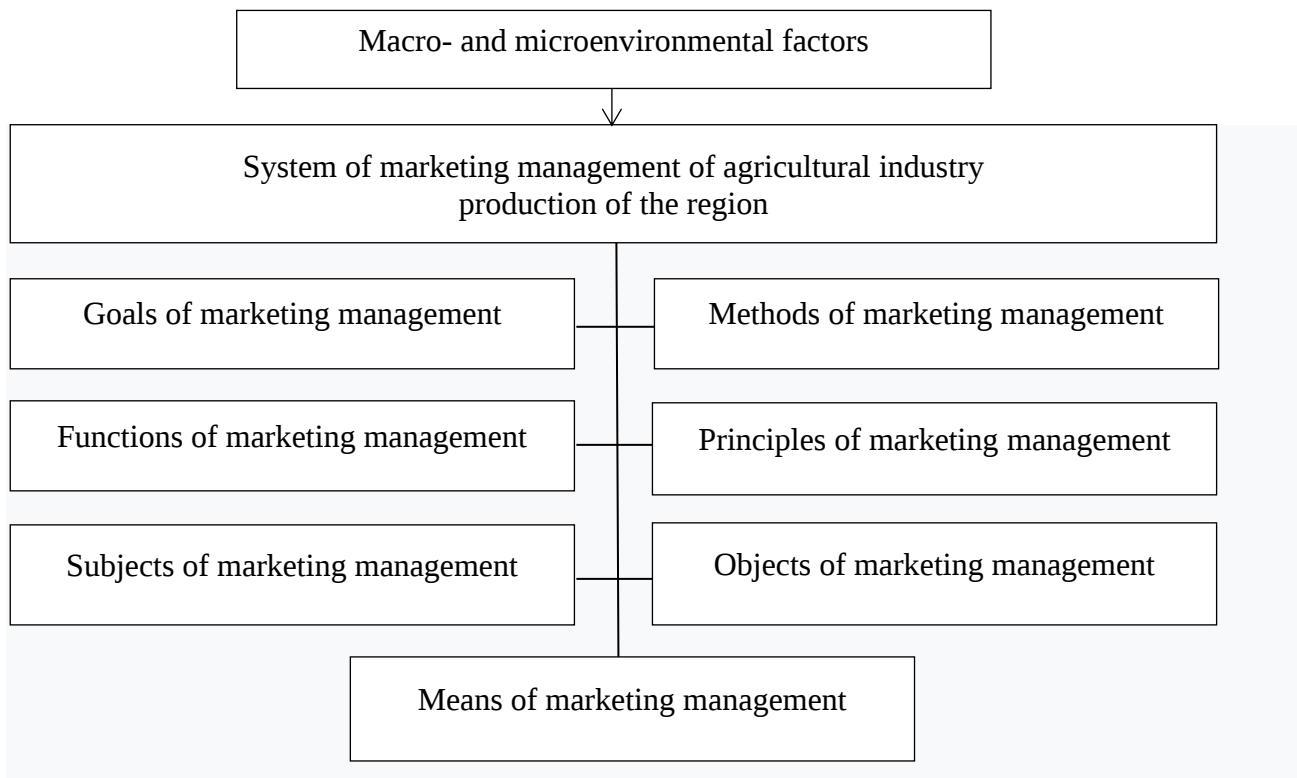


Fig. 2 System of marketing management of agro-industrial production of the region

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The marketing management system is influenced by macro- and microenvironmental factors. Macroenvironmental factors affecting the agro-industrial market include: general political system and law; the level and structure of the national

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economy; culture, education, customs; the level of scientific and technological progress in society; economic and social conditions; demographic factors.

Microenvironmental factors are the level of competition with enterprises in similar industries; market conditions; the structure of a specific market and the requirements of buyers; advertising of competitors and others.

Marketing management affects the results of marketing activities in the field of agro-industrial production, competitive advantages and efficiency of enterprises and the region. For effective marketing management, you should decide on specific goals. This is, first of all:

- Increasing or maintaining the competitiveness of agro-industrial production entities located in the region and the quality of life of the population,
- Attracting new investors to the region, increasing the volume of agro-industrial production;
- Ensuring profitability from the activities of agro-industrial enterprises in the region and increasing the revenue part of the regional budget,
- Developing new markets, international markets, forming regional markets, increasing market share, weakening the market positions of competitors,
- Formation of a favorable image, achievement of high consumer satisfaction.

At the heart of marketing actions are always certain principles that determine the essence, goals and conditions of application of marketing management, knowledge and observance of which is mandatory for the effective solution of all tasks of marketing management. Marketing management of agro-industrial production in the region is characterized by its own principles that determine its specificity as a special management activity.

are distinguished :

- 1) systematicity – marketing is aimed at strengthening the well-being of the region, business entities and the population;
- 2) target orientation – marketing should contribute to the achievement of strategic goals and the solution of specific tasks;
- 3) planning – determines the obligation to plan marketing activities;

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4) innovativeness – determines the use of innovations, including in the management of the region;

5) flexibility – establishes the need for a quick and adequate response to dynamically changing conditions of activity and the influence of environmental factors;

6) comprehensiveness – involves constant and comprehensive consideration and analysis of all factors of the external and internal environment that determine the activity of the region in specific conditions, which ensures the necessary adequacy of its marketing offer to the main parameters of the market;

7) competitiveness (competition) – involves the formation of competitive advantages of the region;

8) stimulation – involves managing the motives of human actions. Without learning to manage them, one cannot manage social processes;

9) partnership means forming long-term relationships with potential consumers;

10) the principle of globalization – aims at the constant search for new markets [176].

In addition, the following principles can be distinguished:

11) compatibility – ensures interaction with other economic systems in accordance with established rules;

12) the principle of protection – ensures the protection of the rights of consumers and producers of products.

The principles on which the model of marketing management of agro-industrial production of the region is based reflect the objective requirements for management, namely: the priority of the social goal, the unity of the economic and social processes taking place in the regional economy, the coherence of all subjects of the regional marketing system [176].

Subjects of marketing management are all agents of social and socio-economic relations (state, regional authorities, population, enterprises of agro-industrial production). In modern practice, the idea that the regional government is the initiator of the application of regional marketing has taken root. However, this shows the

narrowness of the mentioned management approach. Regional authorities should perform the function of coordination of directions of development of the region, classification of problems; the selection of strategies and tools for their achievement that are most adequate to resource possibilities.

The object of regional marketing is the region as an economic entity, which implies possession of a number of important, from the point of view of marketing, parameters.

The objects of marketing management are agro-industrial production of the region, its macro -micro environment and place on the market, competitive and business relations.

An important aspect of the integrating role of marketing management of agro-industrial production in the region is the close relationship between government, business, science and society, including in the form of public-private partnership. For the implementation of projects on the food market, which represents the sphere of common interests of the state, business, science and society, this form of interaction is relevant due to its effectiveness and is one of the modern concepts of marketing partnership relationships [175].

Manifestation of the marketing character, which determines the functions and tools of management of agro-industrial production in the region, occurs through the involvement of entities that influence the market of economic organizations and the population, households of various types of groups. In modern conditions, it should be taken into account that these subjects develop according to the principle of self-organization and are not subject to direct regulation of their activities. The specificity of marketing management consists in the formation of the principles of the management system, coordinating targeted measures of the influence of subjects of different levels and mechanisms that determine the consistency of its implementation and focus on the given directions and parameters of development.

It should be noted that each of the subjects of marketing management implements all marketing functions, but at the same time, it can delegate the implementation of some of them , which will allow not only to optimize its activities,

but also to obtain a certain synergistic effect from this.

Achieving the goals of balanced development of agro-industrial production in the region objectively involves the use of a set of special means of spatial marketing policy, which can be classified according to certain groups:

1) regulatory and administrative: legislative and regulatory acts, territory planning tools, development rules, master plans, land allocation permits, construction permits, sanctions, standards, limits, land ownership, land privatization, land management tools objects of communal property, etc.;

2) economic, which perform the functions of promoting/restraining territorial development: instruments of monetary policy, assistance in obtaining loans, state guarantees in the field of lending, municipal borrowing; instruments of financial and budgetary policy, benefits and incentives for taxes, territorial differentiation of payments for communal services, exemption from payment of local taxes and fees;

3) infrastructural means of shaping the region's space: construction and modernization of the transport network, which increases access to land resources; developed production infrastructure; extensive social infrastructure; means aimed at the formation of a comfortable living and industrial and economic space;

4) innovative-organizational, which provide for the organization in the region of priority development territories, "growth poles", technology parks, logistics centers, business incubators, etc., with the aim of purposeful localization of certain groups of producers or workers in the field of service provision;

5) informational means aimed at orienting all interested parties regarding the possibilities and limitations of the development of the territory: first, individual informational means - advertising aimed at specific consumers of the regional product, investment proposals for specific investors, a list of real estate, other communal property intended for sale ; secondly, mass information means - investment strategies for the development of the region, programs for the economic and social development of the region, programs for partnership, interregional and cross-border cooperation.

When combining into a single management process of production and marketing, the main attention in forming a positive image of the agro-industrial

production of the region and expansion of distribution channels is given to the functions of marketing management. These include: analysis of marketing information and market research, study of consumer demand, analysis of the surrounding environment, implementation of product policy, product life cycle support, pricing and pricing policy, product movement and sales, demand formation and promotion of product sales, commercial activity, foreign economic marketing activity, strategic and indicative planning, implementation of marketing strategies and control over their implementation.

The use of such means of marketing management of agro-industrial production in the region as marketing research, development of a marketing complex, market segmentation and positioning of agro-industrial production products will enable regional management bodies to take into account changes and trends in the development of the region in the external environment; coordinate the decision-making process taking into account the needs of different target groups; ensure coordination of the set of offered services with the needs of their consumers; effectively use the existing socio-economic and innovative potential of the region in order to improve the image of the territory; ensure the strengthening of the region's positions on the markets; promote public involvement in making important decisions regarding regional development. The development of a marketing complex is one of the main activities that applies marketing principles in its activities, and is based on the results obtained in the course of marketing research.

Thus, in particular, the development and implementation of the product policy is carried out on the basis of the formation of the range of manufactured products (its optimization, renewal, improvement), maintaining its competitiveness by ensuring the necessary quality and achieving a high level of other consumer characteristics of products (ensuring a high degree of consumer satisfaction with the product). For agricultural producers, the formation of the assortment consists mainly in the development of a varietal policy (for the cultivation of agricultural crops and varieties that are in the greatest demand) and the determination of the breed and species composition of animals, taking into account the available opportunities.

The basis of pricing policy is the purpose of its development: maintaining the market, maximizing profit or ensuring survival, which only involves the possibility of selling the manufactured products. Based on the chosen goal, as well as on the results of the analysis of demand, costs, prices of competitors, the company can implement its price strategies, while setting different price ranges for different segments (depending on the current situation and the uniqueness of the products).

Transportation, warehousing, storage, finishing, packaging, pre-sale preparation, sale, after-sale service – all these actions are an integral element of the marketing sales policy. Its effectiveness largely depends on the chosen sales channel, the limitations of which on the markets of agricultural products and raw materials justify the search for new sales channels, the expansion of interregional connections, the improvement of existing channels (the development of electronic and exchange trading, the holding of fairs, the creation of wholesale and distribution centers and wholesale and retail markets, development of cooperation (functioning of trading and purchasing and sales cooperatives), etc.) [174].

In addition, as studies of foreign and domestic practice show, the development of the logistics system (the creation of logistics centers) is currently significant, which contributes to the reduction of costs associated with the transportation, storage and storage of agro-industrial products, based on the optimization of these processes. The application of promotion policy (informing consumers (actual and potential), intermediaries and other market subjects) in the agro-industrial market is quite relevant. In modern conditions, the following are quite effective in this regard: holding exhibitions and fairs, promoting a healthy lifestyle with an emphasis on the consumption of goods manufacturers' products, advertising products.

Based on this, modern marketing management of agro-industrial production can be defined as a continuous process of purposeful influence of the subject of management on the object of management, which is carried out according to a certain technology and has characteristic features that are closely related to the specifics of agro-industrial production, the variety of product assortment and market participants, the seasonality of agricultural production, as well as the diversity of organizational

forms of management. Since in the conditions of a market economy, marketing measures are gaining more and more importance in the socio-economic development of the region, which are aimed at the effective interaction of all subjects of the marketing system to ensure the promotion of the interests of the agro-industrial production of the region, so we proposed a model of marketing management of the agro-industrial production of the region (see Fig. 3).

The proposed model of marketing management of agro-industrial production of the region is a set of interconnected and mutually dependent components that create a single, integral, continuous process of forming an effective organization of strategic marketing management of agro-industrial production of the region in accordance with the strategic goals of the development of the region as a whole.

The introduction of marketing management at the meso- and macro-levels makes it possible to strengthen the competitive advantages of agro-industrial producers directly (as the main suppliers of resources for the product offer of agricultural raw materials and products of their processing on the market) with the help of implementation of marketing research, which involves conducting a SWOT analysis (identification of the company's strengths and weaknesses, opportunities and threats, establishment of relationships between them), PEST analysis (assessment of the influence of political, economic, socio-cultural, technical and technological factors of the external environment) , analysis and classification of the main areas of activity by market share in relation to competitors and by annual growth rates in this market (due to the construction of the BKG matrix), evaluation of consumers and identification of groups whose requests the company can best satisfy (based on segmentation), without scattering limited resources (material, financial, personnel), analysis of the competitive environment. On this basis, development of an appropriate competitive marketing strategy for agro-industrial production in the region, focused on the future.

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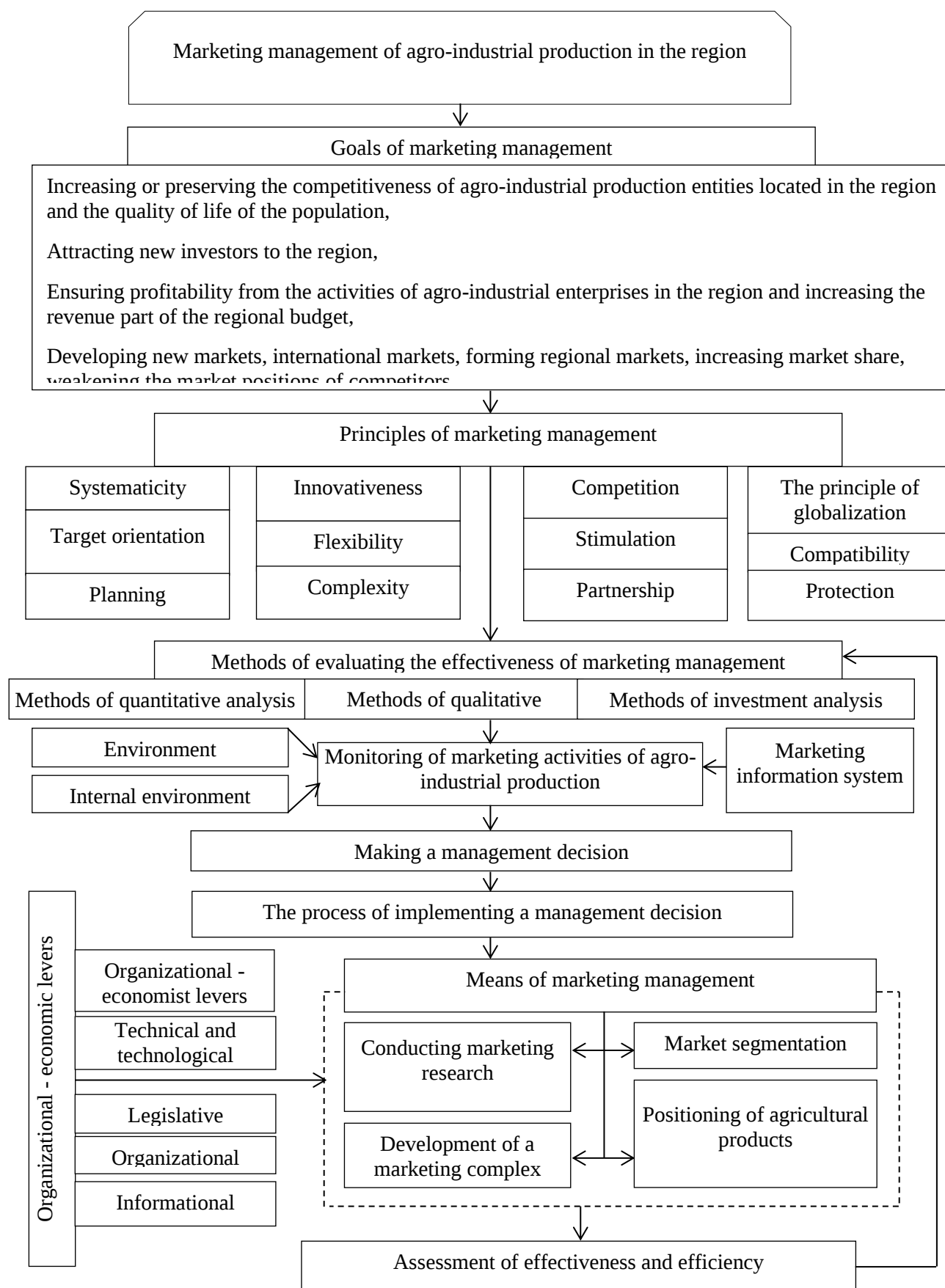


Fig. 3 Model of marketing management of agro-industrial production in the region

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The implementation of marketing contributes to increasing the level of awareness of consumers about the products available on the market by means of the development and implementation of a communication policy (promotion policy), while highlighting the features of each manufacturer and the characteristic properties of its products (on the basis of positioning).

Thus, the implementation of marketing measures by the subjects of the agro-industrial market (with the support of the state) will ensure the most complete satisfaction of the needs of buyers, the rational use of the resources available at the disposal of the market subjects, an increase in their profitability, which is manifested in obtaining economic (increase in turnover, profitability), social (employment provision) and budgetary (increase in budget revenues, achievement of planned expected results within the framework of program documents) effects. At the same time, the orientation of market subjects to the modern concept of socio-ethical marketing involves meeting the needs of buyers taking into account the interests of society, which, among other things, involves the implementation of measures to improve the environmental situation.

In addition, it will enable the regional management bodies to take into account changes and trends in the development of agro-industrial production of the region in the external environment and coordinate the decision-making process taking into account the needs of various target groups, as well as effectively use the available resource potential of the region to improve the image of the territory, ensure the strengthening of the region's positions on the markets and involve the public in decision-making regarding the socio-economic development of the region.