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#### MARKETING ACTIVITIES OF ENTERPRISES OF THE AGRO-INDUSTRIAL SECTOR IN THE CONDITIONS OF WAR

Monograph

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#### **FOREWORD**

The formation and development of market relations in the Ukrainian economy necessitate the improvement of the management mechanism of agricultural enterprises, the orientation of the management system to market conditions, and the ability to respond quickly and flexibly to changes in the environment and within the enterprise. Currently, only a small proportion of enterprises use marketing management methods in their business operations, and only a few of them use a systematic approach to organizing management based on marketing. Military actions on the territory of our country have had a great impact on this course of events and the development of enterprises at the present time.

Marketing management of an enterprise is an opportunity to organize its activities on the principles of optimal use of the available potential and obtaining the greatest profit, taking into account the satisfaction of consumer needs. An analysis of the company's capabilities allows to obtain reliable information on the state of assets and liabilities of production, to analyze the external marketing environment. A systematic approach to organizing management and developing a marketing strategy is a scientifically sound way to increase profitability, save costs and improve the company's market position. An integral part of the company's marketing management system is to ensure proportionality of development, support and preservation of social guarantees for employees. However, after the Russian Federation started military operations on the territory of Ukraine, agricultural enterprises experienced major problems in production, sales, and procurement of inputs. The big problems caused by the war are clearly visible in logistics processes - losses in trade relations by sea, suspended river traffic, heavy load on border crossing points on railways and highways, lack of air traffic.

Due to the constant bombardment by the Russian aggressor, a large number of critical infrastructure facilities have been damaged, forcing our companies to significantly increase the cost of processing agricultural products and thus stay afloat without stopping their operations. A large number of companies from the east and south

were forced to move to the western and central parts of the country to resume their operations.

However, given that in Ukraine marketing management of agricultural enterprises is a separate, very large and problematic aspect, the theoretical and methodological framework is not sufficiently covered, there are problematic issues, and the strategy for the transition of enterprises from outdated forms and methods of management and business to new, scientifically based market methods, such as marketing management, has not been developed. This will allow our enterprises to develop and meet the needs of consumers and at the same time ensure the country's food security in this difficult military period for Ukraine.

The results of the research presented in this monograph are determined within the framework of the initiative topic of the Department of Marketing and International Trade of the National University of Life and Environmental Sciences of Ukraine "Development of Marketing at Agricultural and Processing Enterprises", state registration number 0120U100630.

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1. Marketing of regional development investments in the context of international diversification

The basis of marketing activities of regional systems is a systematic and

systematic study of the state and development trends of the region's territory in order

to make rational decisions (on market segmentation, selection of the target market,

justification of the marketing strategy for entering the market, development of a

complex

According to modern approaches, marketing of regional systems can be defined

as a way of establishing, creating, and maintaining relationships with various market

actors that would ensure the region's favorable position in relation to resources and

target markets, as well as allow it to achieve the goals of the participants in these

relationships. Thus, the marketing of regional systems is aimed at identifying the needs

of the region's counterparties, aligning these interests with the interests of the region,

and achieving competitive success and socio-economic goals of the region on this

basis.

Marketing is a universal form of adapting the economic system to new business

conditions based on market principles of management, which makes it possible to

better study the process of goods' life in the market, as well as to analyze supply and

demand in the market from the perspective of the product seller. Marketing has a wider

range of methods and techniques for effective assessment of market relations than

planning, although it is not an independent method of planning.

Marketing is a type of production activity related to the sale of goods and

services on the market based on the information obtained about the market, customer

demand, competitors, etc. The task of marketing is to maximize the satisfaction of

customer demand in the market, focusing on the interests of consumers. The purpose

of marketing is to research the market with an assessment of the supply-demand ratio

and to develop measures to maintain the balance. The increasing involvement of

8

resources in the relevant markets makes it expedient to study marketing in the field of using the resource potential of the country and its regions.

The main goal of marketing is to influence consumers and producers of goods and services to achieve mutual agreement, create and stimulate demand for goods and services, expand sales, market share and profit.

The basic principles of marketing in the resource sector, as in general, should include the following:

- focusing the production of goods and services on consumer tastes;
- orientation of the company's activities towards the final result, i.e. profit;
- constant updating of products and improvement of their quality based on a more complete use of the region's resource potential and achievements of scientific and technological progress;
- flexible response of production and sales to market needs, its maximum adaptation to the structure of demand based on the long-term perspective;
- informing potential customers and acting on them through advertising and other means of sales promotion.

It is important to take into account that regional resource marketing includes two main types: regional resource marketing (RRM) and marketing within the region, the content of which, with some clarifications, can be correlated with the interpretations of marketing of regional entities in the broad and narrow sense proposed by A. Blinov [1]. Thus, in a broad sense, marketing of regional entities is the process of identifying, creating and implementing the prerequisites for the formation of environmentally and socially oriented regional policy in order to create the most favorable environment for production and life activities carried out both in the region and beyond. A narrower interpretation defines the marketing of regional resources as an element of local economic policy related to the creation of the region's image and attraction of investments directly to its territory. Thus, regional marketing includes all the previously existing policies of regional and local authorities, supplementing it with the following elements and characteristics: creation and advertising of the region's image, consistent focus on the interests of target markets, environmental and social orientation,

partnership between the government and private business. Accordingly, the regional marketing policy should be aimed at creating favorable conditions for improving the quality of the region's product, finding its potential consumers and bringing the territory to a leading position in the interregional division of labor in order to improve the quality of life of the population. Regional and municipal authorities play a leading role in the implementation of the regional marketing policy, as they promote the resources, goods and services of the territory as regional marketing entities. Their activities are focused on creating, maintaining or changing certain intentions and behavior of consumer entities regarding the territory, its capabilities, as well as the capabilities of these entities themselves in the territory [1]. Therefore, they need to know how to analyze market opportunities, select appropriate target markets, develop an effective marketing mix, and successfully manage the implementation of marketing tasks. All this is the process of marketing management, the content of which in relation to solving the problem of increasing the efficiency of cooperation can be defined as follows:

- analysis of the region's opportunities: a system of market research; collection of information in general; study of competitive markets in the region; analysis of needs in the region; analysis of goods produced in the region; assessment of market capacity;
- selection of markets for goods: determination of strategies for operating in the region's markets; selection of international markets for sales;
- developing a marketing complex: organizing the production of goods in accordance with the needs of target markets; setting up logistics systems; setting up a system of goods movement; creating infrastructure in the region, taking into account market volumes; organizing a system of demand generation and sales promotion; conducting product and pricing policy;
- control over the functioning of the regional marketing complex: strategic and operational planning; collection of operational information; advertising, exhibitions, fairs.

As has been repeatedly noted, the essence of the marketing approach to managing investment attraction to a region is to consider the investor as one of the consumers of

the territory's product. Investors are one of the most important target markets for buyers of a territorial product. This is the thesis underlying the territorial marketing strategies of many developed and developing countries - Australia, Canada, the United States, etc. [22]. In the author's opinion, foreign experience in managing investment attraction can be successfully used in Ukrainian regions, as the following prerequisites have been established for this:

- it has become almost obvious that regions do not have their own capabilities to ensure sustainable socio-economic development. In this regard, it is increasingly important to attract external investment, foreign investment and develop relations with both domestic investors and external (including foreign) investors, for whom the investment environment of Ukrainian regions is often not attractive precisely because of their internal orientation and information secrecy;
- the successful experience of using marketing technologies and tools to improve management in the commercial sphere indicates that they can be used in the non-commercial sphere, including public administration. Therefore, there is reason to believe that Ukrainian regions will soon begin to realize the need to create marketing concepts for regional governance;
- some tools and methods inherent in the marketing approach (rating assessments, SWOT analysis, etc.) are already used in the management of investment activities in Ukraine, which suggests further integration of marketing into public administration of regional development.

The Ukrainian experience of using marketing tools in management does not have such a rich background as the experience of developing countries for many reasons, the main one being the relatively recent transition from a planned to a market-based economic system. However, some methods of the marketing approach were still used even in the planned economy of the USSR. One of these methods is the rating assessment, which is most often used in investment management. Rating assessments are used to analyze the investment attractiveness, investment climate and investment activity in a region - the basic characteristics that determine the success of the task of attracting investment to the regions. To understand the feasibility of applying rating

assessments to these categories of investment development, let us consider their definitions, interrelationships and role in managing the region's investment activity.

In our opinion, it is worth paying maximum attention to such stages as planning and control, since the effectiveness of the company's marketing activities in the context of diversification depends on monitoring the implementation of marketing annual plans, profitability control and strategic control of activities.

E. G. Novitsky believes that the object of control of the marketing activity of an enterprise in the context of international diversification is the issues that arise in ensuring the achievement of certain diversification goals; indicators (their deviations) that characterize the state of achievement of the results of the enterprise's activities in the context of international diversification; models and methods of planning that ensure the reliability of the state for certain periods of time [5, p. 72].

We agree with the opinion of E.G. Novitsky that an important stage is the control of profitability of the enterprise in the context of diversification, which involves control over the budget of marketing programs, projects, calculation of all marketing costs, comparison of these costs with the company's profit, sales, and other economic calculations necessary for the adoption of the annual marketing plan and strategic decisions in the marketing activities of the enterprise. It is worth noting that profitability control also implies an assessment of the profitability of goods, analysis of the product range, profitability of the company's activities in market segments and distribution channels. And by determining the ratio between the company's sales in the domestic and foreign markets and marketing costs, we determine the effectiveness of the company's marketing activities in the context of diversification.

A logical step in the marketing management of the enterprise's marketing activities in the context of diversification is the analysis of marketing costs, the complexity of which is determined by Sokoliuk K., highlighting the stages of its implementation [19, p. 207]:

comparison of the company's sales revenues and profits with its current costs
 and expenses based on accounting statements and financial reports;

- allocation of expenses related to the company's marketing activities in the context of diversification and their distribution among individual cost items, such as expenses for marketing research of international markets, international advertising, participation in international marketing events (specialized exhibitions), salaries of marketing department employees, etc;
- breakdown of marketing expenses by product or product groups, distribution channels, market segments, and customers.

We agree with the opinion of K. Sokoliuk on the need to allocate costs associated with the marketing activities of the enterprise in the context of diversification, but we believe that the budget of marketing programs is planned on the basis of the expected costs of marketing activities and, as a rule, is allocated based on the financial capabilities of the enterprise, current and projected sales, and the enterprise's profits.

A. Meyer, V. Mikhailov, A. Prutskov, A. Tyazhov in their scientific works related to the problems of marketing diversification define that strategic control of the enterprise's activity in the conditions of diversification provides for control over the implementation of strategic decisions, budget control, control of the effectiveness of marketing management of the enterprise's activity in the conditions of diversification [14, p. 174].

An analysis of the region's market opportunities should identify unsatisfied or incompletely satisfied needs. It is important to note that the search for ways and mechanisms for the effective use of the region's resource potential, in particular in domestic and foreign resource markets, has been repeatedly carried out in practice and studied in the scientific literature. However, in the context of globalization and regionalization processes, there is a need for a comprehensive analysis of export opportunities, for regional enterprises and organizations to choose the right marketing strategy for entering regional and foreign markets and to develop tactical methods for its implementation. This is all the more important because an assessment of the resource potential of a region may be necessary when developing measures to strengthen regional policy and gradual marketing restructuring of Ukraine's economic space. However, it is from this point of view that the study of market opportunities and

needs of a region based solely on its natural resource potential and economic condition significantly reduces the competitive advantages of the region. The conditions of the modern information age make it necessary to take into account the resource potential of the regions, which is an opportunity to ensure strategic directions of socio-economic development of the region, prospective development of new types of products, entrepreneurship with due regard to scientific and technical ideas.

The modern concept of marketing is to study and analyze the market, taking into account its possible changes in the future. For a more complete picture of the state of affairs, the market and all its elements - demand, supply, market capacity - are analyzed, which involves a comprehensive study of the market structure. Based on the research, a specific action program is developed. Particular attention is paid to analyzing own resources and planning the production of a range of products and services in accordance with the marketing program - strategy. In order to operate effectively in the market and guarantee the expected profit, it is necessary to assess the competitive environment.

Attracting investment in the real sector of Ukraine's economy is a strategic task, and it is solved through strategic management. In turn, strategic management is impossible without the use of marketing methods.

It should be noted that there is no unequivocal agreement on the question of whether marketing has its own research methods. However, there is undoubtedly a wide range of methods and technologies inherent in marketing and focused on solving specific marketing problems that occur in the investment sphere of the regions. These techniques include, in particular, marketing analysis and influence tools, including market segmentation techniques, SWOT analysis (research and assessment of strengths, weaknesses, opportunities and threats), technologies for positioning a region or investment project in the market, assessment of the region's competitiveness, rating assessments, investor relations technologies and many others.

Among the above marketing methods, some, such as rating assessments, assessments of the competitiveness of territories, and SWOT analysis, are used in Ukrainian and foreign investment attraction management practices quite widely and successfully. However, the main, truly marketing technologies and methods, such as

positioning, segmentation, targeting and customer relationship technologies, remain unclaimed in the investment sector. In the author's opinion, this is one of the reasons for the low investment activity in Ukraine compared to other emerging market countries, such as China, Eastern Europe, etc.

The method of rating assessments for the investment and banking sector is one of the most common because it allows summarizing many factors and objects and presenting all the necessary data for making an investment decision in one list (or table). The strategic SWOT analysis methodology is also used at the level of enterprises and investment companies, as well as in the field of public administration. Popular methods of strategic management in the investment sector include the Boston Consulting Group matrix. For example, the BCG matrix for Ukraine, according to the experts of the Expert magazine, looks like this (Fig. 1).

"Ukraine's cash cows" are the raw materials industries. They operate with excellent efficiency, but with low growth rates.

"Stars" are industries that serve the domestic market. They are characterized by high efficiency and high growth rates. They are the ones that should be emphasized today. A truly strong economy can be built through the exploitation of "stars" and their ability to grow.

"The cats" are the industries of innovative segments. Only in the context of the country's richer domestic market can companies producing "world-class innovations" thrive in Ukraine.

Building a BCG matrix for a regional economy allows for the correct setting of sectoral priorities in investment policy. The marketing approach to managing regional investment activity is distinguished by the fact that, being focused on meeting the needs of the consumer (investors, population), it allows building the region's investment strategy in the most effective way.

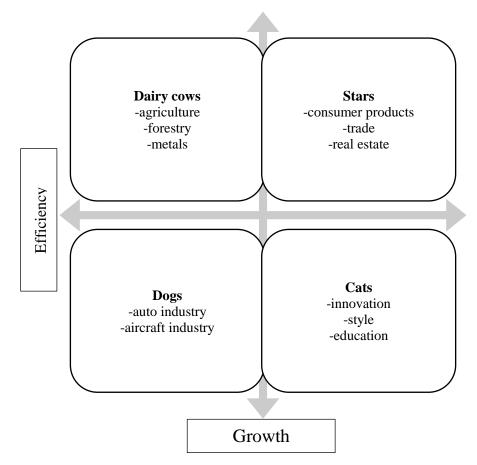


Figure 1 - BCG matrix for Ukraine

Schematically, the development of the region's investment strategy can be represented as follows (Fig. 2).

Applying the marketing approach in strategic management, at the first stage - the stage of setting investment goals - regional management proceeds from the results of studying the needs of the population and the potential of the internal and external environment for investment, or, in other words, studies the demand for investment.

According to one of the classics of marketing management, Philip Kotler, for effective management, goals must meet the following criteria:

- goals should be organized in a hierarchical structure from priority to
   secondary (the task of regional governments in this regard is to set sectoral priorities
   and create conditions for investment in the most needy sectors);
- whenever possible, the goals should include figures (estimating the required amount of investment in the region's economy is one of the key tasks at this stage);

- goals should be realistic and derived from a marketing analysis of the internal and external environment;
  - goals should be consistent [12].

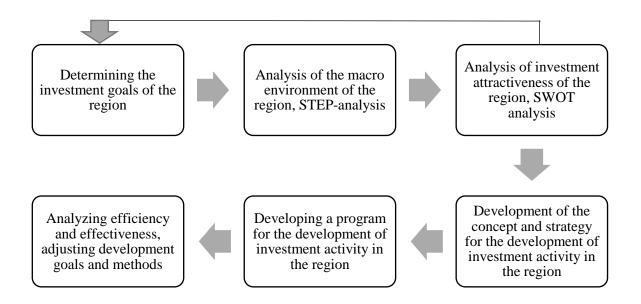


Figure 2 - Stages of development of the region's investment strategy

It is quite obvious that in today's realities, virtually all industries, without exception, require investment injections. A marketing approach to defining the region's investment goals helps not only to formulate them correctly, but also to create the starting conditions for their successful achievement.

At the stage of macro-environmental analysis, it is advisable to use the STEP analysis methodology, which allows to determine which social, technological, economic and political factors of macro-environmental development affect regional development. In addition to STEP analysis, this stage may include rating assessments of investment potential and the investment market, industry analysis, and other marketing methods.

The next step is to analyze the investment attractiveness of the region, which is not only a strategic SWOT analysis. At this stage, it becomes advisable to apply such a marketing technique as region positioning.

Positioning, from the point of view of Al Rais and Jack Trout, is a creative process of highlighting product advantages. This technique allows not only to study the strong and weak investment characteristics of the territory, compare the position of the region

with other territories, but also to find exactly those key advantages that will help achieve the main investment goals.

The positioning procedure involves the following steps:

- 1. selection of positioning criteria through marketing research of the target group of potential investors;
- 2. determination of indicators according to the selected criteria (in our example, "risk and attractiveness" respectively, reduction (minimization) of risk and increase of attractiveness);
  - 3. repositioning in case of unsuccessful application of these attributes.

When choosing a territory for investment, investors rely on a variety of factors. At the same time, any investor is interested in how profitable and risky an investment can be. Investment attractiveness, as you know, is characterized by potential benefits and risk, in other words, risk and investment potential are inextricably linked. The investment potential characterizes the region's ability to attract and use funds from domestic and foreign investors, entrepreneurs, and the population to solve territorial problems.

Studies by various authors identify several macroeconomic, socio-demographic, and other characteristics of the territory to assess the investment attractiveness of the region. For example, the Investment Rating of Ukrainian Regions survey, which is conducted annually by the Expert rating agency, uses the following methodology.

The components of investment potential and investment risk are determined. Each of the partial components is generalized and can be calculated as a weighted sum of a number of statistical indicators. To use this methodology, it is necessary to enter the values of the weighting coefficients, which is the most crucial point of the methodology.

The assessment of the contribution to the aggregate risk and aggregate potential is obtained by questioning experts, including representatives of foreign specialists, investment companies, etc. This approach allows, in addition to compiling an investment rating, to identify the most important investment criteria for investors.

Summarizing the above, it is worth noting that the position of the region's investment attractiveness can be determined in the risk-potential coordinates. However, it is worth choosing the type of risk and the type of potential that a potential investor believes to be the most significant. A study conducted in 2016 by Expert RA showed that for an "average investor", consumer potential and legislative risk were the most important for choosing an investment area, and resource potential and environmental risk were the least important. The author believes that an assessment of the actual indicators of investment potential and risk will be able to reflect the high differentiation of investment conditions in different territories. This makes it possible to use the rating of investment attractiveness of a region as a positioning tool.

In the process of positioning the region's investment goods, the greatest difficulty is the optimal set of attributes by which appropriate differentiation is possible. In other words, it is necessary to find out exactly those key characteristics of investment resources, projects (or other goods) that are most important and influence the decision to invest. In the classical sense of positioning, as described by E. Dichtl and X. Herschegen [9], product attributes must meet the following conditions:

- be clearly perceived by the consumer;
- clearly distinguish one product from another;
- influence the purchase decision.

In the context of our study, the investment attractiveness rating meets these conditions and is one of the attributes of the expected product.

The author of the study suggests that other positioning characteristics may include such attributes as the region's economic growth rate, investment growth rate (both external and internal), positive indicators of priority sectors of the regional economy in which it is planned to invest, the share of investment in the region in the total volume of investment in Ukraine, and others.

There is an opinion that business diversification should not become a strategic priority until the company's growth opportunities in its main market begin to decline. And this is the only necessary prerequisite for entering new markets. That is, for companies that successfully operate in the market, diversification of the company's

business is not a crucial strategic direction. Or even more categorically, O. M. Kovinko, considering diversification as a development strategy, determines that diversification of the enterprise's business should not become a strategic priority until the company's growth opportunities in its main market begin to decline [11, p. 12].

The reasoning behind this is that there are many examples of companies that concentrate their activities in one market (one country) and can achieve significant achievements for decades without resorting to international diversification of their business to support their growth.

However, in Ukraine, in the current business environment, more and more companies are operating in the context of international diversification in order to avoid complete financial dependence on the peculiarities of the cyclical development of the domestic market, but also consider the diversification of the company's business as a strategy for their development, i.e. as a stage in the development of a currently successful enterprise.

In our opinion, in today's environment, when the socio-economic situation is changing very rapidly, you cannot live in the present and wait for the company's growth opportunities in its main market to decline. It is necessary to anticipate such a situation in advance and take countermeasures. Therefore, an important issue for any company operating in countries with market conditions is the effectiveness of marketing management.

F. Kotler defines marketing management as the art and science of selecting target markets, attracting, retaining and developing customers by creating, providing and promoting values that are important to them [12, p. 25]. It follows that the main task of marketing management in the context of business diversification is to choose the optimal strategy for entering new markets and adequate means of implementing this strategy.

Studying the prospects for the development of marketing management in the domestic marketing science, A. Voichak in his scientific works gives an idea of the process of marketing management of domestic enterprises, which do not limit the activity of the enterprise only in the domestic market. The stages of the process of

marketing management of activities in the context of international diversification are presented in Fig. 3 [8, p. 52].

At the same time, J. Lambin determines that the external environment has an impact on the business entity in the process of attracting and using resources. The process of diversification of the enterprise's business from the point of view of systemicity reveals the properties of complex dynamic systems of the internal and external environment in terms of structural and functional diversity of elements.

For the purpose of a clearer understanding and definition of the concept of marketing management of the enterprise, we note the scientific views of V. Bondarenko and K. Sokoliuk who, having clarified the essence of the concept of diversification of the enterprise, define the concept of the process of marketing management of the enterprise in the context of international diversification (Fig. 4) [5].

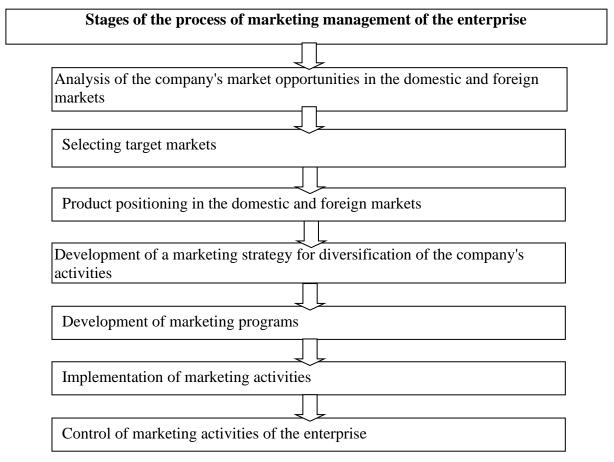


Figure 3 - Stages of the process of marketing management of the enterprise in the context of international diversification

Source: [8, p. 52]

Marketing management of enterprises in the context of international diversification involves building an appropriate system of information collection, research of foreign markets, planning, implementation and control of the marketing program, assessment of risk and profit, effectiveness of marketing decisions, development of a marketing strategy for the enterprise, which allows to obtain maximum effect at minimum marketing costs.

Such an approach to structuring the process of marketing management of enterprises' activities in the context of international diversification is quite flexible and allows business entities in their practical activities to determine the sequence of stages of entering a foreign market entirely independently.

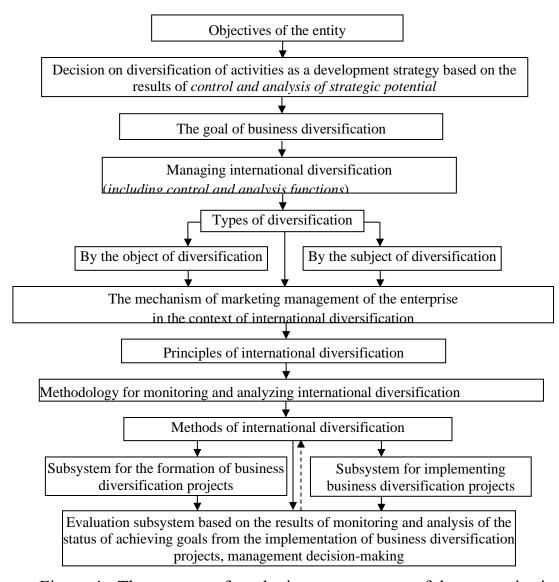


Figure 4 - The concept of marketing management of the enterprise in the context of international diversification *Source:* [5]

The mechanism of marketing management of diversification of enterprise activities is based on a certain methodology as a set of principles and methods of management, provides socio-economic effect through the formation and implementation of diversification [8, p. 52].

The methodology includes knowledge about the phenomenon and the process of its formation, structured relationships, development directions, principles of formation (implementation), methods of study and influence. At present, the theory is primarily focused on the development of practical recommendations, and practical problems are solved using theoretical provisions, which are developed in the form of schemes with the reflection of applied connections to prove their conceptuality. The process of diversification as an object requires a systematic approach to its study, which determines the methodology of its management. This takes into account the principles, classifications and methods of analysis used in the complex to ensure continuity in obtaining analytical assessments of the object's state. A business entity as a hierarchical structure, operating the subsystems created in its composition, carries out its own activities in the external environment [8, p. 52].

The sequence of implementation of the concept of marketing management of enterprise activities in the context of international diversification includes the following stages [5]:

- 1) setting the goals of the system (corporation, city, region) in which the business entity operates using economic relations, including industrial, technical and socioeconomic relations;
- 2) search and formulation of the company's goals in the process of diversification;
  - 3) developing ways to adapt management to these goals;
- 4) specifying the means of achieving the goals. The main purpose of the process of marketing management of the enterprise in the context of international diversification, as an object of control and analysis, is to support and coordinate the processes of planning, accounting, control and analysis in order to determine the status

of project implementation and the need for regulation and information support of these processes [5].

The algorithm for providing these processes with information, according to the stages, is proposed by the domestic scientist-economist V. Semeniuk, who determines that the processes of planning, control, analysis and regulation of business diversification of an enterprise form a closed cycle (Fig. 5) [16, p. 135].

In the end, it should be noted that the approaches proposed by J.-J. Lambin to building an integrated system of marketing management of enterprises in the context of international diversification are real, since they are aimed at solving the problems of coordination of planning and control activities of the enterprise: priority of operational planning over strategic planning, with its insufficient structure and intensity; insufficient detail of plans in relation to the defined goals and projected activities; lack of comprehensive

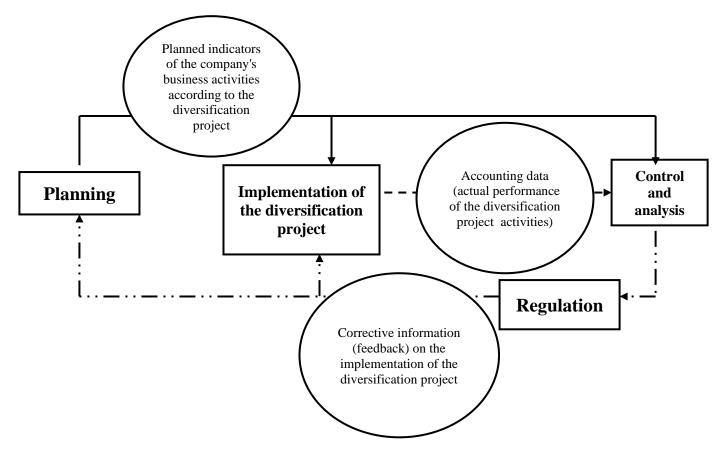


Figure 5 - Flowchart of providing information to the process of marketing management of the enterprise in the context of diversification

Source: [5]

Defining the diversification of enterprise activities as a factor of adaptation in a transformational economy, the author believes that planning of marketing activities of an enterprise in the context of diversification can be strategic, designed for the long-term development of the company, and operational, intended to solve short-term tasks of the company, for example, during the year.

In our opinion, planning as a stage of marketing management of an enterprise in the context of diversification is based on system analysis, forecasting of market trends, assessment of resources, funds necessary for the implementation of the planned sequence of actions and marketing activities.

Summarizing the scientific views of the foreign scientist Peter R. Dixon, it can be determined that marketing plans play an important role in planning the activities of an enterprise in the context of diversification, which can be organized using different approaches. One of such approaches is the so-called "ring" principle.

For the purpose of a clearer understanding of the organization of the marketing process according to the "ring" principle, let us consider its main stages and their characteristics (Fig. 6) [5].

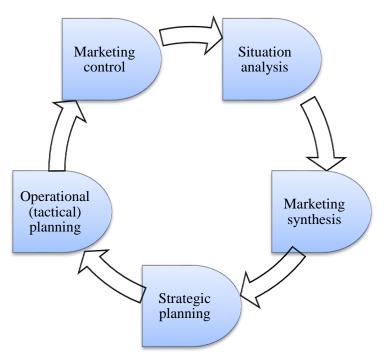


Figure 6 - Organization of marketing activities of the enterprise in the context of diversification by the "ring" principle

Source: developed by the author based on [5].

At the stage of situational analysis, the company's condition, the impact of the external environment, analysis and forecasting of possible situations, events, factors affecting the company's evolution, its commercial and marketing activities in the context of diversification are assessed.

Marketing synthesis involves defining and evaluating goals and making decisions for strategic planning. Strategic planning involves the selection of strategies: which strategy is the best and why, how to act to implement this strategy and achieve the goals. Marketing control involves the collection and evaluation of initial data that allow for decision-making [5].

Providing a description of all stages of the process of marketing activities on the "ring" principle, Peter R. Dixon believes that the basis of planning and control of marketing activities of the enterprise and the conditions of diversification on the "ring" principle is the same basic sequence of actions, the scheme of "feedback", which is used in the organization of marketing activities of the enterprise in the conditions of diversification on the "ring" principle (Fig. 7)

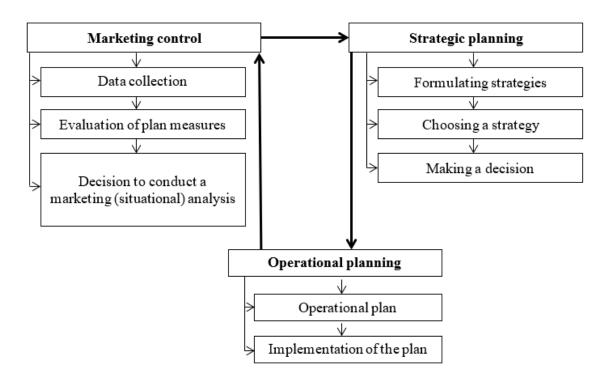


Figure 7 - Planning and control of marketing activities of the enterprise in the context of diversification by the "ring" principle

Source: developed by the author based on [5].

Thus, this approach, applied at different levels: at the level of management of the company and organization of marketing activities in general and at the operational level - the level of planning and control of marketing activities of the enterprise in the context of diversification, allows to effectively organize marketing activities of the enterprise in the context of diversification.

In the economic literature, in connection with the issues of business diversification of an enterprise, foreign enterprises are mainly considered, since this is a relatively new phenomenon for Ukraine. Therefore, when formulating methodological principles and listing the ways of organizing the system of marketing management of the enterprise's activities in the context of diversification, we will also refer to the experience of foreign companies, taking into account the specifics of domestic enterprises and the current economic situation [18, p. 72].

Since the goal of marketing management in an international company is to increase shareholder value rather than maximize current profits, it is common to see that the faster a company's profits grow, the higher its share price becomes. Most companies in the West have a complex structure: they consist of several divisions that produce different products and operate in markets around the world, often unrelated to each other. According to A. Meyer, if the profits of one division grow by 15% per year, while the other division grows by only 2%, the company should get rid of the slowly growing division. Sometimes the opposite happens: in order to increase shareholder value, a fast-growing division is spun off [14, p. 174].

Currently, due to the intensification of competition, Western companies are focusing on those markets where they have a competitive advantage and getting rid of activities in other distribution markets. To achieve the best results, a company needs to strike a balance between cutting out redundant divisions and acquiring new ones that contribute to shareholder value.

Based on the analysis of domestic and foreign sources that describe specific examples of business diversification and analyze their consequences, we will form a set of methodological principles that should be used by domestic enterprises in the

context of business diversification when choosing the optimal strategy for entering foreign markets. This complex consists of three groups of principles (Fig. 8).

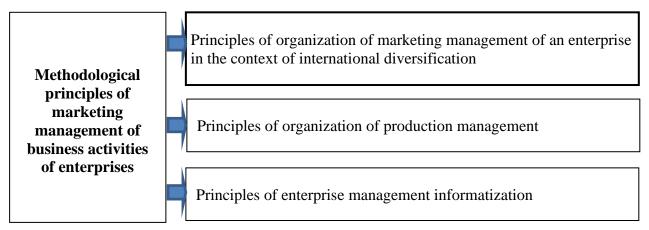


Figure 8 - A set of methodological principles of marketing management of enterprises in the context of international diversification

Source: developed by the author based on [2].

Based on the above problems faced by companies operating in markets around the world, it is worth noting that creating a conglomerate is one of the ways to reduce the dependence of business on the general economic cycle. However, a conglomerate should consist of companies in industries that experience cyclical peaks in profits at different stages of the overall economic cycle. Thus, companies that are diversified in such a way that they have advantages at all stages of the economic cycle and do not experience problems from recessions maximize their profits regardless of the economic situation. That is, an enterprise has organized its business correctly if it operates in different foreign markets and in different industries, since the peak of income in each market (each industry) occurs at different stages of the economic cycle [14, p. 174].

Let us consider the characteristics of the first group of principles - "Principles of organization of marketing management of an enterprise in the context of international diversification" (Table 1) [2, p. 15].

Based on the above principles of organization of marketing management of an enterprise in the context of international diversification, we can conclude that the ability to plan and control the marketing activities of an enterprise in the context of

international diversification, the corresponding income and expenses is a prerequisite for the success of the activity.

Table 1 - Principles of organization of marketing management of an enterprise in the context of international diversification

Principles	Characteristics
Adjusting the company's	Tasks are formed taking into account the state of the internal and
objectives and changing their	external marketing environment
priorities	
Concentration of efforts	Limiting the main areas of activity to three or four, concentrating
	efforts on more attractive foreign markets
Saving and rational use of	Focusing on foreign markets with low entry costs
resources	
Strengthening our leading	Intensify efforts mainly in those markets where the company has
positions	a strong position compared to competitors
Minimizing efforts	Entering new markets by acquiring new businesses, which is
	more profitable than entering new markets
Highly technological	Lack of industries with intensive use of human resources
production	
The principle of cutting off	Realized through the sale of unprofitable divisions
the excess	
Increasing the organizational	Reducing the centralization of management (limiting control to
and economic independence	the areas of finance, accounting, planning, law, and acquisition
of the company's divisions in	strategy) and, accordingly, granting autonomy to individual units
the context of diversification	
Centralization of control over	In certain situations, it is related to control over the distribution
strategic tasks of the	and use of capital to ensure that responsible branch managers are
enterprise	not able to use the firm's funds in their own interests
Personal motivation	It is implemented in the form of incentives for managers based
	on their successes
Enterprise security	The need to ensure enterprise security comes first in terms of
	importance

Source: developed by the author on the basis of [2, p. 15].

Agreeing with the opinion of scientists, we would like to note that controlling the budget allocated for the implementation of marketing programs is an integral part of financial control over marketing activities in the context of diversification.

Summarizing the results of the research of various scholars, in our scientific work we conclude that planning and control of the marketing activities of an enterprise in the context of diversification is one of the main areas of management activity, as it ensures the long-term development of the company, control of income and marketing expenses of the enterprise, and successful implementation of the marketing program of the enterprise.

It follows that the effectiveness of the process of marketing management of enterprises' activities in the context of international diversification should be determined by indicators that characterize the status of achieving the results of business diversification of an enterprise and are calculated based on the results of monitoring and analysis of the status of achieving the goals from the implementation of business diversification projects, and making management decisions.

Taking into account the scientific views of foreign economists T. A. Gaidaienko and N. A. Pashkus, who argue that the possibility of assessing the marketing management of an enterprise's activities in the context of diversification facilitates the economic analysis of the enterprise's strategy and its correction, we propose to compare diversification phenomena at the level of enterprises and markets. Given that diversification takes place in several forms (horizontal, vertical, and lateral), we believe that this complicates the task of calculating a comparable indicator for this process, which takes place in different ways. In the studies of foreign economists, several indicators have been developed and the methodology for their calculation is presented.

Based on different scientific approaches and views of marketers, we will present a generalized description of the methods that have been developed to quantify business diversification.

We believe that one of the methods of quantitative assessment, which was developed on the principle of "backwardation," is worthy of attention. The calculations were made not by the total amount of income received by the company, but by the share

in the main market of the "main" product. This method is relatively easy to calculate quantitative data. However, in our opinion, it provides an indicator that may be more indicative of the degree of specialization of the enterprise in traditional markets, without providing information on the breadth of the enterprise's expansion into foreign markets. Therefore, the scope of this indicator is relatively narrow - it is advisable to calculate it to assess the diversification of business of companies with a pronounced industry affiliation.

The next indicator that we believe is worth noting is the degree of business diversification, which is measured by counting the industries (markets, including foreign ones) in which the company actually operates. At first glance, this method is extremely simple and straightforward. However, there is a weakness in this quantitative assessment, since it does not take into account the extent to which a company's activities are developed in domestic and foreign markets. If, for example, the share of a firm's transactions in a certain market (industry) is rather low (in relation to the total amount of the firm's transactions), the fact that this market (industry) is reflected in the indicator of the degree of business diversification development (for this firm) will not matter. In our opinion, this indicator does not reflect the level of control of the company over the market. Obviously, in markets with low capacity, the dominant position of the enterprise and a high degree of market coverage make it possible to maximize profits "as usual". Hence, it can be concluded that the use of such an indicator is generally incorrect for firms diversified in different domestic and foreign markets.

The proposed methods for quantifying business diversification need to be adjusted using statistical indices. The general principle of their calculations is to take into account the number of markets (industries, business areas) and the relative share that this market (industry, business area) accounts for in the total volume of the firm's business activity.

In our opinion, statistical research methods are the most adequate for summarizing large amounts of economic information. To date, the following indicators are scientifically substantiated and methodologically developed, which can be used to

describe the processes of diversification of production and capital business: the Atton index, the Gort index, the Berry index, and the entropy measure.

Having considered the methods of analyzing the quantitative aspects of business diversification, let us turn to the methods that can be used to assess the qualitative parameters of this process. Such methods of measurement include the so-called categorical method.

Qualitative indicators of diversification of activities give an idea of the specifics of the enterprise's choice of the "product-market" link [4]. This method involves the use of "internal" information that reflects the strategic plans of the enterprise. In this regard, its use is possible only at the intra-company level, for the purposes of marketing management of the enterprise's activities in the context of diversification.

This method of measuring the diversification of activities was proposed by American economists L. Ringley and R. Rumelt [21, p. 557]. According to their concept, the diversification of the enterprise's activities can be determined by the type and volume. In order to measure the scale of diversification of an enterprise's activities, it was proposed to use 4 types of categories: a simple product; a dominant product; a related product; an unrelated product;

According to L. Ringley's approach, the "simple product" category includes all enterprises whose total output consists of at least 95% of one product. If this figure is 70-95%, then we are talking about a "dominant product". For enterprises with a share of one product below 70 %, two options are indicated [21, p. 557]. The category "related product" includes those enterprises in which all elements of the production program are interconnected.

The concept of L. Ringley was clarified by P. Rumelt. He proposed three indicators for the classification of enterprises [21, p. 558]: the degree (measure) of specialization; the degree of kinship, characterized by the ratio of the turnover of related production areas of the enterprise to the total turnover; the degree of vertical ties, which determines the share of turnover of vertically related activities of the firm in the total turnover of the firm.

According to the first indicator (the degree of specialization), enterprises differ from each other in the same way as reflected in L . Ringley's classification. However, P. Rumelt uses in his scheme not the number of different products, but the so-called "discrete business" [21, p. 559].

The indicator "degree of vertical linkages" is used to distinguish vertically integrated enterprises from those that are not. When this indicator takes a value higher than 0.7, such an enterprise should be considered vertically integrated. A general overview of the classification used by P. Rumelt can be visualized in the form of a structural and logical diagram (Fig. 9) [21, p. 557].

The proposed methods and indicators for assessing the degree of diversification of enterprises' activities can be used to evaluate the effectiveness of marketing management of an enterprise in the context of international diversification, but it should be noted that there is a linear dependence of this process on the systematic approach to the implementation of the project of diversification of activities.

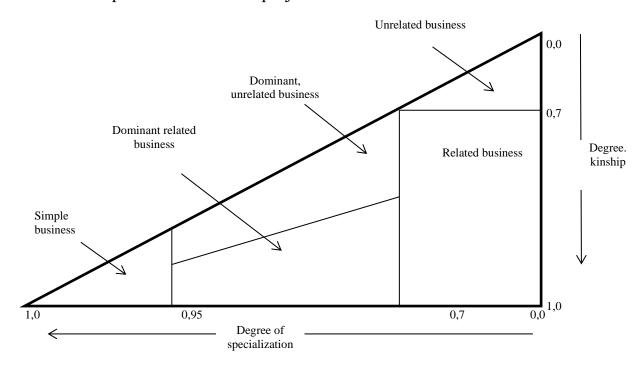


Figure 9 - Discrete-category assessment of business diversification Source: [21, c. 557]

In order to further develop a methodology for assessing the effectiveness of marketing management of an enterprise in the context of international diversification,

the main priorities of which are entering new markets, we propose to take into account the following factors: risk-return ratio; business development goals, main industries in which the activity is carried out, specialization and image of the organization; requirements for the size and adequacy of equity capital (when entering international markets, it is necessary to take into account the norms of other countries in which it is planned to conduct.

In the current economic environment, domestic enterprises should take into account the methodological principles and methods of organizing a management system for the most promising areas of activity. Based on the stages of the process of marketing management of the enterprise's activities in the context of international diversification, taking into account the factors that should be taken into account when assessing its effectiveness, we propose to identify and form zones of potential product distribution and determine the impact of the competitive environment on the activities of the enterprise in the context of international diversification.

When studying the features of marketing management in the context of international business diversification of enterprises, it is recognized that the ability to plan and control the marketing activities of an enterprise in the context of diversification, the corresponding income and expenses is a prerequisite for the success of the activity. Therefore, in the process of carrying out the marketing activities of an enterprise in the context of diversification, maximum attention should be paid to planning and control, since the effectiveness of marketing management in the context of international business diversification depends on control over the implementation of marketing annual plans, profitability control and strategic control of activities.

Thus, the above features make it possible, in the context of international diversification of an enterprise's activities in a competitive market, to identify problematic issues that arise in the course of international business diversification, to quantify and qualitatively assess and determine the degree of diversification of the enterprise's activities in different markets, as well as to conduct marketing research on the most important consumer segments and foreign markets for business and to choose the best way to penetrate international markets with a diversified company.

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# 2. Internet marketing tools in communication activities of milk processing enterprises

Rapid development stimulated the need to change approaches to the implementation of marketing through the activation of advertising activities: advertising technologies are constantly changing depending on the intensity of competition, there is a constant search for new ways of delivering information about the product to the end consumer.

Integrated marketing communications deserve special attention. They contribute to the achievement of market goals, ensure long-term relations in the markets of goods and allow to achieve optimal influence on the consumer. Each of the means of communication is a set of various channels and forms of implementation, which in general make up the environment of marketing communications and ensure constant interaction with producers, intermediaries and consumers within the region itself [23].

On-line communications are of greatest importance at present. Although their development in Ukraine is carried out at a slower pace than abroad, nevertheless, in view of the use of the latest technologies, their practical application is necessary. Online communication channels are used to obtain information both selectively and non-selectively [24].

With the help of online communications, time and money spent on tasks such as:

- promotion of products, familiarization and attracting the attention of specialists;
  - fixation and involvement in the trade offer of products;
- creating a trademark image and providing information about product
   properties and benefits;
  - formation of recognizable packaging or trademarks;
  - formation of the company's image and strategy.

The Internet has become the driving force of mass information among consumers. This is the most popular source of information about the company's

activities, product range, marketing promotions, etc. Customers increasingly use different types of social networks to gather the information they need about a product, and they can make certain purchasing decisions fairly quickly. Social networks such as Facebook and Instagram play a special role in obtaining information in modern conditions.

When choosing a method of placing the necessary information on the Internet, the company is interested in the most important necessary result of such actions - obtaining traffic. Traffic on the Internet can be compared to customers in a store: the more they come to the store, the more products can be sold. Not all visitors will make purchases, which is normal for any sphere of business, as well as on the Internet, except that the conversion rates differ. Every second visitor can make a purchase in a store, one in ten can make a purchase on the Internet. For this purpose, an important aspect of the activity of the marketing department of domestic enterprises is the analysis of traffic and the creation of conditions for increasing conversion. The conversion is usually multi-stage and represents the number of transitional stages that the Internet user performs until the moment of making a purchase.

Everything starts from the moment of displaying an advertising message and clicking on it, the next stages can be a transition to the appropriate section on the site, registration, filling out forms, uploading files, making a purchase, etc. The whole process can end at the first stage, or it can be brought to an end, that is, the company will receive a sale. Therefore, the main task is to increase conversion - increase the percentage of transitions to each subsequent stage of the "funnel" of conversions, and so on until the achievement of the final goal.

When advertising on the Internet, a marketer chooses a platform (site) that can bring him the most traffic. If there is a site that is fit for purpose, the next step is to understand that traffic comes at a price. It can be negotiated, or it is already fixed or set by the site owner. The price of traffic is determined by many factors, in particular, it depends on how often new visitors come to the site, how long they stay, how often they take certain actions, how far the site is in the TOP, etc.

Thus, it can be said that the Internet continues to develop and is actively used in the functioning of the enterprise. The Internet has become a very useful tool for the implementation of marketing strategies, as well as the promotion and sale of products. Internet advertising offers companies an effective environment for marketing activities, accumulating large volumes of traffic on platforms of different thematic focus, has tools that companies can use for searching, targeting, leading users to the appropriate section on the site or conveying the information they need, offers many variations in the choice of formats of advertising blocks, methods of payment for running an advertising company and opportunities for its analysis and optimization.

Among the main methods used on the Internet for the presentation of any resource or a real product, service or idea are: banner advertising, contextual advertising, rating systems, thematic catalogs, E-mail marketing, bookmarks in the browser and the transition by URL.

The importance of the use of Internet technologies in the activities of domestic processing enterprises, including in the field of dairy production, is also gradually increasing nowadays. Enterprises in this field use Internet marketing, mostly, to create a positive image and increase brand capitalization. All powerful milk processing enterprises are currently actively represented on the Internet, have their own websites and actively communicate with existing and potential consumers of products in social networks.

In table 1 a rating of brands is given, which illustrates consumer preferences for milk of various Ukrainian producers. The results are given on the basis of a survey conducted within the open rating of people's preferences "Success Favorites". This rating determines the best and most recommended brands of goods and services on the Ukrainian market, based on research, the results of which are published on the website favor.com.ua.

 $\label{eq:Table 1} Table\ 1$  Consumer preferences for milk of different brands in Ukraine

No	Trademarks	<b>Consumer preferences,</b>	Rating according to 5 points	
		%		
			scale	
1	"Galichyna"	27.3	5	
2	" Yagotynske "	27.58	4.93	
3	" Prostokvashino "	25,35	4.43	
4	"Selianske"	19.78	3.59	
5	" Molokia "	18.38	3.37	
6	"Ferma"	16.71	3.04	
7	"Voloshkove pole"	16.70	2.79	
8	"Bila liniya"	10.58	2.24	
9	" Slavyanochka "	12,26	2.04	
10	" Rud "	7.52	1.61	
11	"Hutorok"	7.24	1.37	
12	"Zlahoda"	6.69	1.17	
13	" Buryonka "	6.41	1.15	
14	" Dobriana "	6.99	0.99	
15	" White Light "	3.9	1	
16	"Dobrynia"	6.69	0.99	
17	"Harmoniya"	5.29	0.95	
18	" Zarichia "	5.01	0.90	
19	"Molochar"	3.34	0.87	
20	"Ama"	4.18	0.82	

Source: based on [25].

TM "Halychyna", TM " Yagotynske ", TM " Prostokvashino ", TM "Selyanske" and TM " Molokia " are the five leaders according to the open rating of people's preferences "Favorites of Success". It should be noted that these results relate only to the popularity of milk of various brands among consumers, for other types of dairy products the ranking is somewhat different.

Let's consider how the activities of dairy producers on the Internet affect the formation of consumer preferences for their products. To do this, we will conduct an analysis of website visits and activity in social networks of the enterprises under study.

The company's website opens up new opportunities for it to create, build and manage relationships with customers. A website can also be used for sequential moving customers through stages of purchasing power and transformations of potential customers into real consumers.

The use of websites allows companies to get a number of significant benefits: promotion productivity, the appearance of additional sales opportunities, direct access to the market, improvement of customers' quality service, improvement of brands and business processes, and improvement in customer relations, they can also become the important source of information for acceptance marketing solutions [26].

In the modern practice of marketing activities, the corporate website has become an important element of communication policy and a central element of online marketing strategy. This is due to a number of reasons:

- A website is a place where a company can fully express its brand and marketing message in any way it wants. It is also the primary source of accurate facts and information about businesses and products.
- A website is more than just an information page: it can be a powerful marketing and business tool. For example, if you analyze data about visitors to your page, you will be able to get a good idea of who is interested in your offer. You can also set up an online store, create a blog and other features, and customize your website to reflect exactly the information your target market is looking for.
- The website is the hub to which all other marketing strategies lead. It is essentially the final destination for all other online activities.
- Today's audience expects that any serious company should have a website with all the necessary information, easy to find and even easier to navigate.
- A website is the online home of a company's brand. A website is that part of the web that is completely dedicated to a specific brand and marketing message. It

serves as a reference point for customers, colleagues and even its own staff. The site can also be used as a marketplace, social community and bulletin board.

• It is stable. Although pages on social networks, advertising campaigns, e-mails change, the website will always remain in the same place (at the same web address). This is extremely important in the changing online environment, especially when it comes to links that lead to important content.

The website is a tool that reflects the individuality of the company, creates the effect of presence and interaction with it. Visiting a company's website can be compared to a physical visit, but it is faster, more convenient and often more effective, as it allows the consumer to make a purchase decision in a calm environment, without pressure from the seller. The site helps to show the individuality of the brand, and visual solutions and content can be used by company employees as a means of attracting attention, persuading and inducing a certain targeted action, that is, being an effective marketing tool.

We will use the Internet service SimilarWeb to analyze the sites. SimilarWeb is a service for collecting, measuring, analyzing and providing data on behavioral patterns, statistics of consumer engagement of websites and mobile applications. With the help of the service, you can analyze site visits, average duration of sessions, view depth, percentage of rejections, traffic in the five most traffic-intensive countries, channels from which traffic comes, referral links, top 5 search phrases, data on social networks, data on media advertising, etc.

Table 2 shows ranking data of sites in the food and beverage category. A site's rank is determined based on the highest number of unique users and page views per month in the category to which the website belongs.

 $\label{eq:Table 2} Table~2$  Ranking results of sites in the food and beverage category

No	Producer	Website address	Website	The average
			rank	number of site
				visits per
				month
1	JSC "Milk Alliance"	milkalliance.com.ua	17	160848
2	PJSC "Zhytomyr Oil	rud.ua	32	131904
	Refinery" - company " Rud "			
3	Lustdorf " LLC	loostdorf.com	136	5599
4	Danone " Group	danone.ua	409	4985
5	PJSC "Ternopil milk factory"	molokija.com	432	4812
6	GC " Lactalis -Ukraine"	lactalis.com.ua	464	3949
7	PrJSC "Halychyna"	galychyna.com.ua	468	3510
8	"TERRA FOOD" LLC	terrafood.ua	640	2448
9	PJSC "Yuriya"	voloshkovepole.com.ua	769	<1700
10	Milkiland -Ukraine LLC	milkiland.ua	984	<1700

Source: based on [27].

Thus, JSC "Milk Alliance", PJSC "Zhytomyr Maslozavod" - company " Rud ", LLC " Lustdorf ", GK " Danon ", PJSC "Ternopil Dairy ", four of these enterprises are also leaders in the rating of consumer preferences for milk of various brands.

In order to evaluate the site as effectively as possible, a certain set of metrics, so-called KPIs, are used. They are necessary in order to understand at which of the stages of interaction with a potential client and how effectively marketing works. Thanks to the analysis of the effectiveness of the site, you can see and highlight all the strengths and weaknesses of the site and understand which works with the site should be prioritized, how to improve the methods of promoting the site.

Among the indicators of the site, which characterize the effectiveness of interaction with the audience, the following can be distinguished:

- 1. Attendance. One of the main performance indicators. Getting as many visitors to the site as possible is one of the main tasks of the owner. Because the greater the number of visitors, the greater the probability of making a contact and making a sale. A high number of visits also indicates that the site is well indexed by search engines, and the content presented on the site is relevant. Important metrics are the total number of visits to the site and the number of unique visitors, as well as the ratio of these indicators. IP addresses and cookies are used to determine uniqueness. This indicator allows you to monitor the dynamics of attendance and find the reasons for changes in the audience's interest.
- 2. Time spent by the user on the site or a specific page. This indicator demonstrates the involvement of the consumer, the depth of studying the content. At the same time, a page viewing time of at least 15 seconds is considered normal, while a shorter viewing time can be considered a rejection. The reasons for refusal to view can be: irrelevant content, undisclosed topic, poorly designed page, inconvenient interface, etc. The higher the time spent on the site page, the higher the position search engines assign to the resource, because such a site is considered valuable for the user.
- 3. Popular pages and number of pages viewed. Shows which pages users have viewed and the number of pages viewed. Page view indicators give an idea of the ease of use of the site, the ease and comprehensibility of perceiving its structure. They can also indicate the interest of the audience and are used to maintain it. At the same time, other factors should be taken into account, because a quick movement through the pages followed by their closing may indicate that the user has not found the necessary information. This indicator is necessarily important to evaluate, because the site's ranking in the Google search engine depends on the site's loading speed and the number of page transitions.
- 4. Failure rate. This characteristic shows the number of users who were on the site for less than 15 seconds. For search engines, this indicator demonstrates the usefulness of the site or its absence for the audience.
- 5. Search output. Both external and internal searches are evaluated. External these are queries of search engines, internal the use of site searches. At the same

time, the more pages indexed in search results, the higher the site's ranking. Search performance depends on many factors: the value of information, the audience's interest in a specific topic, the attitude of users to the site, etc. All these factors are important to take into account, because search engines strive to publish the most high-quality and relevant content.

- 6. Consumer engagement channels. Shows from which channels the user came to the site (search results, social networks, mail, external links), as well as what actions on the site were performed by users from each group. This indicator allows you to understand which promotion channels are the most effective for the business in terms of the required targeted action.
- 7. Geography of visitors. Shows the geographical location of users accessing the resource. It makes it possible to analyze geographically different markets, including foreign ones. Also, the analysis of geographic data gives an impetus to enter new markets, if the latter demonstrate high performance indicators.
- 8. Socio-demographic characteristics. Include users' age, gender, social status, income level, interests and preferences. The characteristics of the site's audience allow you to form clear segments with the determination of the percentage ratio of each of them in the total mass of visitors. The received information is further used for targeting, creating advertisements and effective promotion of the company's products and the resource itself.
- 9. Devices used to access the site. Describes what devices visitors are using: desktop PC, laptop, mobile device or tablet. It also provides information about the browsers and platforms of site visitors. These characteristics allow, firstly, to optimize the site for convenient use both on mobile devices and on personal computers, and secondly, to use the received information to effectively adjust targeting parameters during the launch of an advertising campaign.
- 10. Targeted actions. Describes whether the user performed the required targeted action: purchase, registration, news subscription, or some other conversion. This indicator is the main one and is a direct reflection of the efficiency of the resource

and measures for its promotion. After all, the higher the percentage of completed conversions, the more profit the company will ultimately receive.

11. Conversion rate. Closely related to the previous indicator. It characterizes the ratio of the total number of visitors to the users who performed targeted actions: subscription, registration, placing an order, contacting the call center, writing reviews and comments, etc.

The capabilities of the SimilarWeb service allow you to monitor most of the considered indicators. The main results of the analysis of the studied indicators are given in table 3.

 $Table\ 3$  Performance indicators of sites of milk processing enterprises

Site address	The ratio of the number of site views to the number of unique users	Average time spent by the user on the site, min:sec	The number of viewed pages per 1 visit, pcs.	Users who left the site after viewing 1 page, %
milkalliance.com.ua	1.23	01:25	1.52	75.75
rud.ua	1.41	09:19	2.62	65.83
loostdorf.com	2.0	03:56	7.03	48.30
danone.ua	1.33	01:32	2.79	46.08
molokija.com	2.89	01:15	3.05	45,19
lactalis.com.ua	1.80	02:16	2.74	49,18
galychyna.com.ua	2.80	14:12	5,10	26,36
terrafood.ua	1.41	01:57	3.08	52,61
voloshkovepole.com.ua	1.66	01:32	2.59	48,44
milkiland.ua	1.66	01:23	2.56	61.59

Source: based on [27].

So, despite the fact that at PrJSC "Galichyna" the average number of visits to the site per month is significantly lower than at JSC "Milk Alliance" and PJSC "Zhytomyr Maslozavod" - the company "Rud", the website of PrJSC "Galichyna" is in the lead in terms of such indicators , as the average time spent by the user on the site, the number

of pages viewed in 1 visit, and is in 2nd place among the studied enterprises in terms of the ratio of the number of site views to the number of unique users. At the same time, the number of users who left the site after viewing only 1 page is the lowest among the studied enterprises and is 26.36%. Such a situation may indicate a lively interest in the company and its products and the presence of relevant content on the site.

We will also analyze which devices users access the site from. The results are shown in the figure for greater clarity (Fig. 1).

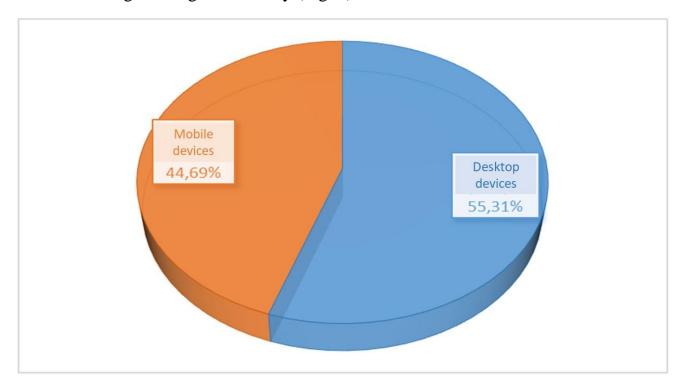


Fig. 1. Distribution of website visitors by devices used, %

Source: based on [27].

Thus, despite the significant increase in recent years in the number of users who use mobile devices to search for the necessary information, the share of users who access the researched sites from desktop devices, i.e. stationary PCs, laptops and netbooks, prevails. At the same time, the share of users using desktop devices is the highest at PJSC "Yuriya" - 78.26% and PJSC "Halychyna" - 75.48%, and the share of users using mobile devices is the highest at PJSC "Zhytomyr Oil Plant" " - Rud company - 82.57% and JSC "Milk Alliance" - 78.92%.

PJSC "Zhytomyr Maslozavod" - "Rud" company and JSC "Milk Alliance" also actively use SEO promotion tools, in particular, they work on filling the sites with useful content. For example, the rud.ua site contains separate pages with recipes for dishes, the ingredients of which are the company's products, and the milkalliance.com.ua site contains a blog that contains useful articles related to healthy nutrition and recipes for popular dishes, which are also opened as separate pages of the site (Fig. 2).

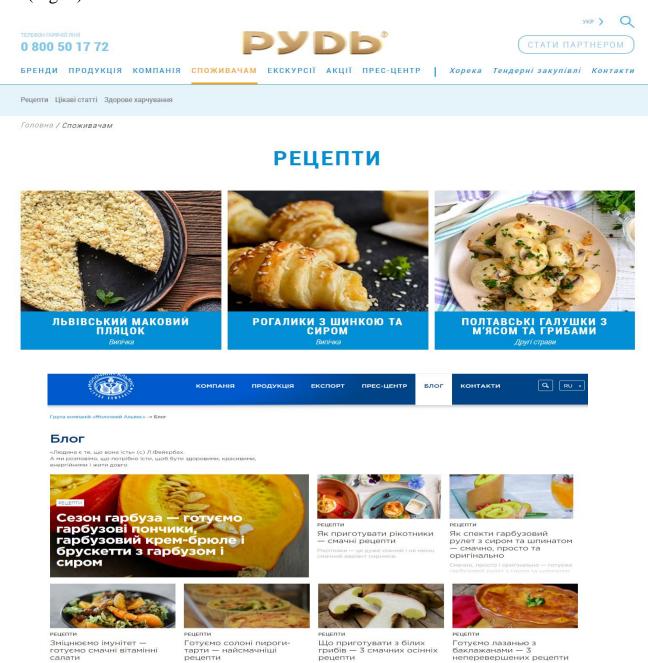


Fig. 2. Examples of the recipe page of the rud.ua website and the blog of the milkalliance.com.ua website

Source: generated according to the company's data

At the same time, the rud.ua site is placed first in the top of the SERP on Google for such key phrases as "chanakhy ", "smetanyk", "milk cocktail", "deruny recipe ", "melted milk recipe". And the site milkalliance.com.ua is the first in the search results for the phrases "oatmeal", "milk what gives", "broccoli cabbage", "protein in products", "fiber in any products", "selenium in products", "products that containe protein", "milk omelette", etc. Equally important is the fact that both sites have Ukrainian-, Russian- and English-language versions, which allows them to be in the first positions in Google's SERP when phrases are entered into the search in different languages.

We will also consider the socio-demographic characteristics of users who visit the websites of the companies under study, such as age category and gender. First, let's focus on the distribution of users by age category (Fig. 3)

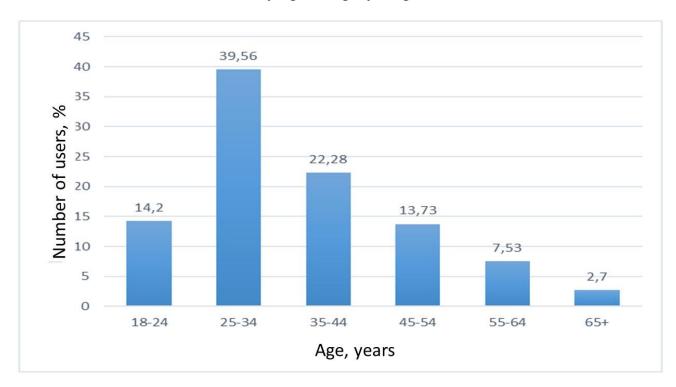


Fig. 3. Distribution of users of the sites of milk processing enterprises by age categories

Source: based on [27].

Thus, the main share of visitors of the researched sites, about 40%, are young, active people aged 25-34, the second largest group of visitors are people aged 35-44,

but this group of users is almost twice as small - 22.3 %. The group of site visitors aged 65 and over is the smallest. This picture is characteristic of all the studied enterprises. The youngest audience aged 18-24 is the most numerous at danone.ua - 21% and rud.ua - 18%.

Next, consider the distribution of site users by gender (Fig. 4). Among the visitors of the researched sites, the shares of men and women are almost equal, 49.6% and 50.4%, respectively. At the same time, the share of women among users is the highest at milkalliance.com.ua and rud.ua - about 60%. The share of male users is the highest at the sites molokia.com and lactalis.com.ua - about 56%.

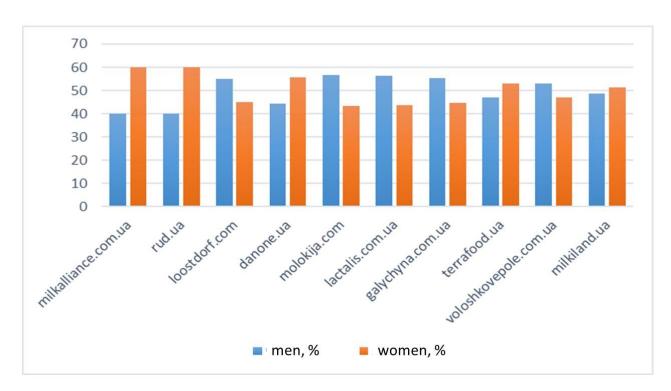


Fig. 4. Distribution of users of the studied sites by gender, %

Source: based on [27].

We will also evaluate the channels for attracting traffic to the websites of the companies under study (Table 4).

 $Table\ 4$  Channels for attracting traffic to the sites of milk processing enterprises, %

Site address	Direct	Email	Referral	Social	Organic	Paid	Media
	access		programs	networks	search	search	advertising
milkalliance.com.ua	2.29	0.60	0.57	0.98	85,56	-	-
rud.ua	30.89	0.66	1.52	1.37	65.07	-	0.48
loostdorf.com	33,39	-	2.20	2.32	31.49	-	30,61
danone.ua	84.61	0.25	0.09	0.04	8.50	0.07	6.44
molokija.com	35.25	-	0.74	1.68	60,81	-	1.52
lactalis.com.ua	9,14	26.91	1.82	-	62.13	-	-
galychyna.com.ua	31,21	-	0.86	10.01	53.4	-	4.51
terrafood.ua	34,48	0.88	5.51	0.15	58.97	-	-
voloshkovepole.com.ua	29.05	-	1.67	4.52	64.77	-	-
milkiland.ua	36.69	12,10	4.19	1.48	45,54	-	-

Source: based on [27].

As for social networks, the share of activities on the site from this traffic channel was insignificant and amounted to an average of 2.26%. The distribution of site traffic by this channel looks as follows (Table 5):

Table 5 Channels for attracting traffic from social networks, %

Site address	Facebook	Instagram	YouTube	Telegram
milkalliance.com.ua	99.9	-	0.04	-
rud.ua	16,12	2.63	44.0	11,17
loostdorf.com	-	31,26	68.74	-
danone.ua	100.0	-	-	-
molokija.com	-	-	100.0	-
lactalis.com.ua	-	-	-	-
galychyna.com.ua	95.35	4.65	-	-
terrafood.ua	100.0	-	-	-
voloshkovepole.com.ua	-	49.77	50.23	-
milkiland.ua	-	53.05	46.95	-

Source: based on [27].

So, according to the channels of attracting traffic to the site from social networks, there is a clear trend that would reflect the general picture that this or that channel is not effective. Rather, the effectiveness of attracting traffic through each of these channels depends on the goals of the enterprise, the content that is offered to the consumer, and the specifics of the targeted action necessary to make the transition to the site.

The small share of traffic from social networks can also be explained by the fact that social networks are a separate, very effective channel of interaction with consumers and the formation of loyalty to the company and its brands and the increase of their capital. Let's consider the indicators of activity in the social networks of the enterprises under study (Table 6).

 $Table\ 6$  Indicators of activity in social networks of milk processing enterprises

No	Producer	Facebook	Instagram	YouTube
1	JSC "Milk Alliance"	14118 likes, 15616	243 posts, 11175	68 videos,
		subscriptions	subscriptions	2700
				subscriptions
2	PJSC "Zhytomyr Oil	87943 likes,	745 posts,	68 videos,
	Refinery" - company "	90111 subscriptions	28500	7050
	Rud "		subscriptions	subscriptions
3	Lustdorf " LLC	5943 likes,	284 posts,	14 videos,
		60425 subscriptions	11000	385
			subscriptions	subscriptions
4	Danone " Group	16677 likes,	103 posts,	402 videos,
		16909 subscriptions	1681 subscriptions	33900
				subscriptions
5	PJSC "Ternopil milk	1951 likes,	724 posts,	61 videos,
	factory"	13500 subscriptions	15400	1250
			subscriptions	subscriptions
6	GC " Lactalis -Ukraine"	821 likes,	91 posts,	10 videos,
		856 subscriptions	466 subscriptions	18 subscriptions

#### Continuation of table 6

7	PrJSC "Halychyna"	19261 likes,	551 posts,	24 videos,
		19720 subscriptions	11402	14,000
			subscriptions	subscriptions
8	PJSC "Yuriya"	5257 likes,	50 posts,	32 videos,
		5512 subscriptions	1951 subscriptions	84 subscriptions
9	Milkiland -Ukraine LLC	334 likes,	516 posts,	20 videos,
		387 subscriptions	589 subscriptions	75 subscriptions

Source: based on [27].

The conducted analysis shows that the most active in the Facebook and Instagram networks is Zhytomyr Maslozavod PJSC - the company "Rud", at the same time, the highest activity on YouTube is observed in Danon Group. Danon Group also has the highest rate of growth of the YouTube subscriber base. So, for example, from 17.10.2020 to 20.10.2020, the number of volunteers increased by 600 people. The last video in the playlist titled "New probiotic shots Activia. Health starts from the inside" was viewed by 148,681 people in a week.

Advertising campaigns carried out by enterprises in social networks also play an important role in increasing the number of subscribers. As a rule, they are aimed at increasing brand recognition, advertising new products of the company, which is aimed, first of all, at subscribers, announcement of contests and events initiated by the company. For example, in October 2020 Danon Group launched 2 advertising campaigns from its Facebook page: one related to an event organized by the company, the other aimed at informing consumers about the new product, the new probiotic yogurt (Fig. 5).

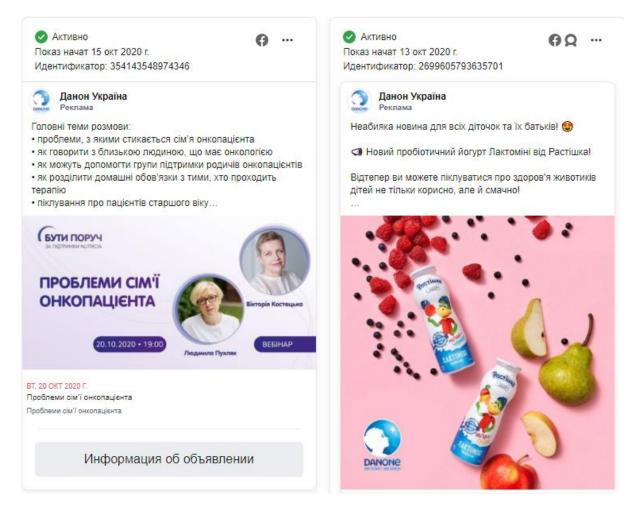


Fig. 5. A sample of Danon Ukraine Group advertisements on Facebook and Audience Network

Source: generated according to the company's data

Therefore, the company's advertising campaigns are aimed at promoting products, and are also part of event marketing - a set of marketing activities aimed at promoting a product or company in connection with a certain event. In this case, an event is covered within the framework of the project "Be near" of the company " Nutricia ", a division of the " Danone " Group, which works in the segment of specialized nutrition.

Among the investigated enterprises, advertising through the Facebook advertising cabinet is also actively used by PrJSC "Halychyna", JSC "Milk Alliance", LLC "Lyustdorf", PJSC "Zhytomyr Maslozavod" - company "Rud ", PJSC "Yuriya". Let's consider in more detail the samples of advertisements of the listed enterprises (Fig. 6, 7, 8, 9).



Fig. 6. Sample of advertising announcements JSC "Milk Alliance"

Source: generated according to the company's data

Thus, the advertising campaign of JSC "Milk Alliance" is aimed at familiarizing the target audience with novelties and popularizing the company's products.

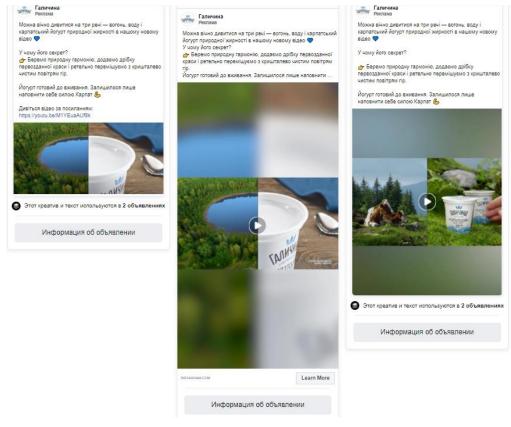


Fig. 7. Sample of advertisements of "Halychyna" PrJSC

Source: generated according to the company's data

Ads contain short 10-second videos and a text portion. The content of the ads is aimed at demonstrating usefulness for the consumer: it is a recipe for a healthy dish, a post about the benefits of butter, and an advertisement for a new product useful for the body. The target audience is Instagram users. Announcements are placed in the news feed.

The advertising campaign of PrJSC "Halychyna" is aimed not only at popularizing the company's products, but also at increasing the subscriber base on YouTube and Instagram. For this, 3 types of advertising messages with the same text, but different formats of creatives, were launched. In the first case – an advertising message for the Facebook feed with a static creative and a link to a YouTube video. The second ad is designed in the format of stories for Facebook users with the ability to go to the company's Instagram page. The third ad also contains video and is designed for the Instagram feed.

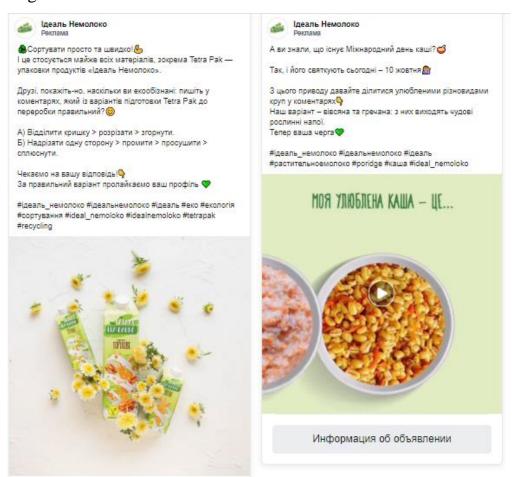


Fig. 8. Sample of advertisements of Lustdorf LLC

Source: generated according to the company's data

With the help of its advertisements, "Lustdorf "LLC popularizes its brand of herbal drink "Ideal Nemoloko" and directs the target audience of Facebook and Instagram to interact with the brand in the form of writing comments under advertising posts.

"The ideal Nemoloko" - is positioned as a tasty and healthy alternative to cow's milk. The manufacturer notes that this is a healthy and useful product that should be included in the daily diet of vegetarians, people observing fasting, people who are lactose intolerant or allergic to cow's milk. TM " Ideal Nemoloko " has its own website, pages on Instagram and YouTube .

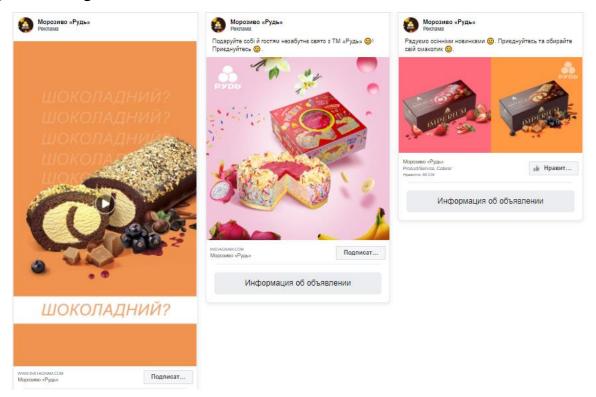


Fig. 9. Sample advertisements of PJSC "Zhytomyr Maslozavod" - company "Rud"

Source: generated according to the company's data

PJSC "Zhytomyr Maslozavod" - company "Rud" directs its advertising campaign to increase the number of followers on Facebook and Instagram social networks. Advertising messages placed in stories and in the Instagram feed have "Subscribe" buttons, after clicking on which the user gets to the company's Instagram

page. Advertising messages placed on the Facebook network contain an appeal to like the page.

Milk processing enterprises also actively use the promotion of sites in social networks. This direction is popular in the field of complex promotion of sites, because social networks are used by a huge number of people all over the world. Among all methods of work on social promotion of websites, promotions and contests are the most effective directions.

Contests in social networks are held mainly with the aim of attracting a new audience and increasing the loyalty of the existing one. Such contests can have different topics, different forms, but their result is the same: an increase in the number of followers of the official group or brand page in the social network, as well as a surge in the interest of potential buyers in the brand's products or specific goods.

The general scheme of any contest in social networks can have the following form. In social networks, there is a call to perform a certain action, for example, invite your friends to the company's official group or to the subscribers of its official page, post a photo or video, put a " like ", come up with an original product name, slogan, etc.

A prize is awarded for fulfilling the conditions of the competition, and the winner is selected according to certain criteria. For example, the prize may go to the first, most active participant, the participant who received the most votes from users of the social network. Another approach is a prize draw. All participants who have fulfilled one or another condition are admitted to the draw. They have equal chances; the winner is determined by a random method. After the winner of the competition is identified, the results are summarized and the published.

SMM promotion is increasingly used today by companies seeking to attract the attention of an online audience to their products or services, and social media contests are a useful tool for attracting such attention. With the help of contests, you can achieve a significant increase in the number of participants and followers of the company in social networks, increase the activity of existing participants, introduce the target audience to new products in the range, etc.

For example, PJSC "Yuriya" uses advertising on Facebook and Instagram to announce a contest that stimulates product sales and promotes the site. The content consists in drawing a car when registering on the website with a code that is placed on the product cover. That is, each of the ads has a link to a specific page of the site, while the ad posted on Instagram has a direct link to this page via the "More" button (fig.10).



Fig. 10. Sample of advertisements of PJSC "Yuriya"

Source: generated according to the company's data

PJSC "Zhytomyr Maslozavod" - the company "Rud" also organizes contests for its subscribers, the purpose of which is to popularize the brand and expand the base of followers on Facebook and Instagram. The contest includes a prize draw, if you like the publication, write a comment and mention your friend in it.

After the analysis, it can be concluded that it is this company that currently most actively uses all Internet channels of communication with the consumer, including work with social networks, content and promotion of the site. The experience of other

enterprises in implementing Internet marketing in their communication activities is also interesting.

So, the conducted analysis shows that companies that are leaders in the dairy products market actively use Internet marketing tools in their communication activities. The main purpose of their use is to influence the consumer's behavior and increase the brand's image and recognition

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3. Implementation of marketing information systems in agricultural activities of

enterprises

3.1.1 Research of cloud services and machine learning algorithms in

marketing information systems

In modern conditions of global transformation, the role of managing marketing

activities of agricultural enterprises is growing. An important element of effective

business is understanding and using the concept of marketing in the management of

agricultural enterprises. The quality of marketing activities in management is decisive,

since it determines the highly profitable rhythmic activity of the enterprise.

Marketing information is usually used exclusively in the commercial sphere. At the

same time, in modern conditions there is an urgent need for its use in the activities of

almost all functional divisions of the enterprise, which sets the task of quantitative and

qualitative development of marketing information systems. At the same time, the

marketing orientation of the enterprise requires both organizational and informational

unification of various fields of activity around the interests of the consumer, the

development of new techniques and methods for obtaining and analyzing marketing

information.

Studies of agricultural enterprises in Ukraine confirm that the introduction of

marketing, although becoming more widespread, is not yet fully using all existing

forms of marketing management. This would ensure the competitiveness of

agricultural enterprises, adaptation to constant changes in the external environment and

market conditions.

Today, information flows of data, which are the basis for making economic

decisions in enterprises, are not sufficiently adapted to the unstable marketing situation

and aggressive market environment.

The long-term success of any agricultural enterprise depends not only on the

financial results of its activities at a particular point in time, but also on the proper

organization of the marketing strategy and the flexibility of the management system,

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because in market conditions, the company's management needs market reviews, research of purchasing power, sales, forecast calculations of the effectiveness of product advertising.

Management that does not keep pace with dynamic changes within the enterprise and the external environment can lead to the death of the enterprise, and makes it incapable of adaptation and further development, and marketing is an integral part of the enterprise.

In the practice of domestic agricultural enterprises there are a number of disadvantages that reduce the effectiveness of marketing activities. These include: the chaotic use of individual marketing elements and the lack of a well-developed sales funnel, the reduction of marketing functions only to stimulate the sale of goods, food, focus on the short term, lack of flexibility and ignorance of consumer demand.

To solve these problems, it is necessary to develop measures to promote products through the formation of a sales support system, and the development of agri-food market infrastructure, which would cover different geographical and Internet communication levels. In these conditions, the role of marketing activities of agricultural enterprises and the need to develop recommendations for the organization and development of marketing tools in agro-industrial production at the enterprise level are growing.

The issues of effective functioning of enterprises, during the global financial crises, which spread to the domestic market, are of particular relevance. Under these conditions, business leaders should pay special attention to marketing as an indispensable and universal market tool, since the crisis in the economy should be considered as new opportunities for redistributing markets, an opportunity to gain other market positions.

Marketing information provides an opportunity to reduce uncertainty in the process of making management decisions and, as a result, reducing the risk of making erroneous decisions. However, the lack of necessary information or its late receipt, the use of inaccurate, outdated, biased data, errors in the interpretation of data can cause non-achievement of marketing goals of the enterprise and significant losses.

Therefore, issues related to the collection, systematization, processing and analysis of information with the subsequent communication of results to decision-makers are of particular importance. The solution of these issues is possible only with the application of special procedures and methods, as well as the introduction of modern information technologies. In this regard, the extremely relevant task of managing marketing activities of the enterprise is the creation and effective functioning of the marketing information system (Fig. 1).

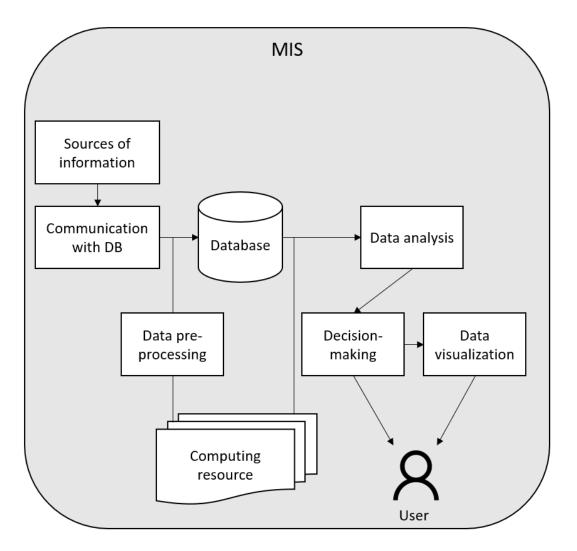


Figure 1. An example of the MIS

For a comparative analysis of modern information systems, which provide modules responsible for the implementation and support of marketing activities, it should be

noted the feasibility and effectiveness of ERP systems that provide informatization of almost all business processes of an industrial enterprise.

It is the ERP system that is recommended to be implemented as a key component of information support for marketing activities. However, given the power of modern algorithms for processing large amounts of data, it will also be advisable to investigate the correlation on the data diluted by new sources (Fig. 2). Modern pattern recognition algorithms will reveal complex relationships between data, predict customer behavior and optimize marketing decisions.

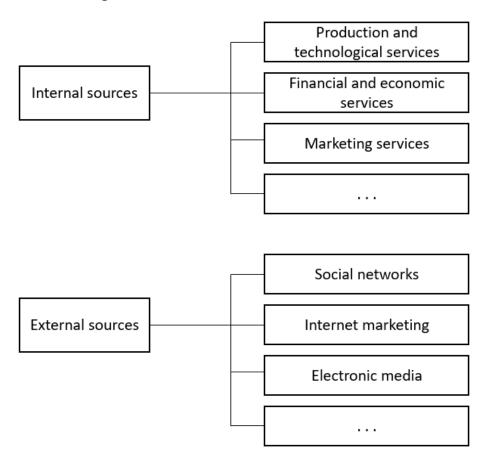


Figure 2. Internal and external sources of information

Therefore, as part of a comparative analysis of modern marketing information systems, it is worth considering a combined approach that uses both ERP systems and Big Data algorithms. This will allow, on the one hand, to ensure the management of all business processes, and on the other - to effectively analyze and use large amounts of data, which is an integral part of modern marketing.

Given this, we can say that the optimal variant of the marketing information system can be built on the basis of an ERP-system with additional modules for processing big data. This will maximize the benefits of both approaches.

On the one hand, ERP will automate marketing processes, organize information, improve interaction between different departments of the enterprise. On the other hand, Big Data tools will allow analyzing large amounts of unstructured data from different sources, identifying complex patterns and trends that may affect the marketing strategy.

In today's world, information is the most valuable global resource. The economic potential of society is mainly determined by the volume of information resources and the level of development of information infrastructure. Today, the Internet is one of the largest sources of information on Earth.

The annual growth of users on the Internet means an increase in the amount of information about customers and enterprises. It is very appropriate to have additional tools for collecting data from the Internet in real time, as an additional source of information for processing and further use for business optimization.

One of the main disadvantages of using marketing information systems is the large initial time spent on deploying and configuring an information system. Today, it is appropriate to use cloud platforms with a set of services for storing, processing and visualizing data (Fig. 3). The implementation of the marketing information system infrastructure on the cloud platform makes it possible to quickly deploy the system to new enterprises, establish communication between enterprises if necessary, and have no restrictions on the amount of input data using serverless resources for computing.

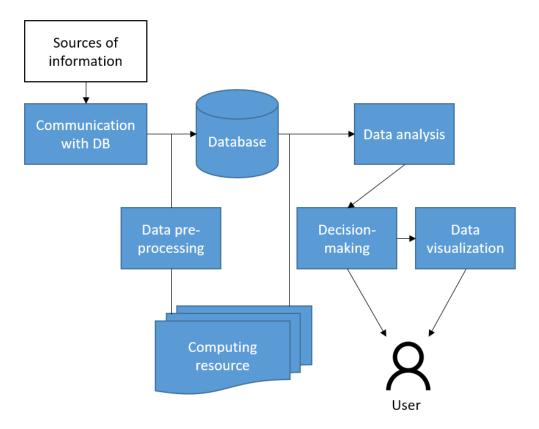


Figure 3. Services that can be in the cloud

One of the biggest benefits of using cloud services is reducing enterprise hardware and software costs. Instead of investing a significant amount of money in acquiring and maintaining their own infrastructure, companies can use cloud services where hardware and software reside on the cloud service provider's servers. This allows management and marketing departments to focus on their core tasks instead of wasting time and resources on technical support.

Also, cloud services provide an opportunity to scale their needs for computing resources depending on changes in demand and data volume. With cloud services, enterprises can easily increase or decrease data storage, computing power, and other resources depending on their needs. This is especially useful in marketing, where fluidity in demand and data volumes is an integral part of the job.

One of the important aspects for marketing information systems is data security. Cloud service providers, such as Google, usually invest significant effort in ensuring the security of their systems and customer data. They use encryption, authentication mechanisms, and other measures to prevent unauthorized access to data. Using cloud

services can help businesses maintain the privacy of their data and protect it from loss or damage.

With cloud services, data can be accessed from anywhere and on any device that has an internet connection. This facilitates interaction with MIS for different departments of enterprises and external partners. Although, in some situations there may be restrictions on access to the Internet, which may complicate the receipt of data from cloud services. For example, when working in certain geographic areas or remote locations where Internet connection may be unreliable or limited.

However, some cloud services offer the ability to work offline. This means that users can continue working on reports or other data even without access to the Internet. The changes will be synchronized with the cloud as soon as the connection is restored. In the case when the Internet connection is limited or absent, the option of physical transport of data carriers can be taken into account. This may include the use of portable data drives such as USB drives, external hard drives, or SSDs.

Marketing information systems are designed to help businesses make informed decisions about manufacturing, marketing, and distribution. MIS can include a number of different tools such as market research, customer surveys, and sales data analysis. There are fairly standard and effective tools for visualization and data processing. However, decision-making models must evolve given the increasing scale of data on a daily basis. There are a large number of examples when a computer, using a new machine learning algorithm, was able to process and provide useful information that the human eye could not catch. Therefore, it is advisable to explore modern decision-making models and implement them to optimize marketing results (Fig. 4).

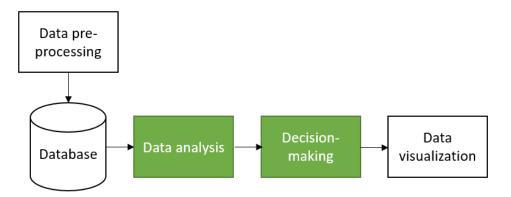


Figure 4. Stages of effective application of machine learning

The following areas can be identified where machine learning can be particularly useful in MIS for agriculture. One area is yield forecasting with the generation of appropriate reports for enterprises. By analyzing historical data on weather conditions, soil quality, and other environmental factors, machine learning algorithms can make accurate predictions about potential yields. This information can be used to help businesses make planting, fertilizing and irrigation decisions, ensuring that they maximize yields and minimize losses.

If necessary, enterprises can use computing resources to diagnose plant diseases. Models can be used to analyze images of plants and identify signs of disease or pests. This will help farmers identify problems early and take necessary measures.

Another area of application is personalized marketing. By analyzing large amounts of data about each consumer, algorithms can determine the personal preferences and interests of each customer. Based on this information, businesses can create personalized offers, recommendations, and special promotions, which significantly improves the effectiveness of marketing efforts.

Also, machine learning can be used to predict demand for goods and services. By analyzing historical data on sales, seasonality, marketing campaigns, and other factors, algorithms can make demand forecasts with high accuracy. This information allows businesses to plan production, inventory and marketing activities in order to meet consumer demand and avoid unnecessary costs.

Another area where machine learning can also be used is optimizing supply chain management. By analyzing data on delivery times, inventory levels in warehouses, and other factors that may be difficult to interpret in logistics, algorithms can identify opportunities to optimize supply chains and reduce costs. Enterprises will be able to make new logistics, warehousing and transportation decisions based on recommendations predicted by machine learning models.

One of the most significant areas that businesses may need is crime detection in ecommerce. Machine learning models can be used to detect fraudulent activity by analyzing transactional data and identifying unusual patterns aimed at causing harm to

an enterprise. This allows businesses to prevent fraud, reduce financial losses, and ensure transaction security for their customers.

The datasets in each field have a different nature of origin, so the following machine learning methods can be used to investigate the results:

- Machine learning techniques such as linear regression, decision trees, random forest, gradient boosting, and neural networks can be used for the field of yield forecasting. These algorithms can analyze historical data on weather conditions, soil quality, fertilizer use, and other factors to make predictions about yields;
- To diagnose plant diseases, computer vision and image processing methods can be used. Deep learning models, such as convolutional neural networks, can be trained on images of plants with various diseases or pests. These models can then be used to analyze new images of plants and identify signs of disease or pests;
- For personalized marketing, you can use recommender system methods. For example, collaborative filtering algorithms can be used to determine similarities between consumers and recommendations to target consumers based on their preferences and interests;
- Various methods can be used to predict the demand for goods and services, such as time series, linear regressions, ensemble models (such as random forest or gradient boosting), and neural networks. These models can analyze historical data on sales, seasonality, marketing campaigns, and other factors to predict future demand;
- Optimization and clustering algorithms can be used to optimize supply chain management. For example, genetic algorithms or ant algorithm, using intelligent search, can be used to plan delivery routes, manage inventory and optimize schedules;
- Classification and clustering methods can be used to detect crime in e-commerce. Machine learning models, such as support vector method, naïve bayes, decision trees, or clustering algorithms, can be trained on data on previous fraudulent activity and normal consumer behavior. These models can then be used to identify unusual patterns that may indicate fraud and to take measures to prevent fraud.

Also, the methods can be combined and used together for a more accurate and comprehensive analysis of relevant data in agriculture.

To improve the economic stability of agricultural enterprises, today, it is necessary to carry out research and implement modern approaches to data storage and processing in a dynamic and aggressive market environment. With each passing day, machine learning is becoming an increasingly important tool in the agricultural industry. By analyzing large amounts of data and identifying patterns and trends, machine learning algorithms can help businesses make better decisions about manufacturing, marketing, and distribution. With the development of data-driven approaches, it is likely that machine learning will become even more important in the coming years, helping to ensure the continued prosperity of the agricultural industry and provide the necessary resources for people around the world.

# 3.1.2 Implementation of services based on neural networks to promote products of agricultural enterprises

Agricultural enterprises are constantly trying to increase sales of their goods to potential customers by various means. One of the most promising areas in marketing tools, which received a powerful impetus after the public release and the rapid growth in popularity of ChatGPT, is the use of services based on neural networks. Computer systems, called neural networks, are based on the structure and functioning of the human brain. They are designed to identify patterns, gain knowledge from experience, and make decisions based on complex inputs. Neural networks can help businesses in agricultural marketing by analyzing market patterns, forecasting demand, optimizing work with existing tools and directing advertising resources to more promising areas.

Figure 5 shows data from Google Trends over the past 5 years, which represent user interest in this topic in Ukraine. As interest grows, so does the number of entrepreneurs who are beginning to actively implement AI-based tools into their businesses.

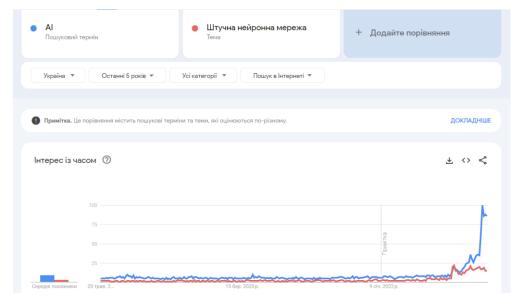


Figure 5. Data from Google Trends for the search term "AI" and the topic "Artificial neural network"

One example of neural network-based solutions are platforms that advise farmers and agribusinesses on how to improve their production and marketing strategies. They analyze data on weather conditions, soil characteristics, crop yields, and market demand using machine learning algorithms. The final data is used to support the production process, identify problems with plants or animals, predict crop and weather conditions.

Another popular example of the implementation of neural networks in the activities of companies are computer programs known as chatbots. They are designed to mimic human communication and can be used in agricultural marketing to provide customers with personalized guidance and assistance, based on their unique needs and interests. For example, a chatbot for a seed company can survey consumers about specific crops they want to grow, soil type, and weather in a region to provide them with individual recommendations on which seeds are best to buy and how best to grow them. At the moment, the creation of such bots does not require a large amount of resources and time, and the impact on the company's performance can be significant.

Although the application of neural network-based technologies in marketing is still in its early stages, there are already early encouraging results.

However, like any new technologies, their implementation raises significant ethical and social problems that are gradually being addressed. For example, there are concerns about algorithmic bias and confidentiality of user data, or unethical raw data from generative neural networks.

In order to allay these fears, it is essential that agricultural businesses and service providers follow morally honest and open procedures when creating and implementing neural network-based services and technologies.

Neural networks can also be useful for predicting changes in the market. These systems can examine significant amounts of historical data on sales, demand, prices, and other relevant data based on forecasting models to predict future trends. This can help companies make informed choices on issues such as pricing, marketing strategy and production plans, and more.

Neural network-based services can be used to manage and optimize customer relationships (CRM), identifying critical information such as consumer preferences, purchase patterns, and reviews. Processing such data through machine learning can help businesses better understand their customers. Using this data, you can develop more successful marketing campaigns and sets of actions for customer service.

Automation of marketing processes is another area in which neural networks can be effectively applied. For example, AI-powered solutions can help create content for social media, automate emails, and even modify advertising campaigns based on user feedback data. Also, AI can be used to analyze information about certain products, brands or trends in agriculture using social media and other data sources that are abundant on the Internet and that are publicly available. This can help identify products that the business's target audience finds attractive and interesting, the challenges they face, and the expectations they have from agricultural products in the future.

Recently, more and more research is being devoted to studying how neural networks can be used to improve agricultural logistics. To find the best delivery routes, production plans, and optimize resource consumption, it is possible to process and evaluate data from satellites, drones, and the Internet of Things.

Although neural network-based services provide great potential for agricultural enterprises, their implementation and operation requires appropriate knowledge and skills, including skills in the correct use of software, understanding of data fundamentals and analytics, and the ability to interpret and act on the results provided by the system.

There are many varieties of neural networks, each of which has its own characteristics and can be used to perform different tasks. Below are some examples of types of neural networks that can be useful for agricultural enterprises to promote their products:

- Artificial neural networks (ANNs), which consist of a large number of artificial neurons or nodes, are the main type of neural network. Image classification, forecasting, recommender systems, and more are some of the many tasks they can perform.
- Convolutional neural networks (CNN) are excellent for image processing. For example, CNN can be used to analyze images from drones or satellites to identify plant diseases and pests and assess crop health.
- Recurrent neural networks (RNNs) These neural networks can remember past data, making them especially useful for analyzing data sequences such as time series. PHN can be used to predict weather, yields, market prices, and other variables that change over time.
- Deep Learning Networks model high-level abstractions in data using complex methods and architectures. They can be used to perform much more complex tasks, such as speech recognition, text writing, or natural language processing, which can be useful for understanding analyzing customer reviews across a variety of online resources, analyzing trends in social networks, or automating customer service.

Generative AIs are a kind of machine learning algorithms used to create new data based on a specific set of input data. This type of AI is considered one of the most popular at the moment, because of its ease of use and very good results. Among the

popular, at the moment, services that use generative models of artificial intelligence are:

- ChatGPT is a large language model developed by OpenAI. It uses GPT (Generative Pretrained Transformer) architecture and uses a large amount of textual data obtained from the Internet to generate text, translate text and many other tasks. It is worth noting that the model does not have consciousness or its own ideas and instead simply creates answers based on the data it has learned. ChatGPT can be useful for optimizing the work of agricultural enterprises, for example, in tasks such as automating answers to common questions that may relate to agricultural topics, analyzing and processing text data such as yield reports, customer feedback, etc., translating text between different languages, which can be useful for international agricultural enterprises, planning and organizing, staff training. Although ChatGPT is a powerful tool, it depends on the quality of input data and requires human knowledge and expert judgment [28];
- DALL-E is a variant of the GPT-3 model developed by OpenAI that has been trained to create images based on text descriptions. Using a small amount of input data, the service can create unique images based on a text description, which can be used to create unique visual content for advertising and marketing campaigns that helps companies stand out in the market, and, for example, visualize educational materials [29];
- Bard is an experimental chatbot from Google that allows you to collaborate with generative artificial intelligence. In its capabilities, it is very similar to ChatGPT, but the main difference is that Bard has access to the latest information on the Internet and can easily access Google search to check his answers or research sources around the Internet [30];
- Midjourney is a generative artificial intelligence program and service created and hosted by the San Francisco-based independent research laboratory Midjourney, Inc. Midjourney creates images from text descriptions called "prompts", similar to DALL-E from OpenAI and Stable Diffusion [31];

• Stable Diffusion is a text-to-image deep learning model released in 2022. It is mainly used to create images on the axis of text prompts, similar to Midjourney and DALL-E [32].

All these services are growing in their capacity very quickly and the potential in various fields is very high. In addition, generative models can be used to create marketing content, which may include images, text, or video. For example, information about the interests and preferences of a particular user can be used by generative AI to create customized texts for advertisements, such as posts for social networks, or ad texts (titles, descriptions, etc.) for various tools.

Despite all the advantages of generative AI, it is important to remember about its potential problems, the main of which are copyright infringement, since the data on which the neural network learns is taken without taking into account this factor, and inaccuracies in the provided generation results, for example, images may not meet the user's expectations, and the response texts may have false information. ChatGPT states that "ChatGPT may provide inaccurate information about people, places, or facts," which should force users to verify the responses generated.

Different types of neural networks should be used separately or in combination to create powerful systems for data analysis, forecasting, optimization and automation of processes that are important for effective marketing and promotion of agricultural products.

In order to better understand the essence of using systems based on neural networks, it is necessary to understand several basic algorithms at a basic level:

- Classification: Attempts to determine which category an asset belongs to. For example, a classification algorithm can be used to assess whether a particular field is suitable for growing a particular crop.
- Clustering: the process of grouping different objects according to common and similar characteristics. This algorithm can be used in marketing, for example, to group customers by common characteristics, or buying behavior.

- Q-Learning: This is a type of computational reinforcement learning that allows agents to choose the best strategy for a finite state problem. Agricultural businesses can use this to train systems or agents that interact with customers or data.
- Regression: Used to predict a numeric value based on data. This can be used, for example, to predict prices and/or sales of products, based on historical data.
- Dimensionality reduction: An algorithm is used to reduce the number of input variables in a data set and maintain important information characteristics. This can help reduce the complexity of models and improve data processing efficiency.
- RLHF (Reinforcement Learning with Human Feedback): A machine learning algorithm that uses human feedback reinforcement to improve model learning. For example, marketing recommendation systems can use user feedback to teach them to recommend products that are more relevant or popular.

It is important to understand that each of these algorithms is used to solve certain types of problems and the choice of the best algorithm depends on the type of problem, available data and goals of the agricultural enterprise.

In order not to affect existing business processes that have passed the test of time, it is worth gradually introducing services based on neural networks for various parts of business activities, such as marketing, sales, customer service, supply chain management, human resources (HR) and much more. There are several stages that you need to go through for this:

- 1. Assessing the needs of the company: The first step is to determine the needs of the company. You need to know where your business can benefit from using neural networks.
- 2. Choosing the right type of neural networks or their connections: There are many types of neural networks, and each type is suitable for a specific type of task.
- 3. Data collection and preparation: data is needed to train the neural network. This can be images, text, or numeric data, depending on your tasks. In addition, you will need to clear this data from errors, remove unnecessary features, normalize and other procedures. Also, you can use existing data that may be publicly available.

- 4. Model learning: Neural network training means that it will learn to identify patterns in data. This may take some time and requires a lot of computing power.
- 5. Testing and implementation of the model: after training, it is necessary to test the model to make sure that it works properly. This may include testing on new data that the model has not seen before, and evaluating its effectiveness in real business tasks.
- 6. Continuous optimization: the neural network must be constantly monitored and optimized, even after its implementation. This can be done by researching how it works and collecting user feedback.

It is important to remember that although neural networks can bring significant benefits, they also require significant resources, such as time and money, therefore, before implementation, it is important to carefully study all the nuances and conduct a thorough analysis of the pros and risks.

Many well-known agricultural enterprises have already implemented services based on neural networks in their work and have obtained excellent results:

- Blue River Technology (purchased by John Deere): Blue River Technology uses neural networks and computer vision to distinguish weeds from plants in the field. With their See & Spray service, unwanted weeds are automatically detected and then spotimpacted spraying is applied to them. This helps to use pesticides more efficiently and reduce their use [33].
- Farmers Edge: Farmers Edge processes data from a variety of sources, such as weather data, monitoring stations, sensors, and satellite imagery. Neural networks and artificial intelligence are used for this. They provide farmers with knowledge about best treatment practices, seed placement, and plant protection doses, which increases yields and production efficiency [34].
- BASF: BASF uses machine learning and neural networks to create predictive models for agriculture. As an example, they created a model that predicts the risks of spreading diseases in crops, allowing farmers to protect crops in advance and reduce further losses [35].

These companies achieved significant results after implementing services based on neural networks, and took a leading position in the agricultural market by improving efficiency, reducing costs, improving product quality and increasing yields.

Consequently, agricultural enterprises have gained new opportunities to increase productivity, efficiency and profitability through the use of services based on neural networks. AI and machine learning in agriculture allow optimizing crop cultivation, managing resources, forecasting weather and analyzing large amounts of data.

Services based on neural networks help predict demand for goods, create marketing strategies, optimize marketing processes, and identify market trends. They allow farmers and agribusinesses to more accurately determine the best and relevant production methods, make better use of resources, improve the quality of grown products and reduce the negative impact on the environment.

Companies engaged in precision farming, crop monitoring, supply chain management and predictive model development are successful examples of the use of neural networks in agriculture. They have already achieved significant benefits, including higher yields, lower costs, improved product quality and increased competitiveness in the market.

It is important to consider factors such as data privacy, ethical use, algorithmic bias, and the impact on people's work. These are all social and moral issues of using neural networks, which are now being solved by advanced scientists. The implementation of neural networks requires adherence to moral principles, the establishment of transparent procedures and a thorough risk analysis.

In general, agricultural enterprises that use services based on neural networks open up new opportunities for the development of the industry, improve production processes, increase efficiency and guarantee sustainable development of agriculture in the future.

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#### 4. Marketing research of the meat market and meat products in Ukraine

For the effective implementation of management functions at all levels of management, objective, reliable, adequate information on the state and trends of market development is required. Of particular importance in the conditions of socio-economic tension, high level of dynamism and uncertainty of the external environment, information on trends in the development of food markets.

Among the problems of the development of the agrarian sector of the economy, indicated in the "Strategy for the development of the agrarian sector of the economy for the period until 2020", the lack of information of a large part of agricultural commodity producers about the market situation and the conditions of doing business in the industry is also highlighted, and in point 1 "Ensuring food security of the state" noted the need for monitoring and forecasting the market of agricultural products and food, responding to market risks, prejudice and leveling threats to food security. Considering the importance and key role of the market of meat and meat products in increasing the level of food security at the current stage, research and forecasting of this commodity market will contribute to determining the fundamental principles for ensuring the necessary volumes of production of meat and meat products and saturating the market with them in the necessary quantity, the necessary quality at the optimal price to ensure their physical and price availability for all segments of the population. The results of such studies are becoming more and more in demand, therefore the development of a systematic approach to marketing research of the market of meat and meat products is becoming more and more relevant.

Many works of domestic and foreign authors are devoted to the problems of marketing research. Among them are such researchers as: G. L. Bagiev, A. V. Voychak, Y. M. Galchynska, O. I. Babicheva, V. K. Zbarskyi, S. S. Garkavenko, E. P. Golubkov, I S. Larina, O. P. Lucii, A. V. Ryabchyk, A. O. Starostina, G. Armstrong, G. Assel, B. Berman, J. Evans, F. Kotler, G. Churchill and others.

The study of the problems of the development of the meat market and meat products of Ukraine was reflected in the scientific works of well-known economists:

V. P. Borodai, O. M. Bevza, R. I. Buryak, V. I. Boyka, M. P. Vitkovsky, Y. Y. Hapusenko, V. K. Zbarsky, I. A. Ionov, M. M. Ilchuk, H. M. Kolesnikov, K. I. Karyukin, Kovalenko, V. A. Luk' Yanova, O. O. Lukyanenko, O. P. Lutsiya, B. A. Melnyka, L. V. Porubanskaya, Yu. O. Ryaboknia, P. M. Slyusara, N. V. Seperovych, A. I. Svezhentsova, T. M. Stukacha, V. I. Topikha, V. I. Fisinin, A. V. Shomina, M. F. Shklyar, O. M. Shpychak, F. O. Yaroshenko and other scientists.

The information base of the research was legislative and regulatory acts of Ukraine on the development of the meat processing industry and the market of meat and meat products, information and analytical collections of the State Statistics Service of Ukraine, normative and reference and scientific literature on the topic of research, information from the network Internet, reporting of meat processing enterprises, results of own observations and research, etc.

Undoubtedly, one of the main objects of analysis - within the framework of the economy at the moment - is the concept of the market.

The market is a concept that is probably familiar to us from everyday life. When we talk about the market, we mean the central place of this city, or the market square. Entrepreneurs who run their own businesses sometimes use the term "my market". According to economists, the market is a set of conditions that lead to the meeting of the seller and the buyer in the process of exchanging goods and services.

All problems analyzed in marketing are based on the functioning of markets. Such basic marketing issues as pricing, consumer behavior, promotion of goods (services), distribution channels, etc. are based on the concept of the market.

The market is a characteristic feature of the currently dominant economic system in the world, which is called a market economy. It consists of people who have some needs. In an ideal situation, a manufacturer brings a new product to the market if it can recognize these needs [44].

The study of the market begins with the fact that every entrepreneur applies a number of analytical studies of marketing activities for effective functioning. The main component of marketing activities is marketing research, which consists in the development of theoretical and analytical bases for the study of existing market needs

in the conditions of competition, analysis of the behavior of competitors and consumers, reduction of losses in the implementation of entrepreneurial activities, making reasonable management decisions for forecasting the situation in order to to adequately respond to changes that directly affect the enterprise.

A large number of works by foreign and domestic authors have made a significant contribution to the development of theoretical aspects of market research. Among foreign authors, this problem was studied by: I. Ansoff, E.P. Golubkov, Peter R. Dixon, F. Kotler, T. Livit. V.K., Vojchak A.V., Garkavenko S.S., Gerasimchuk V.G., Lucii O.P., Poltorak V.A., Rogov G.K., Starostina A.O., Chumachenko M. G and others. However, marketing research of the market under modern conditions requires a more in-depth and detailed analysis taking into account all its structural elements.

Marketing research is a type of sociological research focused on studying the market situation, desires, preferences and behavior of consumers and other market players. In practice, it consists of a systematic search, collection and analysis of information in order to make the right management decisions in the field of production and sales of the company's products.

The concept of "marketing research" was considered by many foreign and domestic scientists in their works, unfortunately, today their opinions differ, which allows us to pay attention to it in more detail (Table 1.).

Market research is a systematic activity aimed at collecting, analyzing and interpreting information about market processes. Market research allows you to determine the main market mechanisms, such as demand, supply, prices, as well as consumer behavior and activities in the field of competition.

Today, market research is the basis of a successful business, the conducted analyzes help entrepreneurs make the right decisions, invest only in projects with potential, and adapt the marketing strategy to modern market requirements.

**Table 1.**Definition of the term "marketing research"

Author	Concept
F. Kotler [45, p.45]	Systematic determination of the range of data required in connection
1. Rouel [13, p. 13]	with marketing
	the situation facing the company, their collection, analysis and report
	on the results
	A variety of scientific research aimed at the collection, processing,
I. L. Akulych	reflection and analysis of factual information for problems related to
[46, p.58]	marketing
[ . 0, p.e 0]	goods and services
A.V. Zozulyov, S.A.	It is a systematic process of planning, collecting, analyzing and
Solntsev	presenting market information, the purpose of which is to reconcile
[47, p. 16–17]	the interests of the producer and
[, p ]	consumer
E.P. Golubkov	A function that connects the marketer with the market, consumers,
[48, p. 86]	competitors and all elements of the marketing environment.
	A systematic process of setting research goals, identifying volumes,
	collecting, analyzing objective market information and developing
A.O. Starostina	recommendations for making specific management decisions
[49, p. 44]	regarding any elements of the firm's market-product strategy and
	methods of their implementation to achieve final results in the firm's
	activities in conditions formed
	marketing environment.
	Systematic collection, processing and analysis of data from those
PS Zavyalov	aspects of the firm's marketing activities, within the framework of
[50, p. 68]	which certain decisions need to be made, as well as analysis of the
	components of the external environment that have an impact on
	marketing activity of the firm.
American Marketing	The function that connects the consumer, the client, and the public
Association (American	with marketing through information - information that is used to
Marketing Association)	identify and define marketing opportunities and problems; creation,
[51]	improvement and evaluation of marketing activities; marketing
	performance monitoring and improvement
	understanding marketing as a process.
European Society for	The systematic collection and objective recording, classification,
_	analysis, and presentation of data on the behavior, needs,
	relationships, opinions, motivations, of individuals and organizations
	(commercial enterprises, government agencies, etc.) in the context of
the Study of Public	their economic, social, political, and day-to-day activities. Based on
Opinion and	the objectives of this Code, the term "marketing research" also
Marketing) [52]	includes the concept of "social research", since when conducting
	the same techniques and methods of studying phenomena and
	problems not directly related to the marketing of goods and services
	are used.

Source: compiled on the basis of data [54]

In addition, in the era of fighting for as many customers as possible, the use of marketing research will allow the company to function effectively and can give a significant competitive advantage [47].

Marketing research throughout its history provides society with information about the needs of producers, customers and users to evaluate, improve and improve their marketing actions. According to the Ukrainian Marketing Association (UAM), 70% of Ukrainian enterprises use their own forces for marketing research, 18% - used the services of other enterprises, and 12% of enterprises did not conduct marketing research at all [53].

The main goals of conducting marketing research can be combined into groups (Table 2.).

**Table 2.** Objectives of marketing research

Group of goals	Characteristics
Search	Gathering of information for preliminary assessment of the problem and its structuring
Descriptive	Description of selected phenomena, research objects and factors affecting their condition
Causal	Testing the hypothesis about the presence of some cause-and-effect relationships
Test	Selection of promising options or assessment of the correctness of the decisions made
Predictive	Predictions of the state of the object in the future

Source: compiled on the basis of data [45]

It should be understood that the fundamental feature of marketing research, which distinguishes it from the collection and analysis of internal and external current information, is its targeted focus on solving a specific problem or set of marketing problems.

Each individual enterprise independently determines the subject and scope of marketing research based on its capabilities and need for marketing information, therefore the types of marketing research conducted by different enterprises may be different [46].

According to market objectives, market research can be divided into:

- research studies aimed at understanding the essence of this problem, for example, behavior, needs or consumption;
- price research consists in determining the flexibility of the price and the optimal price;
  - test studies used for testing, for example, new products or services;
  - brand research used to determine brand recognition and image;
  - household panels to study changes in consumption;
  - survey to assess customer satisfaction and loyalty.

Depending on the data being analyzed, we can distinguish two types of market research: primary and secondary research.

Depending on the method of data collection, market research can be: qualitative and quantitative [48].

Marketing research, depending on the scope of application, can be considered at two levels:

- at the first level, as an integral part of the management of the organization, an element of the development of the marketing strategy of the enterprise;
- at the second level, as a research tool for improving individual characteristics of the product.

In addition, it is necessary to delimit the results of marketing research at the enterprise and determine the limits of their activity, which is due to the desire of many smokehouse owners to understand what the area of responsibility of marketing research is limited to, and what is their result.

Thus, the direct result of marketing research is information for making management decisions, which causes an indirect impact on the final result of the organization's activities, and the responsibility of marketing decisions is limited only to recommendations, on the basis of which management decisions are made for their further implementation at the enterprise.

The main structural elements of marketing market research should be the study of: advertising as an element of marketing communication; business economy, taking into account changes in the economy of developed countries and Ukraine as a whole;

corporate responsibility as an element of social values and consumer rights; product (goods), as the main tool of competitive struggle; formation of sales taking into account market share.

In turn, each direction can be specified and, depending on the specifics of the company's activity, acquire its own specific forms

Table 3

Directions of marketing research

No s/n	Research	Elements
1	Advertising	<ul> <li>motivational studies;</li> <li>research of advertising before its mass circulation;</li> <li>research of communication channels;</li> <li>studying the effectiveness of advertising;</li> <li>study of competitors' advertising.</li> </ul>
2	Business economics	<ul> <li>short-term forecasting;</li> <li>long-term forecasting;</li> <li>studying directions of business change;</li> <li>study of prices;</li> <li>studying the placement of factories and warehouses;</li> <li>study of acquisitions;</li> <li>export and international economy;</li> <li>management information system;</li> <li>research of current activities;</li> </ul>
3	Corporate responsibility	<ul> <li>study of the activities of the company's employees.</li> <li>studying the right of consumers to have the necessary information;</li> <li>study of legal restrictions on product advertising and promotion;</li> <li>study of social values and political research.</li> </ul>
4.	Product (goods)	<ul> <li>reaction to the new product and its potential;</li> <li>studying the competitiveness of the product;</li> <li>testing of existing products;</li> <li>packaging research: design and physical characteristics.</li> </ul>
5.	Sales and market	<ul> <li>packaging research, design and physical characteristics.</li> <li>change in market potential;</li> <li>market share analysis;</li> <li>determination of market characteristics;</li> <li>sales analysis;</li> <li>establishment of sales quotas;</li> <li>study of channels of goods movement;</li> <li>audit control of market and warehouse testing;</li> <li>creation of consumer panels;</li> <li>study of sales promotion;</li> <li>product promotion: premium, coupon sales, providing samples, etc.</li> </ul>

Source: compiled on the basis of data [50]

It should be noted that, firstly, there is no single classification of marketing research areas, as a result of which different researchers use different classifications. Secondly, as a result of the use of certain information of the examined firms, different data are obtained regarding the frequency of use of the same areas of marketing research. Thirdly, the relevance of certain areas of marketing research may change over time.

Mechanisms of consumer and business markets are not unchanged. They depend on and are adjusted to a certain extent by competition mechanisms that transform the market situation, contribute to the growth or weakening of the positions of its participants.

There are four levels of competition:

- 1. competition of trademarks (at the level of enterprises producing similar goods);
- 2. sectoral competition (between enterprises of the industry that manufacture homogeneous products);
- 3. formal competition (all producers of the same service are considered competitors);
  - 4. general competition (for the consumer's hryvnia).

Different types of markets are usually dominated by one or another of them. The consumer goods market is characterized by all four levels of competition, while the so-called final general competition determines the practical impossibility of development abstracted from the very complex and contradictory reality without competition.

In modern conditions, the most important problem for many enterprises is survival, victory in the competition. This factor is of crucial importance both domestically and abroad, so many companies focus their marketing services on studying the state of affairs of competitors. At the same time, the most important areas of activity of competitors are the object of close attention. These are usually: the number of competitors and their market share; the shape and appearance of competitors' products; structural and other features of competitors' products; the popularity of their products.

In our opinion, in this case, you should also conduct a comparative analysis of your own products with competitors' products in terms of quality, profitability, price, and also clarify the following questions: whether competitors' products are related to products of other competitors or products of other enterprises;

- whether the competitors' own sales system is sufficient, or whether they use someone else's;
  - what is the pricing policy of competitors;
  - what types and means of advertising are used by competitors;
  - how customer service is provided by competitors;
- to which countries are competitors' products exported, what is the share of exports by individual countries;
- who are used by competitors in work abroad: local agents or employees of their own company;
- what are the economic and political relations between competitor countries, between importers; etc.

The main approaches used in global practice to assess the competitive advantages and competitiveness of an enterprise are:

- a method based on the theory of effective competition;
- methods based on the theory of competitive advantages;
- approaches to assessing the competitiveness of the enterprise based on determining the competitiveness of the product;
- benchmarking method [58]. The simplest and most common way of researching competitive advantages is a combined analysis of the industry and the market using the "battlefield" product / market matrix (Table 4).

Table 4. "Battlefield" product/market. Product market map

Product segmentation		Consumer segmentation							
	Group of consumers 1	Group of consumers 1 Group of consumers r							
Product modification 1	Trademarks	•••	Trademarks						
•••	•••	•••	•••						
Product modification n	Trademarks	•••	Trademarks						

Source: formed on the basis of data [54]

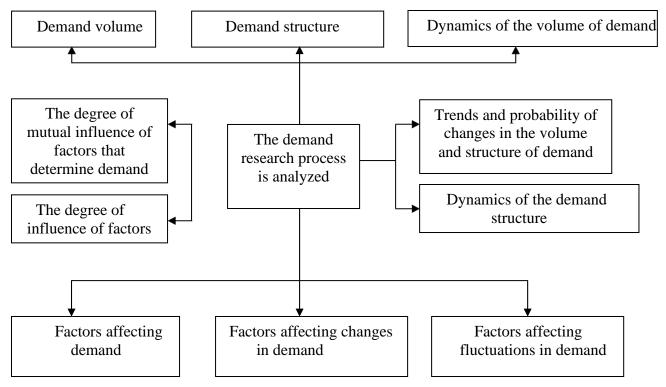
This model gives a fairly general idea of the relationship between the consumer and the product. However, it is not the basis for a serious enough analysis of competitors' strategies, which can be explored in more detail using other models of matrix analysis. Positions of competing parties are influenced by:

- the number of sellers and the degree of their differentiation;
- barriers at the entrance and obstacles to mobility;
- barriers to exit and obstacles to reduction;
- cost structure;
- degree of vertical integration;
- degree of globalization. The evaluation of competitors' positions can be carried out according to five key success factors, which provides information for orientation:
  - 1) awareness of the buyer;
  - 2) product quality;
  - 3) availability of goods;
  - 4) technical assistance;
  - 5) sales staff.

When establishing your own position in the competitive market, it is important to have information:

- 1. Who is the company's competitor?
- 2. What are the competitors' goals. What importance is given to each goal?
- 3. What are the strengths and weaknesses of competitors?
- 4. What is the strategy of competitors?
- 5. How do they react to various techniques of competitive struggle?

Thus, the successful operation of the enterprise is impossible without demand forecasting. In our opinion, the main elements that are analyzed in the process of researching the demand for goods are presented in (Fig. 1).



**Fig. 1.** The main elements analyzed in the process of researching the demand for goods.

Source: developed by the author based on data [48, 49, 50]

The quantitative definition of demand is complicated by the lack of a concept that would adequately explain the patterns of its emergence and transformation in the conditions of the formation of market relations; is limited by the weak development of the necessary methods and models for forecasting its dynamics and structure; is significantly complicated by the lack of necessary information support. Demand for products is a dual concept that connects the quantity of the product that is purchased with the price.

The study of the main trends in demand is carried out using factors of two types:

- 1) factors determining the amount of demand at each level of the economy;
- 2) factors that take into account the specifics of the development of a type of economic activity.

In the process of defining the tasks for demand forecasting, it is necessary to bear in mind that they are solved at least by identifying the main patterns and trends in the development of demand in the past, today, provided that these patterns are preserved in the future.

Therefore, it is important to correctly choose and justify the period for analyzing the process of studying demand formation. The purpose of conducting work on the study of demand for products is the development of the company's strategy on the market and its prompt adjustment in accordance with changes in the market situation.

The choice of forecasting method depends on a number of points:

- the period for which the forecast must be made (extrapolation methods are most effective in short-term forecasts);
  - the ability to obtain relevant output data.

As a result of the conducted research, it can be stated that the market analysis requires a thorough study of the set of factors that allow, in the modern conditions of saturation of the market with goods, to focus production on the most significant, predominant goods from the point of view of the interests of consumers. Marketing research performs the function of reducing risks in management decisions that affect the development of companies in general and the improvement of individual product characteristics in particular.

To conduct research on the listed problems, the enterprise can use any of the existing research methods: survey method, observation method, experimental method.

Summarizing all of the above, it can be stated that conducting marketing research is necessary to ensure the stable and efficient operation of domestic enterprises of various forms of ownership and management. To solve this issue, enterprises should create marketing departments or delegate these functions to marketing outsourcing companies that will be able to ensure the organization and implementation of marketing activities of domestic enterprises at a highly professional level.

The current stage of agribusiness development in Ukraine is in a state of transformation, which is characterized by an effort to reduce the lag in the pace of market transformation compared to other sectors of the economy. To improve and accelerate the development of agricultural enterprises, it is very important to choose an effective system of marketing research, which serves as a basis for the development of the marketing basis of agricultural business. It should be noted that the agricultural marketing system has its differences compared to other types of marketing, which are

related to the specifics of agricultural production and, of course, affect the specifics of marketing research in the agricultural market.

- 1. Agriculture is a sector with perfect competition, which is almost never found in other sectors of the economy. Market participants with perfect competition can increase their profits only by reducing costs. Such a situation prompts producers of agricultural products to look for resources to reduce costs (application of advanced production technologies, use of new equipment, improvement of labor qualifications of their workers, application of marketing principles at all stages of the life cycle of goods), that is, to search for innovative solutions to increase farm profits.
- 2. Underdevelopment of the Ukrainian market of land and resources, as well as insufficient and uneven development of market information. The underdevelopment of the information infrastructure in the countryside prevents producers of agricultural products from receiving reliable, clear and up-to-date information on the level of demand, market saturation, prices, competitors' offers and other data in a timely manner.
- 3. Natural and economic processes in agribusiness are integrated and create new conditions for production, as well as for the organization of marketing. As you know, Ukraine is located in several natural and climatic zones and has different types of soil. Thus, the presence of a variety of soils and natural-climatic zones determine the development of cooperation and specialization in crop production, because different soils provide different opportunities for technological operations during crop cultivation.

Agricultural marketing services deal with basic necessities with a short shelf life, which have a consumer, aesthetic and moral purpose. Therefore, the task of ensuring timely and careful harvesting, high-quality packaging and timely transportation of products is very important for the plant growing industry.

4. Agriculture is characterized by the seasonality of production, obtaining products, as well as discrepancies in the working period with the production period. This determines the specificity of marketing research of the sales market and product promotion.

5. The agribusiness marketing system, which includes production, processing and delivery of the product to the final consumer, has a feature of unevenness, inequality and different levels of marketing activities. In order to prevent such a situation in farms producing products, an established marketing system and effective use of all its tools are required.

Therefore, the functioning of agrarian marketing due to the peculiarities of agrarian production and sale of agricultural products is characterized by a variety of specific marketing schemes. However, at the same time, there are its main principles, on the basis of which these schemes are developed and the process of marketing research is carried out: the study of the state of consumer demand in dynamics, taking into account the expected development trends, the use of data on demand during the development, adoption and implementation of economic decisions;

the maximum orientation of production to market requirements in order to increase the efficiency of the enterprise; at the same time, the company's profit acts as a generalizing indicator of the results of its activity;

impact on the consumer market, as well as demand for products and their formation in the necessary enterprise directly by using such means as, in particular, advertising, sales promotion, propaganda [44, p. 22]. Therefore, the main goal of marketing research in the agricultural market is to orient the enterprises of the agricultural sector to work in the conditions that actually exist, to reduce the uncertainty that arises during management decision-making. The results of marketing research provide feedback from the agricultural company to the market and consumers and are one of the key means of fighting for the market [45, p. 18]. Based on the defined goal, several tasks facing marketing research in the market of agro-food products can be summarized. In order to attract your target customers, you need to know who they are and what their general characteristics are. Are they companies or individuals? Are they in a certain demographic group in terms of age, geographic location, and income level? Do they buy the products of this company?

1) It is necessary to analyze your place in the general situation on the market: are there enough resources to implement the plans, which situation on the market can

facilitate their implementation, and which will harm them? Therefore, it is important to conduct a SWOT analysis, that is, to determine your internal strengths and weaknesses, external opportunities and threats.

2) Analysis of competitors: how many producers in the area (region) grow the same products? What quality? At what price and where is it sold? It must be ensured that the target market is large enough to support the planned commercial objectives. It is necessary not to assume who the target market is, but to clearly define its quantitative composition by conducting research. You should contact trade organizations, review market data, use demographic information from the census and other possible sources [44, p. 123].

At the same time, there are certain problems of conducting marketing research in the activities of enterprises of the agrarian sector.

First of all, it should be noted that the qualification level of personnel in this area is not high enough. We are talking about both interviewers and specialists working in analytical projects. Agricultural companies need people who combine two functions, which are quite rare for one person. The first function is effective management, in particular the ability to work with the client; the second is analytical abilities, that is, the ability to work with data, calmness, vision of trends. Although it should be noted that today the research market of Ukraine is already more or less structured by the level of quality (the quality is not the quality of information gathering, but by the level of processing and, accordingly, by prices).

Secondly, the problem of lack of understanding by the management of agrarian companies and enterprises of the role of marketing research, mistrust of researchers remains unresolved. Most people who make decisions about conducting research see the main obstacles in the development of the research industry in internal organizational factors.

Third, there is a global budgetary problem in the industry. Often clients are not willing to pay for research. Especially not ready to pay for analytics during research. Most customers conduct marketing research for the famous PR, not understanding the importance of conducting research.

Fourthly, the problem of savings by domestic agricultural producers on marketing, and especially on research, remains quite significant. Ukrainian budgets are much more modest, there is a low demand for marketing research, because manufacturers rely on their own strength, almost without focusing on the consumer.

However, in connection with the increase in the level of complexity of market and competitive conditions, many agricultural enterprises are thinking about improving the conduct of their business, and a significant part of the changes concerns marketing aspects, namely the creation of a flexible system of pricing and competitive response, turning to strategic planning, forming security the company's brand system, increasing consumer loyalty [46].

The specific result of marketing research is development, which is used during the selection and implementation of the strategy and tactics of the agricultural enterprise. Marketing research of the agricultural market should also be conducted to obtain data on market conditions to determine the activities of the agricultural enterprise. The objects are trends and processes of agricultural market development, including analysis of changes in economic, scientific and technical, demographic, environmental, legislative and other factors. At the same time, the structure and geography of the agricultural market, its capacity, sales dynamics, market barriers, economic conditions, opportunities and risks are also studied.

There are at least 120 thematic areas of marketing research in various market sectors. For a clear orientation of business structures, it is advisable to differentiate all of them by groups (Table 5.).

Table 5
Classification of marketing research by topic and goals

Object	Subject	Purpose
Markets and	Study of potential, market structure,	Assessment of market capacity and
individual	business environment, development	target segments
segments	trends	
Macro	Study of factors of external influence	Identification of opportunities and
environment	that are of greatest importance	threats of the external environment
Microenvironme	Study of internal factors and the	Identification of strengths and
nt	immediate market environment	weaknesses

#### Continuation of table 5

Competitors	Study of the parameters of competitor	Providing the enterprise with
	products, competitive statuses,	competitive advantages
	competitive actions	
	Study of purchasing behavior,	Creation of a clear portrait of the
Consumers	motivation and preferences, study of	consumer, formation of an adequate
	reaction to various marketing incentives	marketing complex
Goods	Study of needs, quality parameters of the	Increasing product competitiveness
	product	
Prices	Study of price elasticity of demand, cost	Formation of the optimal price policy
	structure, price dynamics	
Marketing	Study of the effectiveness of various	Building an effective sales network,
	sales channels, conditions of activity of	increasing sales volumes
	intermediaries	
Promotion	Study of brand perception, advertising,	Increasing the degree of awareness and
	sales promotion methods	degree of loyalty to the enterprise and
		products

Source: created by the author based on data [48]

When considering marketing research in the management system of an agricultural enterprise, its organization and implementation should be approached as a technology that requires appropriate resources, coordination of the stages of instrumental support, theoretical support, practical experience, etc. In the most general form, the research process can be divided into stages (Fig. 1), which must be carried out by enterprises of the agrarian sector in a clear sequence, the technology of conducting marketing research, the number of employees involved, the amount of financial investments in the research process and other important indicators must also be analyzed in advance, which are dominant for marketing research in the agricultural market [47, p. 18–21].

At the same time, the main tasks of marketing services should be the management of the production and sales activities of an agricultural enterprise, which ensures the identification of consumer needs; production of products that meet these needs; providing services for the promotion of goods to consumers and obtaining the maximum profit on this basis.

In the practice of marketing services, it is necessary to apply SWOT analysis, analyze the strengths and weaknesses of the product, evaluate the external opportunities and threats of the enterprise taking into account the specifics of the industry. To ensure strategic planning of marketing activities in agricultural

enterprises, a system of factual information support should be introduced. It is expedient to create a single information field through marketing research centers based on computer networks. A necessary condition for the high performance of such a system is the functional connection between the constituent elements of the agricultural market [48, p. 63].

In Ukraine, there is still a natural obstacle to online research, because among the adult population of the country, only 50% use the Internet. But, according to experts, in the coming years the situation will change in favor of Internet research, they will gain popularity in Ukraine.

Interesting in this direction is the development of the project of technical assistance for the management of modern agriculture, namely, the practical implementation of precision farming technology - the unique operating system "Argo", which makes it possible to minimize the influence of external factors in agriculture. This system allows you to manage agribusiness online, track all changes (from weather to fuel consumption).

IT and telecom innovations in agriculture bring it to a new level, which will make it possible to make agriculture not a risky business, but more manageable for finding partners, using financial instruments, and hedging risks [49, p. 70–71].

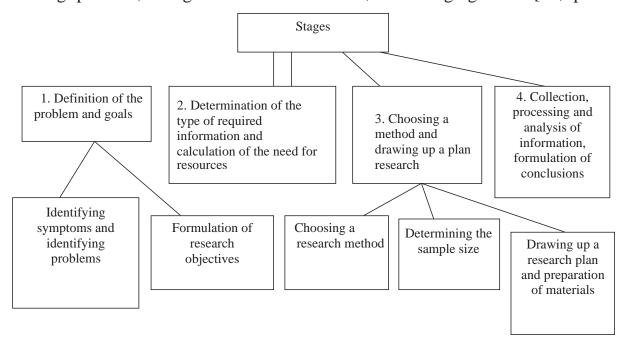


Fig. 2. Stages of the marketing research process

Therefore, for more effective planning of programs for the development of enterprises in the agrarian sector, one should consolidate their efforts to form a civilized information space, which is the basis for conducting quality marketing research. Thus, an often effective way of obtaining reliable information is the voluntary exchange by agricultural companies of current and regular data on the production and sale of agrofood products.

Also, in agribusiness, testing of finished products is gaining more and more popularity, i.e. demonstration of finished product samples or communication messages to employees of the target audience. Testing works well in cases of testing a new complex product, such as agricultural machinery.

It should be noted that research methods based on the active study of the behavior of target markets through "live" communication with their subjects are considered quite effective. This method makes it possible to more accurately understand options for consumer behavior at the time of selection and purchase.

At the same time, the method of marketing research is gaining popularity - the method of "mystery consumer" - an anonymous imitation by a researcher of a consumer or other client in order to obtain information about the behavior of his target market or competitors. This method is appropriate, for example, when checking the quality of sales staff, dealers of an agricultural company, especially if a certain incentive is guaranteed for quality work, or when obtaining valuable information about the client (a call or visit to a competitor in order to obtain maximum data, advertising brochures, prices, etc.).

Thus, marketing should provide influence on objective and subjective factors of efficiency improvement through operational restructuring of production of agricultural products, their sales and service in accordance with changes in consumer requirements, as well as creating a good reputation for the producer and his products on the market.

The agricultural marketing system has its differences compared to other types of marketing, which are related to the specifics of agricultural production and, of course, affect the specifics of marketing research in the agricultural market.

The functions of agricultural marketing include comprehensive market research,

product range planning, price policy, advertising, promotion, sales management and after-sales service.

Therefore, it is marketing information in the activity of an agricultural enterprise that is of great importance, since any marketing activity is based on the study of a specific situation that has developed on the market.

Therefore, the main directions of marketing research in the agricultural sector are the study of the agricultural market, its capacity, conjunctural or prognostic studies of the sale of agricultural products, the study of the practices of competitors, and the study of the reaction of consumers to the introduction of a new product.

Therefore, it is very important to properly organize the selection, development and implementation of marketing research projects in the agricultural sector, as such research is an indispensable tool for substantiating and making timely, effective management decisions in conditions of uncertainty in the market environment. Thus, the results of marketing research can be used by the governing bodies of the agrarian sector of the economy, various management structures as a basis for the development of plans, strategies, comprehensive target development programs, legislative and regulatory acts at the regional level regarding the formation and consideration of the factors of the marketing environment, as well as by investors for characteristics of capital attraction conditions.

# Research of the market of meat and meat products of Ukraine and the competitiveness of meat processing enterprises

Over the past five years, there has been significant heterogeneity in the production efficiency of certain types of products in the meat industry. Thus, from 2013 to 2015, there was a decline in production volumes. Since 2016, there has been a relative increase in indicators for most nomenclature positions. The only item in which there is a constant increase in production volumes is meat semi-finished products, which is due to a relatively low price and a steadily growing demand for this type of meat products.

A balanced human diet depends on the level of meat consumption. The problem of fully providing the population with this product is extremely urgent, primarily

because meat is the main source of proteins, fats, etc. At the same time, the body's need for each of these components has certain norms and cannot be interchanged. According to scientifically based standards, the daily consumption of protein by an adult is 85 g, and animal fats - 70 g [53].

In the USA, the consumption of protein of animal origin per day per person is 71.7 grams, in France - 63, in Canada - 61.8, in Great Britain - 60.4. In Ukraine, according to our calculations, the consumption of animal protein ranges from 39 grams, including meat protein - 14.2, milk - 22 grams; eggs - 2.7 [53].

Resolution No. 656 of the Cabinet of Ministers of Ukraine dated April 14, 2000 approved the minimum nutritional standards for children and adults. According to the resolution, data on the norms of consumption of meat and meat products are given in table 6

Table 6
Consumption norms of meat and meat products (kg/year)

Meat and	Children age, ye	ears	Adults			
meat products	to 6 from 6 to 8		able to work	unable to work		
Beef, lamb	11,7	18,3	16,0	12,9		
Pork	5,8	9,2	8,0	9,5		
Bird, krill	5,8	9,2	14,0	5,0		
Offal	5,9	9,1	4,0	2,0		
Sausage products	5,3	8,4	9,0	6,6		
Salo	1,0	1,5	2,0	2,0		

The volume of consumption of meat products by the population depends, first of all, on the demand for products, which we consider from two sides: the first is the provision of physiological needs of a person, the second is the purchasing power of the population. It is the duty of every state to create conditions for ensuring the physiological needs of humans in food products. In 1990, Ukrainians consumed 68.2 kg of meat per person. However, at that time there was a shortage of meat, sausages and other meat products in the trade network. So, from the point of view of meeting

the needs of the population, there is a real need to increase meat production and expand the range of meat processing products. The focus on the consumption of the meat group of products in the leading countries of the world, which consume more than 100 kg of this type of product, indicates that 80-100 kg of meat consumption and production is a basic, necessary norm.

With regard to the purchasing power of citizens, our country has a rather difficult economic situation, which arose due to a certain destabilization of the national economy, a decrease in the level of production, inflation, which in turn formed a decrease in the level of solvency of citizens of Ukraine, thereby reducing the level of the volume of manufactured goods products of the agro-industrial complex, namely the meat group.

In the course of 2013–2017, the meat products industry in Ukraine was significantly activated due to an increase in solvent demand in conditions of insufficient market saturation. Yes, during 2015–2016 pp. the volume of meat consumption in Ukraine had a clear upward trend. In 2017, there was a decrease in the consumption of meat products (Table 2.2), which is associated with crisis phenomena in the economy of Ukraine: a slowdown in the growth of real wages, an increase in the number of unemployed and wage arrears.

However, the main two factors - an increase in state subsidies for raw materials delivered to processing enterprises and a large harvest of fodder crops - give reason to hope for an improvement in the situation.

Table 7

Annual average food consumption per person

Name / year	2000	2005	2010	2014	2015	2016	2017	2018
Meat and meat products, kg	32,8	39,1	52,0	56,1	54,1	50,9	51,4	51,7
Milk and milk products, kg	199,1	225,6	206,4	220,9	222,8	209,9	209,5	200,0
Eggs, pc.	166	238	290	309	310	280	267	273
Fish and fish products, kg	8,4	14,4	14,5	14,6	11,1	8,6	9,6	10,8

As can be seen from the data in Table 7, meat consumption was mainly provided by domestic production. In the structure of meat production, the tendency to increase the industrial production of poultry meat continued. Such trends are supported by the technical re-equipment of the enterprises of this livestock sector, the increase of their productivity indicators, the improvement of veterinary support and product quality control, as well as state support for the production of chicken meat. Economists point out that the situation in the meat market is constantly deteriorating, which can significantly slow down the development of the industry and lead to a sharp reduction in production with all the negative economic and social consequences.

Analysis of the financial results of meat processing enterprises in 2014–2018 shows that the profitability of the production of most types of meat remained negative. Moreover, in 2018, the production of beef and pork became unprofitable, compared to 2017.

In recent years, there has been a significant change in the structure of the Ukrainian meat market, which consists in a decrease in the share of beef and a corresponding increase in the share of poultry meat in the market. According to the State Statistics Service of Ukraine, the volume of production of poultry meat of all types in 2000-2018 was constantly growing. In 2000, all categories of farms produced 193.2 thousand tons of poultry meat (in slaughter weight) against 1258.9 thousand tons in 2018. In 2018, the structure of production of all types of meat was dominated by poultry meat (54%, 1258.9 thousand tons), the share of beef and veal was 16% (358.9 thousand tons), and pork - 30% (702.6 thousand tons). In 2000, the structure of meat production was completely different, the production of beef and veal prevailed - 46%, the share of pork was 42%, and chicken - 12%. Among the most popular types of meat are red meat (beef), white meat (mainly chicken and some other types of poultry, pork). One Ukrainian consumes less than 52 kg of meat of all kinds per year, which is much less than in the EU countries (over 86 kg per 1 person) and the USA (over 100 kg per 1 person). In the structure of meat consumption by species in Ukraine, poultry meat prevails - 24.3 kg per person in 2018. If in the pork market it is possible to talk about a restraining factor of development for domestic production in the form of cheaper

(and, as it turned out, contrary to popular opinion, quite acceptable in terms of quality) meat, the same cannot be said about cattle breeding [45]. At the same time, it is worth noting that "the dynamics of prices for poultry meat during the analyzed period, although it was increasing, however, the growth rates were much lower, and the cost of meat remains the lowest".

Such price trends led to the fact that the demand for poultry meat began to grow faster than other types of meat, which was a consequence of changes in the structure of its production. In addition to the above-mentioned factors, the growth of poultry meat production is also positively influenced by the short operating cycle in this type of animal husbandry and its relatively high profitability [45].

One of the main problems of assessing the competitiveness of enterprises is that the factors have a sufficiently diverse economic origin and are subject to changes in various volumes. This is the reason for bringing the total number of factors of competitiveness to a general, indivisible form. In our bachelor thesis, we considered a method based on the theory of effective competition. It is chosen as one of the most effective methods for assessing the competitiveness of meat industry enterprises.

The basis of the method is the assessment of 4 groups of indicators or criteria of the company's competitiveness:

- 1. Data characterizing production efficiency.
- 2. Data related to the financial condition of the enterprise: independence, the ability of the enterprise to pay debts, the prospect of stable development in the future.
- 3. Data showing the effectiveness of sales management and product promotion on the market with the help of advertising and incentives.

The indicators that are necessary to assess the competitiveness of the enterprise are given in table 8. When calculating the overall coefficient, we propose to change the weighting of the coefficient of sales efficiency, since it is important for the enterprises of the meat industry to sell their products on time due to their limited shelf life. Based on this, we propose to change the value of 0.23 to the value of 0.35, accordingly reducing the value of the coefficient of competitiveness from 0.33 to 0.25 and the coefficient of the efficiency of production activity and the financial state of the

enterprise to 0.13 and 0.27, respectively.

Table 8

Competitiveness indicators of the meat industry enterprise

Indicators and criteria of competitiveness	The role of the indicator in the assessment	Calculation of the indicator
1	2	3
1. Indicators characterizing	g the efficiency of the production acti	vity of the enterprise (EB)
1.1. Costs per unit of production (B)	Reflects the efficiency of production costs	B = Full cost / Production volume
1.2. Fund return (F)	The efficiency of the use of the main production assets	F = Volume of production /
1.3. Product profitability (RP)	Product profitability	The average annual cost of the main production assets
1.4. Labor productivity (LP)	The level of organization of production and the use of labor force	PP = Volume of production / The average number of employees
2. Indicators characterizing	g the financial position of the enterpri	ise (FP)
2.1. Coefficient of autonomy (CA)	Independence of the enterprise from external sources of financing	KA = Company's own funds / Total amount of funding sources
2.2. Solvency ratio (SP)	The ability of the enterprise to fulfill its financial obligations obligation	KP = Equity / Total Liabilities
2.3. Absolute liquidity ratio (CL)	Shows the quantitative composition of funds that are sources coverage of current liabilities	KL = Cash / Current liabilities
2.4. Working capital turnover ratio (CU)	It is equal to the period of time	CO = Sales revenue / Average annual balance of working capital
3. Indicators characterizing	g the effectiveness of the sales organi	zation (ES)
3.1. Profitability of sales (RP)	The degree of profitability of the enterprise	RP = Profit from product sales / Sales volume * 100%
3.2. The coefficient of overcooking is ready products (short circuit)	An increase in the indicator indicates a drop in demand	KZ = Volume of unsold products / volume of sales
3.3. Coefficient download (KB)	Service efficiency sales	KV = Volume of production / Production capacity
3.4. Coefficient effectiveness of advertising and incentives (CR)	Shows the effectiveness of advertising and sales promotion tools	KR = Advertising expenses / increase in profit from sales

#### Continuation of table 8

4. Product competitiveness (CT)							
4.1. Product quality (YAT)	The product's ability to satisfy needs	A comprehensive method of					
	in accordance with its purpose	assessing the competitiveness					
		of products					
4.2. Product price (CT)	The product's ability to satisfy needs according to its	The price of the product					

So, the formula will look like this:

$$KKP = 0.13EV + 0.27FP + 0.35EZ + 0.25KT, (2.1)$$

where, KKP is the coefficient of competitiveness of the enterprise;

EB - the value of indicators of the efficiency of the enterprise's production activity;

FP - the value of indicators of the financial state of the enterprise;

EZ - the value of the performance indicators of the sales organization;

KT is the value of the product competitiveness indicator.

All the indicated indicators are calculated in the following way:

$$EV = 0.31V + 0.19F + 0.4RP + 0.1PP$$
, (2.2)

where, B - costs per unit of production;

F - fund return;

RP - product profitability;

PP - labor productivity.

$$FP = 0.29KA + 0.2KP + 0.36KL + 0.15KO, (2.3)$$

where, KA is the coefficient of autonomy;

KP - solvency ratio;

KL – coefficient of absolute liquidity;

KO - turnover ratio of working capital.

$$EZ = 0.37RP + 0.29KZ + 0.21KV + 0.13KR, (2.4)$$

where, RP – product profitability;

KZ - coefficient of oversaturation of products;

KV is the load factor of production capacities;

KR is the coefficient of effectiveness of advertising activities.

In our work, we conducted a study of the 10 largest enterprises of Ukraine - producers of meat products: LLC "Globynsky meat processing plant", PE FIRM "HARMASH", PJSC "Odesa meat processing plant", LLC "Tulchynmyaso", PJSC "Nizhinsky m meat processing plant, LLC "Alan", JV LLC "VEKKA", TDV "Meat processing plant "Yatran", LLC "Pivdenyukragro-96", PE "Segros". We will analyze the level of competitiveness of these enterprises using the method based on the theory of effective competition (generalized), on the basis of statistical and financial reporting data, and determine the leading enterprise, which we will take as a basis for comparison. The results of determining the competitiveness coefficient of these enterprises are presented in tables 9 and 10

Table 9

Determination of single indicators of competitiveness of meat processing enterprises for 2018

30	1	ED				*11		
No		EB	1			ΦП	_	
3П	В	Ф	РΠ	ПП	КA	КП	КЛ	КО
1	0,6321	5,7480	1,3125	4,73	0,253	0,3333	0,1712	5,2724
2	0,8219	2,4739	1,0258	3,13	0,548	1,2123	0,0008	3,789
3	0,7345	5,344	1,1456	1,3205	0,5110	0,1452	0,01	9,5893
4	0,6525	0,2685	1,2853	3,452	0,9621	2,345	0,001	3,3785
5	0,852	1,385	1,0254	7,4658	0,5325	2,1320	0,001	3,2559
6	0,667	7,1621	1,2552	3,5889	0,6721	2,0320	0,1774	11,7958
7	0,8796	3,127	1,1854	3,596	0,5210	1,3565	0,0012	9,2635
8	0,9521	5,148	1,6335	2,228	0,4720	2,0455	0,01	5,2445
9	0,7352	0,7589	1,2558	4,642	0,5631	1,5869	0,001	2,3789
10	0,6223	2,5663	1,5447	5,0168	0,4558	2,0365	0,001	3,4225
No			E <b>3</b>			КT		
3П	РΠ	К3	КВ	КР	ТК	ЦТ		
1	0,8385	0,01	4,7825	3,7601	1,0	1,0	1	
2	0,8431	0,01	1,5382	1,0103	1,0	1,0	1	
3	0,8325	0,01	5,3965	0,0621	1,0	1,0	1	
4	0,8352	0,0	0,2631	9,2721	1,0	1,0		
5	0,8252	0,01	1,4558	0,0882	1,0	1,0		
6	0,8225	0,01	7,811	1,4662	1,0	1,0		
7	0,8223	0,1	2,4556	0,8665	1,0	1,0	1	
8	0,8645	0,1	3,8779	1,2558	1,0	1,0	]	
9	0,8995	0,0	2,4554	1,5669	1,0	1,0	]	
10	0,8325	0,0	2,3669	4,2558	1,0	1,0	]	

Source: author's own calculations

Table 10

Calculation of competitiveness coefficients of meat processing enterprises for 2019

Name of Company	EB	ΦП	<b>E3</b>	КТ	ККП
1. LLC "Globinsky meat processing plant"	2,286071	0,992522	1,806283	2	1,697369
2. "GARMASH" LLC	1,44815	0,970018	0,769208	2	1,219387
3. PJSC "Odesa Meat Processing Plant"	1,833345	1,619225	1,452263	2	1,683818
4. LLC "Tulchinmyaso"	1,11261	1,255144	1,569648	2	1,532905
5. PJSC "Nizhinsky meat processing plant"	1,68401	1,06957	0,625408	2	1,226598
6. LLC "Alan"	2,428539	2,434543	2,138141	2	2,221386
7. JV LLC "VEKKA"	1,700566	1,812347	0,961572	2	1,546957
8. TDV "Meat processing plant "Yatran"	2,149471	1,336255	1,326478	2	1,604487
9. Pivdenyukragro-96 LLC	1,338623	0,837874	1,052146	2	1,268498
10. PE "Segros"	1,80007	1,053217	1,358328	2	1,493792

Source: author's own calculations

We compare the obtained results with the base enterprise. Let's take the company with the highest competitiveness ratio as the base company - "Alan" LLC. We will perform the comparison in table 11

Table 11
Comparison of the obtained indicators of competitiveness of meat processing enterprises with the base enterprise

Basic enterprise	LLC ''Alan'	LLC "Alan" KKP = 2.2214		
	CCP	Departure abs.	Departure relative %	
Name of company		_		
1. LLC "Globinsky meat processing plant"	1,6973	-0,5241	-23,59	
2. "GARMASH" LLC	1,2194	-1,002	-45,11	
3. PJSC "Odesa Meat Processing Plant"	1,6838	-0,5376	-24,20	
4. LLC "Tulchinmyaso"	1,5329	-0,6885	-30,99	
5. PJSC "Nizhinsky meat processing plant"	1,2266	-0,9948	-44,78	
6. JV LLC "VEKKA"	1,5469	-0,6745	-30,36	
7. TDV "Meat processing plant "Yatran"	1,6045	-0,6169	-27,77	
8. Pivdenyukragro-96 LLC	1,2685	-0,9529	-42,89	
9. PE "Segros"	1,4938	-0,7276	-32,75	

Source: author's own calculations

Proposals for improving the marketing activities of the meat processing enterprise.

PE FIRM "GARMASH" pays considerable attention to the analysis of its strong

and weak positions in order to objectively assess its own resources in the competition, it is necessary to carry out a set of marketing measures that will enable production to strengthen and raise its competitiveness to a higher degree in order to create a successful result.

To compare the company's prospects in market conditions, we suggest using the SWOT matrix, which is presented in the form of a table. Accordingly, on the left side, we distinguish two categories (advantages and shortcomings), in this part we include all the strengths and weaknesses of the enterprise, which were identified at the first stage of the analysis (in the second section of the bachelor thesis). In the upper part of the matrix, we also highlight two parts, to which all the opportunities and threats we identified are added. Where divisions intersect, 4 fields are formed: "SIM" (power and opportunities); "PPE" (power and threats); "SLM" (weakness and opportunity); "SLZ" (weakness and threats). On any of them, we can see all admissible pair combinations and can single out those that should be taken into account for planning the activities and behavior of the enterprise. In relation to the pair that was selected in the "SIM" field, you need to develop a strategy, while using the company's strengths in order to get a result from the opportunity that has appeared from the outside. Accordingly, a program is applied to the pair assigned to the "SLM" field, which is developed taking into account those potential opportunities that have arisen, with the aim of adaptation, and in the future, to overcome the shortcomings that have been identified in production. If the pair is found in the "PPE" field, the strategy may involve the use of one's own production forces in order to solve problematic issues. And finally, for the pair located in the "SLZ" field, the company must build such a strategy that will enable it to overcome its weaknesses, as well as try to prevent the emergence of a threat that looms over it.

In order to be able to successfully apply the SWOT methodology, it is important to be able not only to identify threats and opportunities, but also to try to evaluate them from the point of view of how important it is for the company to consider the identified threats and opportunities when planning the direction of the company's behavior.

With the help of the data in the table we can establish connections between

strengths and weaknesses, threats and opportunities, which are revealed in the activity of PE FIRM "GARMASH".

If the couple is in field number two, then the development perspective should involve using the company's strengths to avoid threats. For a couple located in field number three, the planning of activities should be built in such a way that due to new opportunities it is possible to overcome the weak sides of the activity. For couples in field number four, the company should develop such a strategy that would allow to get rid of weaknesses and threats in the activity.

In the process of forming a program of actions, it is necessary to foresee situations in which advantages and weaknesses change places and are positioned as opposites.

For example, an opportunity that has not been used can become a threat if a competitor uses it. Or, on the contrary, a successfully eliminated threat can reveal additional opportunities for the company if competitors are unable to eliminate it.

Table 12
Matrix of SWOT analysis of the activities of PE FIRM "GARMASH"

	SWO1 analysis of the activiti	
	Opportunities:	Threats:  1. The increase in the level of
	1. Adoption of the Tax Code of Ukraine.	inflation, the increase in prices and the decrease in the demand of the
	<ul><li>2. Reduction of energy prices.</li><li>3. Opportunities to enter new sales markets.</li></ul>	population, which will narrow the potential range of consumers of flour products.
		2. Revaluation of the national monetary unit, which will make imported goods more competitive compared to similar products of PE FIRM "GARMASH"
		<ul><li>3. Reuction of customs barriers for imported products.</li><li>4. Growth of contraband deliveries of products to the domestic market of Ukraine.</li></ul>
Strengths:	Field of strengths and opportunities	Field of strengths and threats (2)
	(1)	i ica oi birenguis and unicuts (2)
The geographical location of the production facilities and the proximity to the city of Odesa the largest consumer market, including meat products.  High qualification of PE FIRMA management "GARMASH" Relatively low labor costs compared to the main non-resident competitors.  Implementation of investment programs aimed at increasing raw material production capacity.	In this situation, the company needs to strengthen its position in the market by increasing its share, diversifying products, bringing new products to the market in order to ensure reserve production capacity. A favorable financial situation makes it possible to allocate additional funds for research and development, increase the financial portfolio, and absorb small and large competitors. Certification is required.  It is necessary to improve managerial qualifications staff	and the introduction of new types of products, backup capabilities can be provided.  Provide linkages with more agricultural producers supplying grain in the event of low crop yields due to adverse weather conditions.  Strengthening of customs control over the growth of contraband deliveries of products to the domestic market of Ukraine.  Development of marketing communications.
1. 1. Dependence on imported supplies of some raw components (for example, additives).  2. 2. Decrease in production capacity due to rising raw material prices.  3. 3. Negative environmental situation affecting the quality of products  4. 4. The advantage of	Field of weaknesses and opportunities (3) In this case, the enterprise needs to: improve the qualifications of the staff on advanced training and higher education courses; preparation of products for certification; develop ties with domestic producers of raw materials. A favorable factor is the growth of per capita consumption. Reduction of customs barriers in the countries to which they are supplied goods of PP FIRM "GARMASH"	Field of weaknesses and threats (4) In this situation, it is necessary to gradually curtail activities or repurpose them, reinvest funds in other areas. The enterprise can remain on the market only in case of merger with another firm. Formation of the optimal range of products. Carrying out BCG analysis.

Source: generated by the author

Having built the matrix, we can offer some points of the product policy of the "GARMASH" PE FIRM. As you can see, smoked meats are in the "Stars" field. This means that the product occupies a significant share of the market, which must be maintained and multiplied. It is well known that competitiveness is a movement in the direction of innovation. Therefore, in order to stay within this movement, all enterprises need to develop, and PE FIRM "GARMASH" is no exception in this case. That is why we proposed the main measures that will help improve the state of the enterprise's marketing activities and provide the enterprise with a more stable position on the market of meat and meat products.

In the near future, new types of products must be developed and introduced to the market, since the external market environment is dynamic and constantly changing, as mentioned above. If the enterprise will delay the introduction of new types of products to the market, it is possible that its competitors will use the opportunity and satisfy the needs of consumers faster. That is why for PE FIRM "HARMASH", as for any enterprise, the question of developing a flexibility system is very relevant - a system with the help of which the enterprise can quickly and as efficiently as possible connect to positive and negative trends in the external environment. In particular, these can be: a radical update of the assortment, the introduction of innovative technological lines, the expansion of the nomenclature, the development of new areas in production, the transition to a new legal status of production, the renewal of ways and forms of product sales, the conquest of new market segments and the merger of production facilities.

Ensuring stable positions of the enterprise and on the bank should proceed according to the scheme presented below [58]. This scheme determines that profit is used to satisfy production goals. And, as a result, the company's competitive position on the market is improved with the support of the introduction of innovative technologies, the purchase of new machines, the search for new sales channels, etc. [58]. The analysis of publications shows that most of the methods of summarizing the collected information and analysis of the industry are modifications of the application of M. Porter's matrix of five forces. The matrix of five forces allows you to assess the

situation in the industry, to form an idea of the prospects of the competitive struggle, as well as to highlight the main competitors that represent the greatest threat to the enterprise. But it is a tool for processing general information about competition in the industry.

For a more detailed study of the competitive position of each enterprise, it is necessary to segment (distribute) competitors and identify groups of direct competitors. Our proposed methodology for diagnosing the intensity of competition in the industry allows us to systematize disparate information and draw conclusions about the level of competitiveness of the evaluated enterprises even in the absence or significant limitation of quantitative information about the industry and individual enterprises. We believe that such diagnostics should be applied even in the case of availability of quantitative information, as a preliminary stage of research into the competitiveness of enterprises.

We will carry out diagnostics in order to determine the groups of competitors and the main results of the struggle between them on the basis of open information.

As of January 1, 2020, there were about 550 meat industry enterprises in Ukraine, including 83 enterprises in Odesa region. Among them, only 7 enterprises have not been working for quite a long time and, most likely, will not resume production. Information for the analysis of the competitive situation in the industry and the competitiveness of enterprises was obtained from open sources: printed and electronic mass media, information and analytical sites, and the plants' own sites. According to the State Committee of Statistics, the import of meat in Ukraine in the first quarter of 2019 amounted to 58 thousand tons, which is 40% less compared to the corresponding period last year. At the same time, the main share of imports, as before, falls on poultry meat (24 thousand tons) and pork (19 thousand tons).

Experts attribute the positive dynamics to the development of domestic production and the strengthening of vet service control. In addition, domestic production is actively developing. As of the beginning of April, the number of pigs in Ukraine increased by 14% compared to the previous year, poultry - by more than 5%.

The issue of importing meat and food by-products into the customs territory of

Ukraine is under constant control of the State Customs Service and is subject to daily monitoring and analysis.

At the same time, the special attention of the customs authorities is aimed at: ensuring control over the correctness of the determination of the tax base of goods imported into the customs territory of Ukraine and formation of their valid price.

During 9 months of 2019, meat and food by-products were imported into Ukraine by 17% less than in the same period last year. In 2019, 268 thousand tons of such goods were imported, while in 2018 more than 322 thousand tons were imported. The average cost of one ton of imported raw meat decreased by 7% compared to last year.

In contrast to imports, exports of meat and offal from Ukraine increased by 57% and amounted to more than 37,000 tons (Table 13).

Table 13

Import and export of meat and food by-products for 9 months of 2019

Meat and offal (all types)							
	Imports	Export					
By weight	268.1 thousand tons (decrease by 17%)	37.3 thousand tons (an increase of 57%)					
The average cost of 1 t	1277.9 dollars USA/Vol. (7% decrease)	1941.8 dollars USA/Vol. (14% decrease)					
Main countries- suppliers	USA-33%, Poland-21%, Brazil-12%, Germany-11%	Kazakhstan - 37%, Russia - 31%, Vietnam – 13%					
Main importers	LLC "Ukrprodimport" (16%), PE "Broktranslogistik" (5%), LLC "Ukrainian Meat Union" (4%), VKP "Bohema" LLC (3%). LLC "Western Ukrainian Agrarian Company" (3%), LLC "Agro-	PrJSC "Myronivsky Hliboproduct" (43%), LLC "Pre-contract" (10%), Agromars Exim LLC - 7%.					
	Union" (3%)						

Source: generated by the author

During the first half of 2019, there was a decrease in the monthly import volumes of meat and food offal compared to last year.

However, starting from May of the current year, a trend towards an increase in the volume of imports of these goods was noted. The largest volumes of such goods

were imported in September, but they do not exceed the volumes of September last year (less than 2%).

The analysis of the import of meat raw materials by country of origin showed that most of the meat raw materials imported into the customs territory of Ukraine originate from: the United States – 33% (in 2018, also 33%); Poland - 21% (in 2018, also 21%); Brazil – 12% (in 2018 – 14%); Germany - 11% (in 2018 - 14%). At the same time, as we can see on the diagram, the structure of meat and offal imports by country of origin has practically not changed compared to last year. The share of EU countries in the total volume of imports of goods of this group is the largest, namely 52.3%. If we consider the volume of import of meat and by-products in terms of product items, more than 77% of the total volume of import of such goods in the current year is occupied by: import of poultry meat - 46.6%; and import of pork – 31.0%. A similar situation was observed last year. Let's examine individual product positions in more detail:

- the volume of beef imports decreased by 3.3 times and amounted to 2.4 thousand tons with an average cost of 1,905 dollars per ton. USA;
- export volumes decreased by 13% and amount to more than 12,000 tons with an average cost of 1 ton of almost 3,361 dollars. USA.

In order to improve the quality of meat products and increase their competitiveness, the state must provide certain subsidies and support domestic producers. In order to stabilize and develop animal husbandry, establishing it as a competitive industry, the following is expected:

- additional payment to commodity producers for cattle, pigs and poultry sold by them, milk and wool for existing and increased breeding stock of agricultural animals;
- stimulating the purchase by agricultural enterprises of heifers and heifers from breeding farms and by import.

Improving the economic situation in the development of animal husbandry, increasing the competitiveness of meat industry products is possible only under the condition of intensification of animal husbandry, increasing the productivity of

livestock and poultry, and reducing the cost of production.

To ensure food independence and security of Ukraine, it is necessary to take drastic measures aimed at fundamentally improving the situation in cattle breeding, pig breeding, sheep breeding, poultry farming and other industries.

The provision on the training of agricultural commodity producers in market management methods is important. The state should teach peasants to farm efficiently and maintain such working conditions for them, under which the production of livestock products would be profitable and efficient.

The main factors of the formation of the problem:

- 1. low purchase prices for milk, meat, wool and means for their production;
- 2. price policy instability, unsatisfactory state of settlements with the manufacturer due to insolvency;
- 3. large energy costs for the production of a conditional unit of the animal husbandry product, for the production process and the provision of services;
  - 4. low volumes of exports of products of animal origin;
  - 5. unsatisfactory condition regarding:
- organization of training, retraining and advanced training of specialists and experts in the development of animal husbandry;
- state support for the financial and economic condition of livestock enterprises and the industry as a whole;
- system of state regulation of imported livestock products and granting of loans to Ukrainian producers of these products;
  - systems of organization of products of animal origin;
- unbalanced processes of production, processing and sale of products of animal origin.

The creation of conditions for the continuous development of the livestock industry involves the concentration of finances, material and technical resources, improvement of the management system, and the introduction of new scientific and technical developments.

The need of the hour in this period is to ensure the growth and stabilization of

the investment attractiveness of the livestock industry, technical and technological reconstruction of production processes, improvement of the characteristics and quality indicators of livestock products, gaining stable positions on the foreign market, bringing the domestic safety and quality control system up to the level of international standards goods of the livestock industry, control of the State Production and Consumer Service.

To a large extent, the specifics of consumption of meat and meat products depend on the place of residence of consumers. Households in large cities spend the most on buying meat and meat products, their level is 25% higher than that of households in small cities and more than 50% higher than that of households living in rural areas. It was determined that the costs of meat and meat products of households in small towns are growing at a higher rate. Based on this situation, both meat producers and producers of meat products need to formulate marketing policy measures.

In large cities, it is advisable to enter the high price segment with a new offer, expand the assortment of meat delicacies, develop the segments of organic products; establish partnership relations with sales intermediaries, in particular, retail chains, it is advisable to also develop a corporate network and specialized trade enterprises for the sale of meat and meat products, to shape consumer behavior in the direction of increasing demand for high-quality and expensive products and delicacies. Household spending on meat and meat products in small towns is lower, so it is advisable to develop the middle price segment in them and expand the relevant range of meat products. In order to solve the outlined tasks, it is necessary to carry out segmentation and positioning, which will make it possible to form an appropriate marketing policy for each of the segments and at the same time make a justified choice of intra-instrumental marketing means.

Since households in rural areas mostly provide themselves with fresh meat and poultry, their demand is directed towards ready-made meat products, mainly sausages of medium and low price segments. Considering that rural households provide only 33% of meat and meat products consumption with products produced in private farms, it is necessary to solve the problem of their commodity supply, which is mostly due to

their insufficient physical availability. Due to the low development of the retail trade network in rural areas, in which there is about 600 m2 of retail space per 10,000 thousand population, while in cities - 2700 m2 (2012), which complicates the physical availability of meat and meat food products for rural residents. In order to solve this problem, we recommend that meat processing enterprises develop both a stationary network and outdoor trade in meat and meat products.

The composition of the family is an important demographic characteristic that affects the amount of household spending on meat and meat products. The higher the number of people in the household, the higher the total cost of buying meat and meat products, but the higher the number of people in the family, the lower the specific costs. If in a family of one or two persons, the average per capita costs for the purchase of meat and meat products are 641.5 and 559.6 hryvnias. per month, respectively, in families of five or more people - only UAH 312.3, that is, almost two times less. This is explained by the fact that large families are less well-off, their low average per capita income does not allow them to buy meat and meat products in the required quantity, most of such families should be classified as a low price segment, for them the primary factor in choosing meat and meat food products will be the price of products.

According to the costs, the consumption of meat and meat products in large families is 3.3 kg, single residents consume the most meat - 5.8 kg per month, families of two and three people - 5.2 and 4.6 kg, respectively. All this is below the rational physiological minimum, which indicates the need to form rational consumer behavior and solve social problems that prevent the proper consumption of meat and meat products by the population of Ukraine.

It should also be noted that the level of household spending on meat and meat products differs significantly depending on the number of children in the family. They are the smallest in families with three children, and the largest - in 2018 - in households with four children, in 2017 - in families with two children. Despite the fact that the costs of meat and meat products are higher in households with many children, the average per capita consumption of these products is low - 2.9 kg per month in households with three and four children, 2.7 kg per month - for households with five

or more children. The negative is the fact that the costs of meat and meat products of all groups of households by the number of children in the family in 2018 decreased compared to 2017, which, along with the increase in the price of these products, led to a decrease in consumption volumes, which did not meet physiological standards.

Households with four children saw the biggest reduction in spending on meat and meat products, by more than 47%, and households with three children - by almost 28%, while spending by households with one child and two children decreased by 10-12%. Given the high price of the main types of meat and meat products in Ukraine, their consumption will largely depend on the level of income, which is confirmed by statistical data. In 2010-2011, the consumption of meat and meat products by the population group with the lowest income level was only 2.2-2.5 kg on average per month per person, which was two times lower compared to the average level consumption and more than three times lower compared to consumption by the population group with the highest income level.

In general, the population with an average per capita income per month below the subsistence minimum consumed, according to statistical data, only 2.4 kg of meat and meat products per month on average per person, which is approximately 29 kg per year, which is almost three times less than physiological needs. In 2011-2017, the situation improved somewhat, but this group of the population consumed only a little more than 3 kg of meat and meat products per month on average per person, which was about 40.0 kg per year, and this in two times less than the physiologically justified norm. The insufficient level of consumption of meat and meat products is also observed in population groups with below average, average and above average incomes. In 2015-2020, the population of these groups consumed 4.6, 5.1-5.2, and 5.8-5.9 kg of meat and meat products on average per month per person, which year is about 55, 61 and 70 kg, and this is also less than the physiologically justified norm. Until 2012, only the households with the highest incomes consistently consumed a sufficient amount of meat and meat products, approximately 84 kg per year per person, the share of such households is 20% of the total population. Since 2017, the situation has worsened, the level of consumption has decreased to 6.4 kg per month per person, which for the year

was only about 77 kg. Thus, only a fifth of the population of Ukraine consumes enough meat and meat products. In general, with the deterioration of the macroeconomic situation in 2017-2019, the consumption of meat and meat products in Ukraine again has a downward trend, which negatively characterizes the development of this commodity market. Based on the results of the study, it can be concluded that the market of meat and meat products in Ukraine has significant unrealized potential, which is due to low solvent demand.

During the studied period, the average level of consumption of meat and meat products per month by one person in Ukraine increased by only 4.5%. It should be noted that the largest increase in this indicator, 50.0%, is observed in the group with the lowest level of average per capita income per month, that is, the level of consumption of meat and meat products per month by one person of this group increased from 2.2 kg to 3.3 kg. The increase in the level of consumption of meat and meat products per month by one person in the households of the group with incomes below the average level was smaller, it amounted to a little more than 18%; the consumption of meat and meat products per month by one person in the group of households with an average level of average per capita total income per month increased by 4.7%. At the same time, the level of consumption of meat and meat products per month by one person in the group with average per capita total incomes above the average fell by 5.5%, or by 0.3 kg, in the group with high average per capita total incomes there is also a decrease in the level meat consumption and of meat products per month by one person from 7.3 kg per month to 6.9 kg, i.e. by 5.5%. Therefore, with the increase in the income level of the population in the groups with low, below average, average and above average income levels, the level of consumption of meat and meat products increases, and the growth rate of the level of consumption of meat and meat products is higher in the groups with a low level income

The level of income of the population determines the level of possible expenses for the purchase of a particular product. The analysis carried out above confirms the effect of the laws of microeconomics in the behavior of households in the consumer market: the growth of the income level causes the displacement of low-value (low-

quality) goods by normal goods, that is, the substitution effect occurs. The dependence of the consumption of meat and meat products depending on the level of income, place of residence, characteristics of the number and composition of households has been revealed, but in order to obtain more accurate information for making decisions about the choice of marketing means, it is necessary to conduct research on consumers in the local market.

In order to identify the characteristics of consumer demand in the market of meat and meat products in the Odesa region, we conducted a marketing research using a questionnaire written survey of residents of Odesa and the Odesa region, the questionnaire is given in Appendix A. During the study, 857 people were interviewed, from 682 of the received questionnaires were selected based on the criteria of residence in the Odesa region, availability of answers to all questionnaire questions, and correctness of filling out the questionnaire.

The sample of 682 people is representative, since it has been proven that for a city with a population of one million inhabitants, sufficient representativeness is provided by a sample of 400 respondents, and according to statistical data, 1,453,541 people lived in Odesa at the time of the survey. The sampling error is  $\pm 5\%$ , which is a sufficient level of reliability for field marketing research.

According to the gender structure, the sample population consists of 44.1% men and 55.9% women. Data on the characteristics of the sample structure are presented in Appendix A, table. A.1. The purpose of the conducted survey is to identify the frequency of consumption of meat and meat products and the place of their purchase, the importance of factors influencing the decision to purchase these products, satisfaction with purchase parameters in trade enterprises of various formats, establishing the average purchase price, the level of demand satisfaction, consumer preferences and preferences, finding out favorite product brands, as well as willingness to pay a higher price for high-quality products. As a result of using simple methods grouping and classification the following data were obtained.

During the study of the priorities of products in the diet of consumers, 48.6% of all respondents noted that meat and meat products are the first place in their diet, which

indicates the importance of these food products and their significant place in the consumer basket. Researching the priorities of consumers regarding types of meat and the frequency of consumption of meat and meat products revealed that the respondents most often consume chicken (12% of respondents consume it daily and 31% - every other day, 38.9% - 1-2 times a week), in second place is pork (8.1% use it daily, 16.2% - every other day, and 45.2% - 1-2 times a week), and in third place is beef (7.9% use it daily, 9.6% - every other day and 34.5% - 1-2 times a week.

It should be noted that 41.4% of respondents do not consume meat other than pork and beef, and 33.6% of respondents do not consume other types of poultry, except chicken, therefore these types of meat are the main choice and demand on the market. In more detail, the results of the survey are presented in the table in appendix A, tab. A.2. Consequently, there is an imbalanced consumption by types of fresh meat: the consumption of chicken prevails over the consumption of other types of meat. Taking into account the complex socio-economic situation, as a result of which there is limited solvent demand, such a situation, in our opinion, is caused not by taste preferences, but by the price inaccessibility of products, which emphasizes the dependence of consumer choice on the level of income, since the choice in favor of chicken is mostly determined by lower the cost of buying chicken meat.

Due to the annual decrease in the number of cattle, the supply of beef is decreasing, but poultry farming is developing at a rapid pace. Under such conditions, the market of meat and meat products in the Odesa region, as well as in Ukraine as a whole, has an imbalance of consumption by types of meat: poultry meat is significantly predominant in the structure of consumption, its share is about 50%, almost a third of consumption is pork and only 10-15% is beef.

The results of the study of the frequency of consumption of the main types of meat products are presented in table A.2. Appendix A and fig. 3.6.

So, as can be seen in fig. 3.6 respondents use salted or smoked lard most often among all ready-made meat products (9.9% of respondents use it daily (92.4% of them are men) and 15.1% - every other day, 30.9% - 1-2 times for a week). It should be noted that among consumers who do not consume lard at all, and such 30.9%, the

overwhelming majority are women - 96.3%. Boiled sausages are in second place in terms of frequency of consumption (9% of respondents consume them daily and 16.8% - every other day, 29.2% - 1-2 times a week), and raw-smoked and semi-smoked sausages are in third place (6.7% of respondents use it daily and 13.3% - every other day, 24.6% - 1-2 times a week), and only in fourth place are sausages and anchovies (3.3% of respondents use them daily and 11.5% - every day, 34.1% - 1-2 times a week). As for delicate whole-meat ready-to-eat meat products (balyk, beef, bone, neck, etc.), 12.5% of respondents do not use them at all, and 32.4% buy them rarely, only on holidays, this is due to the high price of these products.

The origin of meat and meat products turned out to be an important factor in choosing a product by manufacturer. Thus, 63.6% of respondents prefer domestic producers and only 4.1% - products of foreign production, and for 32.3% of respondents the producer is not important (Fig. 3.7). Thus, domestic producers of meat and meat products have significant priorities in the market among consumers who mostly choose Ukrainian products.

During the research, the average cost of Odesa residents for the purchase of meat and meat products per week was revealed (Fig. 3.8). The data of fig. 3.8 indicate that half (50.8%) of the respondents spend up to UAH 150 on the purchase of meat and meat products. per week, another 32.3% - up to UAH 300. It was established that, taking into account the current prices and the ongoing inflationary processes, 83.1% of buyers, i.e. the majority of households, consume no more than 1-2 kg of meat products per week.

It was established that the costs of meat and meat products depend significantly on the composition of the family. Almost all families of 1-2 people spend no more than UAH 300. per week for the purchase of meat and meat products, only 5 families of 2 people spend more than UAH 390. for a week. The share of expenses for the purchase of meat and meat products increases slightly with the increase in the size of the family.

Depending on the composition of the family, expenses are distributed as follows:

1) from 217 families consisting of 3 people, up to UAH 300. 185 families (or 85.3%) spend more than UAH 301 per week. – 31 families;

- 2) from 143 families consisting of 4 people, up to UAH 300. 22 families (or 61.1%) spend more than UAH 301 per week. 43 families;
- 3) from 74 families consisting of 5 people, up to UAH 300. 38 families (or 51.4%) spend more than UAH 301 per week. 36 families.

During the research, it is important to determine the most important factors for consumers to choose meat and meat products. According to the results of the study of the consumer choice process, the ranks of the importance of the investigated factors for consumers when choosing these products were determined.

According to the obtained results, such a factor as the appearance of the products is on the 1st place in terms of importance, and the smell of the products is on the 2nd place; in 3rd place - quality guarantees; on the 4th place - conditions of purchase; on the 5th place - the price of products; on the 6th and 7th places, product range and packaging, respectively. The predominance of product quality factors over price has been established, which indicates the need for producers and sellers of meat and meat products to ensure high product quality and proper conditions for its storage, preparation for sale, and sales conditions.

During the research, the respondents were asked to evaluate on a 5-point scale the factors of buying meat and meat products in retail trade enterprises of various formats in the city of Odesa. Taking into account the importance of factors and their evaluation, it was found that supermarkets and branded stores are the most trusted by consumers when buying meat and meat products. If, according to consumers, supermarkets have advantages in terms of assortment, attractiveness of packaging, purchase conditions, then branded stores have advantages in terms of appearance, quality guarantees, smell, that is, those indicators that determine the freshness and quality of meat and meat products. The weighted estimates of the factors of food stores and markets turned out to be lower and almost at the same level, and tents and trays were the least attractive for buying meat and meat products.

So, according to the results of the research, the most attractive place to buy meat and meat products for the respondents are branded stores. In second place are supermarkets, which received the highest points for assortment, attractive packaging

and conditions for purchasing products.

In third place are food stores, in fourth place - markets, and in the last place - kiosks and trays, where all purchase factors received the lowest rating, product quality guarantees were especially negatively rated. These aspects are important for making a decision regarding the choice of instrumental means of sales policy and marketing, in particular the choice and development of sales channels. The choice of the brand of the producer of meat and meat products also depends on the sources of information that the consumer trusts when choosing these products. During the research, we identified the main sources of information for consumers.

As can be seen from the research results, 47.7% of respondents, above all, trust their own experience of buying and consuming meat and meat products. Thus, the holding of tastings of meat products in trade enterprises to acquaint consumers with their taste qualities becomes especially relevant. In second place are the advice of friends, acquaintances or other consumers, 19.8% of respondents marked them as the main source of information when buying meat and meat products. This is the basis for the formation of a WOM-marketing system at production and trading enterprises, the distribution of positive feedback about the enterprise by consumers themselves among their acquaintances, on forums and social networks on the Internet. In third place is information on product packaging (15.8%), which indicates the need to pay attention to the development of information and advertising blocks on product packaging or labels. Consumers trust mass media (3.6%) and seller information (4.6%) the least.

Market research is a systematic activity aimed at collecting, analyzing and interpreting information about market processes. Market research allows you to determine the main market mechanisms, such as demand, supply, prices, as well as consumer behavior and activities in the field of competition.

Today, market research is the basis of a successful business, the conducted analyzes help entrepreneurs make the right decisions, invest only in projects with potential, and adapt the marketing strategy to modern market requirements.

In recent years, there has been a significant change in the structure of the Ukrainian meat market, which consists in a decrease in the share of beef and a

corresponding increase in the share of poultry meat in the market.

According to the State Statistics Service of Ukraine, the volume of production of poultry meat of all types in 2000-2018 was constantly growing. In 2000, all categories of farms produced 193.2 thousand tons of poultry meat (in slaughter weight) against 1258.9 thousand tons in 2018. In 2018, the structure of production of all types of meat was dominated by poultry meat (54%, 1258.9 thousand tons), the share of beef and veal was 16% (358.9 thousand tons), and pork - 30% (702.6 thousand tons). In 2000, the structure of meat production was completely different, the production of beef and veal prevailed - 46%, the share of pork was 42%, and chicken - 12%.

Among the most popular types of meat are red meat (beef), white meat (mainly chicken and some other types of poultry, pork). One Ukrainian consumes less than 52 kg of meat of all kinds per year, which is much less than in the EU countries (over 86 kg per 1 person) and the USA (over 100 kg per 1 person). In the structure of meat consumption by species in Ukraine, poultry meat prevails - 24.3 kg per person in 2018.

The object of the study is the marketing activity of PE FIRM "HARMASH", which is a leader in the production and sale of products of the meat processing industry in the market of Odesa and Odesa region.

On the basis of the completed SWOT-analysis of the activities of PE FIRM "GARMASH", the following measures can be proposed: conduct a marketing research of the sausage and smoked products market with the aim of increasing their production and sale; to identify the reasons for the increase in the balance of unsold products in order to reduce them, which will make it possible to increase the volume of sales and increase the company's solvency; wage conditions should be reviewed in order to slow down the rate of growth of the average wage and achieve the necessary ratio with the rate of growth of labor productivity.

In order to identify the characteristics of consumer demand in the market of meat and meat products in the Odesa region, we conducted a marketing research using a questionnaire written survey of residents of Odesa and the Odesa region, the questionnaire is given in Appendix A. During the study, 857 people were interviewed, from 682 of the received questionnaires were selected based on the criteria of residence

in the Odesa region, availability of answers to all questionnaire questions, and correctness of filling out the questionnaire.

It was established that meat and meat products are a traditional food product of Odesa region residents, which is consumed quite often, 2-3 times a week, and in some cases even daily, which indicates a significant capacity of the regional meat and meat market. food products

The frequency and volumes of consumption of meat and meat products are largely influenced by demographic and social factors, in particular gender, age, family composition, as well as income level, which determines the need to segment the market precisely according to these parameters.

Odesa residents generally prefer domestically produced meat and meat products, so the focus of product promotion programs should be emphasis on national traditions of production and consumption of meat and meat products. Important factors in the choice of meat and meat products are non-price factors: appearance, smell of products, quality guarantees, conditions of purchase.

According to the results of consumer evaluation of the retail facilities in which meat and meat products are sold, based on the above factors, it was established that the best level of organization of the sale of this type of food products is established in supermarkets and branded stores, the weighted evaluations of which exceed the evaluations of grocery stores, markets and stalls.

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# 5. Investment attractiveness of agricultural enterprises as a prerequisite for the implementation of innovative development strategies

**5.1 Abstract.** At the present stage, the scientific, technological and innovative component in the activities of agricultural enterprises is becoming extremely important. The study of the role of investments in agriculture, the allocation of factors influencing the investment attractiveness of the industry, will allow to develop effective strategies for the development of agricultural enterprises, to introduce innovative solutions and mechanisms to improve the investment attractiveness of agricultural production. It is extremely important to study and summarize points of view on the content of investment opportunities of agricultural enterprises, determine their role in the development of the industry, in the strategic development of agricultural enterprises, in particular the effective implementation of innovative development strategies, identify and study factors affecting the investment attractiveness of agriculture and the effectiveness of development strategies. In suach science, the problem arises of the importance of investment attractiveness as a prerequisite for the implementation of the marketing strategy of innovative development. Factors influencing investment attractiveness are determined taking into account the features and specifics of the industry. An analysis of factors of influence is provided, on the basis of which appropriate conclusions are made and methodical approaches to making strategic managerial decisions and forming strategies for innovative development are outlined. The agricultural sector is potentially attractive for future investments, as evidenced by research, the role of investment in the development of agriculture in Ukraine is significant, and the need for investment support for agricultural enterprises through mechanisms of state influence in particular. Further scientific research should be aimed at identifying and predicting synergistic effects from the integrated application of marketing approaches, strategic enterprise management, increasing the level of investment attractiveness of enterprises in the agricultural sector.

**5.2** The role of agriculture in human life. The evolution of the development of each society convincingly proves that agriculture has played a key role in the history of human development, acting as a leading sector of the economy, providing the population with food and resources necessary for existence. From ancient times until the Industrial Revolution, agriculture was a strategic driver in the economies of countries, and today continues to play a key role in developing countries and several continents with large populations, as it remains the key to their food security. The history and evolution of agriculture stretch back millennia, from the beginning of civilization to the present. The first beginnings of agriculture date back to ancient times, when people began to realize that they could cultivate plants and breed animals instead of hunting and gathering. The development of tools that simplified tillage made it possible to move from a nomadic lifestyle to the settlement of permanent settlements. It is also worth noting that agriculture played a crucial role in the formation and development of ancient civilizations. The establishment of sustainable agricultural production influenced the emergence of the first cities, states and social structures. The development of irrigation systems, new plant varieties and processing methods provided food to the population, stimulated trade, and facilitated the expansion of trade routes. Famous historical events such as the Neolithic Revolution and the Industrial Revolution occurred with significant impacts on agriculture. The Neolithic revolution, when people began to settle and cultivate plants, radically changed their way of life and opened the way to the development of civilizations. The Industrial Revolution, in particular the introduction of machinery and mechanization, improved the efficiency of rural production, accelerated the processes of cultivation and processing. Speaking about current challenges and innovations in these areas, it should be noted that in the modern world, agriculture faces new challenges, such as climate change, population growth and lack of resources. To cope with these problems, innovative methods and technologies are emerging. The use of modern means of information technology, the development of genetically modified organisms, the introduction of ecological agriculture are just some of the areas that are aimed at supporting sustainable development and conservation of natural resources. No less important is the fact that

agriculture is traditionally not referred to as high-tech industries such as, for example, IT technologies, instrument making and others. However, at the present stage, the scientific, technological and innovative component in the activities of agricultural enterprises is becoming extremely important. Studying the role of investments in agriculture, identifying the factors affecting the investment attractiveness of the industry, will allow developing effective strategies for the development of agricultural enterprises, introducing innovative solutions and mechanisms to improve the investment attractiveness of agricultural production, which, in turn, will increase the productivity of enterprises in this sphere through the introduction of the latest biotechnologies, modern means of production, the development of unique types of fertilizers and, as a result, will significantly increase gross production, which is critical for shaping food security in most countries of the world. We also note that agriculture is not only an important component of the country's economy, but also its driving force. It affects economic development, employment, export potential and life of the population. Here are some key aspects that highlight the role of agriculture as a driving force behind a country's economy: Ensuring food security: Agriculture produces the bulk of the food consumed in the country. Ensuring stable access to quality and affordable food is a key component of national security and social well-being. Economic development: Agriculture will make a significant contribution to a country's gross domestic product (GDP), particularly through the production, processing, and export of agricultural products. It helps to increase trade volumes, attracts investment, stimulates the development of infrastructure and other sectors of the economy.

Employment: Agriculture is one of the largest employers in many countries. It provides employment for millions of people, especially in rural areas where other job opportunities are limited. The development of agriculture contributes to the reduction of unemployment, migration to cities and income inequality. Regional development: Agriculture is a key factor in rural development. It contributes to the development of infrastructure, the maintenance of schools, hospitals and other public services. In addition, it creates opportunities for economic diversification and development of related industries, such as agricultural processing and tourism. Innovation and

technological progress: Investments in agriculture contribute to the adoption of new technologies that increase production efficiency and sustainability of the industry. The use of modern agricultural technologies allows increasing yields, reducing production costs, improving product quality and reducing the negative impact on the environment. Consequently, agriculture, as the driving force of the country's economy, affects various aspects of social development. It not only provides food, but also creates jobs, promotes economic growth and ensures sustainable development. Investment in agriculture is an important tool to ensure its efficiency, sustainability and innovative approaches in this area.

**5.3 Substantiation of the relevance of the study of investment attractiveness in the field of agriculture.** Justification of the relevance of researching investment attractiveness in the agricultural sector:

-mportance of agriculture: Agriculture plays a vital role in ensuring food security and economic development in many countries. Investments in this sector contribute to increased food production, improved livelihoods in rural communities, and reduced dependence on imports.

-need for modernization and innovation: Agriculture requires continuous modernization and the adoption of innovative technologies to enhance production efficiency, minimize environmental impact, and ensure sustainable development. Investments can stimulate research and development of new agricultural technologies, the implementation of environmentally friendly farming methods, process automation, and infrastructure improvement.

-ensuring financial support: Investments serve as a significant source of funding for agricultural development. Attracting investments can assist farmers in accessing the necessary capital for acquiring modern equipment, expanding production, improving product quality, and exploring new market opportunities.

-regional development: Agriculture is a key driver of rural development and regional economic growth. Investments in the sector can create new job opportunities, support rural economies, attract tourists, and facilitate infrastructure development.

-global challenges: Agriculture faces various global challenges such as climate change, soil degradation, water resource depletion, and biodiversity loss. Investments can contribute to addressing these issues by promoting sustainable agricultural practices, implementing environmentally friendly technologies, and supporting farmers in adopting resilient practices. Considering these aspects, researching investment attractiveness in the agricultural sector becomes crucial for identifying potential opportunities and challenges related to the sector's appeal to investors. Such research can facilitate the development of effective strategies and policies to attract investments in agriculture and achieve sustainable development. The study of investments and investment attractiveness has always paid much attention among domestic and foreign scientists. The study of investment and innovation activity has been and remains relevant for most leading scientific schools, while the importance of investment attractiveness in agriculture, as well as the impact of investment attractiveness on the effectiveness of innovative development strategies, requires more detailed and in-depth research. The unresolved parts of the problem here are the search for ways to attract investment in agriculture, the definition and systematization of specific methods and indicators affecting the attraction of investments, the analysis of the criteria for investment attractiveness of enterprises in this industry, the impact of investment attractiveness on the effectiveness of the implementation of innovative development strategies has been and remains extremely relevant for the statehood and independence of Ukraine as a whole. The purpose of studying this issue is, first of all, to summarize points of view on the content of investment opportunities of agricultural enterprises, determining their role in the development of the industry, in the strategic development of agricultural enterprises, in particular the effective implementation of innovative development strategies, identifying and studying factors affecting the investment attractiveness of the agricultural sector and the effectiveness of development strategies.

**5.4 The concept of "investment".** The history of investment has deep roots and is closely linked to the development of human society and the economy over many centuries. It began with the emergence of the first forms of exchange and trade among

people.nInitially, people engaged in simple forms of barter, where goods were exchanged directly between individuals. However, over time, problems arose in finding buyers or sellers of specific goods at a specific time. This led to the idea of using money as a universally accepted medium of exchange.

Trade gradually developed, and along with it came new opportunities for investing money to generate profit. One of the earliest forms of investment was lending, where one person provided a loan to another with the promise of repayment along with interest. In the Middle Ages, trade began to flourish, and the first forms of entrepreneurial partnerships emerged, where several individuals pooled their financial resources for joint investments in business ventures. This spurred the development of crafts, manufacturing, and trade at the city and country levels.

Throughout the 18th and 19th centuries, investment activity continued to thrive, particularly with the advent of the Industrial Revolution. The development of railways, factories, mines, and other industrial enterprises required significant capital investment, leading to the formation of specialized companies that raised funds from investors to implement projects.

The emergence of stock exchanges, where company shares were traded, also had a significant impact on investment development. The Amsterdam Stock Exchange, founded in 1602, and the London Stock Exchange, established in 1801, can be considered among the first stock exchanges.

In the 20th century, investment activity became widespread and accessible to the majority of people due to the development of the banking system and the emergence of investment funds. People became more actively involved in investing their money in stocks, bonds, real estate, and other financial instruments with the aim of increasing their capital.

Modern investment activity continues to evolve and adapt to changes in the global economy. New forms of investment have emerged, such as investments in startups, cryptocurrencies, social projects, and more. Technological progress and the growth of globalization create new opportunities and risks for investors, but the fundamental principles and goals of investment, namely, to generate profit, remain unchanged.

The term "investment" comes from the Latin "investire" – to dress. The concept of investment in enterprises is primarily associated with quantitative and qualitative changes in production capacities. Without investment, a normal production process is impossible [59]. According to the Law of Ukraine "On Investment Activity", "investments are all types of property and intellectual values invested in objects of entrepreneurial and other activities, as a result of which profit (income) is created and/or social and environmental effect is achieved." [60] It should be noted that the concept of investment does not have a single unified interpretation in both Ukrainian and foreign sources. For example, in the textbook Lutsiv B., Kravchuk I., Sas B. "Investment" it is proposed to consider investments as a purposeful investment for a certain period of capital in all its forms in various objects (instruments) to achieve individual goals of investors [61]. However, the manual of scientist I. Matiushenko "Investing in the context of international integration of Ukraine" offers the following definition: investment is the investment of capital in any form in a particular business for its further increase or preservation [62]. Forms of investments can be diverse and depend on the object and method of capital deployment. The main forms of investments include:

- 1. Stocks: Investments in stocks involve the purchase of ownership shares in companies. The investor becomes a shareholder and obtains the right to a share in the company's profits and the ability to vote at shareholder meetings.
- 2. Bonds: Investments in bonds involve the purchase of corporate or government debt securities. The investor becomes a creditor and receives interest payments (coupons) based on the bond's principal amount, which is repaid upon maturity.
- 3. Real Estate: Investments in real estate encompass the acquisition of houses, apartments, commercial properties, or land with the aim of earning profits from rentals, sales, or development.
- 4. Venture Capital: Investments in startups or small innovative companies that have the potential for rapid growth. Investors provide financial support in exchange for ownership stakes in the company and expectations of future success and returns.

- 5. Infrastructure: Investments in infrastructure projects such as roads, bridges, ports, energy systems, etc. Investors contribute funds to the construction and operation of infrastructure facilities with the aim of earning profits from their operation.
- 6. Stock Market: Investing in the stock market involves buying and selling stocks, bonds, commodities, or other financial instruments with the aim of earning profits from price fluctuations.
- 7. Cryptocurrencies: Investments in cryptocurrencies such as Bitcoin, Ethereum, etc. Investors purchase digital coins with the hope of their value appreciation and the opportunity to profit from their sale.

These are just a few of the primary forms of investments, and there are many other options and combinations depending on specific financial goals and investment strategies. It is important to note that each form of investment carries its own risks and potential advantages, so it is recommended to consult financial advisors or experts before making investment decisions.

To determine the factors affecting the investment attractiveness of agricultural enterprises, it is necessary to analyze theoretical approaches to the definition of the concept of "investment attractiveness of industries". The theoretical definition of investment attractiveness is, in our opinion, of considerable practical importance, since the practical implementation of investment policy not only in the field of agriculture, but also in the economy of our country as a whole depends on understanding the content of these opposing interpretations. It should be noted that the investment attractiveness of industries is an integral characteristic of individual sectors of the economy in terms of development prospects, return on investment and the level of investment risks [62]. When determining the investment attractiveness of the industry, as a rule, the following indicators are taken into account:

- profitability (characterizes the effectiveness of investments);
- investments in fixed assets (characterizes the presence of objects of capital investment);
- number of large and medium-sized enterprises (characterizes the concentration of production);

- the share of the industry in the total volume of industrial production (characterizes the level of production and sales). When analyzing the investment attractiveness of the industry, a complex of external factors is also taken into account, among which most scientists distinguish:
- the importance of the industry, that is, the importance of the industry's products, its features, the share of exports, dependence on imports, the level of provision of domestic needs of the country, the share of the industry or specific products in GDP;
- the level of state intervention in the development of the industry is low, medium or significant, including state capital investments, tax benefits, the possibility of accelerated depreciation, etc. The final stage of the analysis of investment attractiveness is its assessment of individual business entities. Such an assessment is carried out by the investor when determining the feasibility of investing in the expansion and technical re-equipment of existing enterprises, when choosing to purchase alternative objects, buying shares of individual joint-stock companies. [62] Describing the factors of investment attractiveness, it is necessary to pay attention to the global trend of forming an investment climate as a whole. The formation of an investment climate in different countries involves various aspects, including political, economic, and legal factors that influence the attractiveness of a country to foreign investors. Here are several key factors that impact the investment climate:
- 1. Political stability: Countries with political stability and reliable institutions are often considered attractive to foreign investors. Unstable political situations, corruption, and unpredictability in political processes can deter investments.
- 2. Economic indicators: A strong economy, low inflation, stable currency, and competitiveness of a country can increase investor interest. The presence of developed infrastructure, market access, and sound fiscal policies are also important factors.
- 3. Legal framework: An effective legal system that guarantees investor rights, contract enforcement, and dispute resolution can stimulate investment activity. Transparency in legislation and openness to foreign investors are also important.

- 4. Risk and return: Investors assess the level of risk and potential returns in a country. They consider factors such as tax policies, access to financial resources, level of competition, potential market demand, and investment profitability.
- 5. Human resources: The availability of a skilled workforce, education and training systems, and labor market flexibility can contribute to the investment climate of a country.

The investment climate in each country may vary depending on its specific characteristics and conditions. Many countries take measures to improve their investment climate, such as streamlining bureaucratic procedures, attracting foreign capital, ensuring legal stability, and reducing the tax burden.

Overall, creating a favorable investment climate requires a comprehensive approach that takes into account the political, economic, legal, and social aspects of a country.

**5.5 Volume of investment in agriculture.** According to the State Statistics Service of Ukraine, in January-September 2021, the volume of capital investments in agriculture amounted to UAH 331665.9 million. Table 1 provides data on the structure of investments by their origin in 2021.

Table 1

The volume of capital investments in agriculture by sources of their income

	Sources of investment, thousand UAH								
Total			From own funds		From loans				
investment	From the	From local	of enterprises and	From bank loans	from non-				
thousand	state budget	budgets		and other loans	resident				
UAH.					banks				
49127383	96798	67456	44627252	4310691	52691				

Source: Generated by the author based on [63]

The data in Table 1 show that the lion's share in the structure of capital investments isoccupied by own funds of enterprises, and in the process of forming development strategies, the possibility of obtaining bank loans and other loans should be taken into account. Table 2 shows the dynamics of changes in capital investment in agriculture over the past nine years.

Table 2

Dynamics of capital investments in agriculture of Ukraine for 2013-2021,
thousand UAH

Years								
2013	2014	2015	2016	2017	2018	2019	2020	2021
16526,9	2570,5	27900,0	45042,4	57804,7	65901,1	55254,2	36442,1	49127,4

Source: Generated by the author on the basis of sources [63]

The data of the above analysis convincingly prove that agriculture is one of the most attractive sectors for investment, moreover, the volume of capital investment since 2013 has tended to grow steadily. At the same time, there was a decrease in capital investment in 2020 compared to previous years, which is obviously due to changes in the investment climate. However, in general, it should be noted that these statistics indicate the existence of favorable conditions for agricultural entrepreneurship. Namely, which include favorable climatic conditions, distinctive geographical features: location of the country, soil fertility, developed infrastructure, etc. These factors play a key role for a potential investor, because, as a rule, the main risks are associated with them. The structure of capital investments in terms of individual sectors of the economy for 2021 is presented in Figure 1, we see that 11.5% of investments are directed to agriculture. Agricultural production depends on climatic conditions, their variability, soil quality. No less important criteria for the investment attractiveness of agricultural enterprises are the performance indicators of related industries, namely those that provide them with means of production, fertilizers and means of material technical support (agricultural engineering, production of fertilizers, plant protection products, etc.), industries that ensure further processing, serve the sale of manufactured products (logistics, storage, sale), which in symbiosis with agricultural enterprises form the agro-industrial complex. Some scientists reasonably believe that the component of the formation of investment attractiveness is the information environment associated with the marketing activity of enterprises. The well-established interaction of all links and components of economic activity of agrarian formations allows to reduce costs and increase production volumes. This, in

turn, creates prerequisites for further development of the potential of the entire industry and individual enterprises of the agricultural sector.

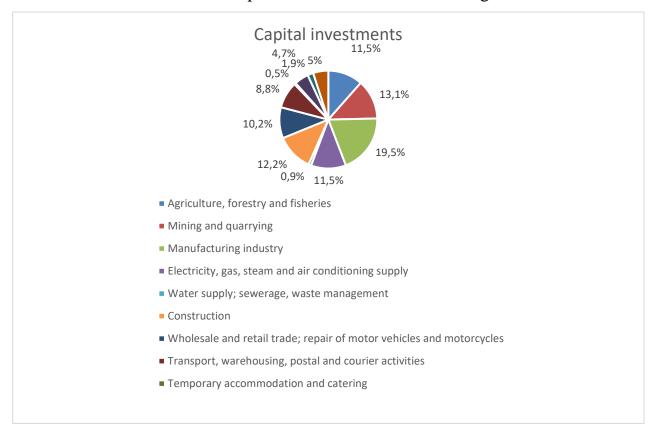


Figure 1. The structure of capital investments by sectors of the economy in 2021 *Source: formed by the author on the basis of [63]* 

Analysis of financial and economic indicators of enterprises showed that the level of profitability of agricultural production in 2021 amounted to about 6.9%. Below are the data of a comparative analysis of this indicator with enterprises of other sectors of the economy of Ukraine (Fig. 2). Figure 2 shows that the profitability indicator in agriculture is not high compared to other sectors of the economy, due to fluctuations in prices for agricultural products and natural factors that affect yields. These factors remain key in determining the levels of profitability of production in agriculture. However, the level of profitability can be higher under the condition of favorable conditions and under conditions of creation and promotion of innovative products with high added value, based on the implementation of effective strategies for innovative development.

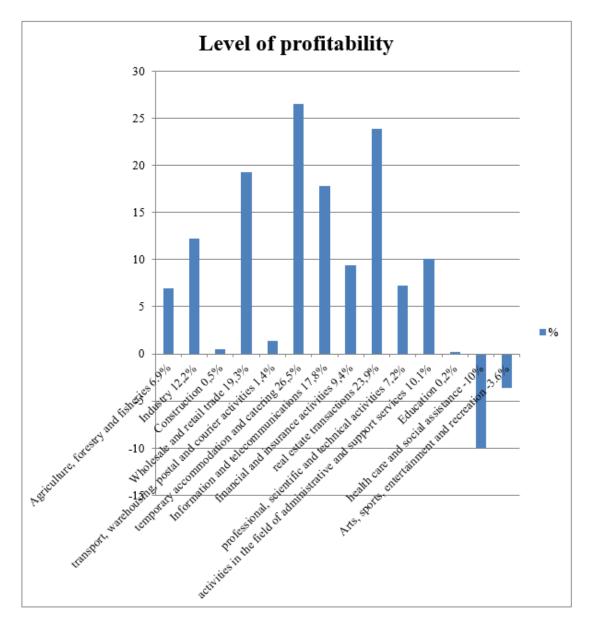


Figure 2. The level of profitability of enterprises by sectors of the economy.

Source: generated by the author based on [63]

Thus, the importance and role of agriculture in the economy of Ukraine and for the World as a whole is of particular importance, because it is one of the most effective and security-forming sectors of the national economy. This is convincingly evidenced by a number of important macroeconomic parameters. Which include the share of agricultural production in the gross domestic product of the state (GDP). Thus, in 1990 it was 24.4%. During the years of economic crisis, this indicator began to decline rapidly and already in 1993 it was 21.5 %, in 1995, no more than 13 %, and in 1999 even 12.8 %, respectively. Such a significant decrease in the industry's share in the formation of our country's GDP is explained by scientists mainly by price factors. [64].

And today this share was only slightly more than 10%. [65]. However, our research convincingly shows that the agricultural sector continues to play a leading role in shaping Ukraine's GDP and remains one of the most promising sectors of the domestic economy for investment in the postwar period. At the same time, success in agribusiness and ensuring sustainable economic development and a high level of competitiveness of the enterprise is possible only through active innovation and implementation of innovative development strategies. Analyzing the above data, we can assert that agriculture in Ukraine is one of the most attractive sectors for investment for several reasons:

- natural resources: Ukraine has fertile soils, favorable climate and large land areas, which creates a high potential for agricultural production. This makes it possible to obtain high yields and expand production.
- Export potential: Ukraine is one of the largest exporters of agricultural products in the world. The large domestic market and proximity to the markets of Europe and East Asia create prospects for expanding exports and increasing revenues.
- land availability: There is a large amount of unoccupied land in Ukraine that can be used to expand agricultural production. This creates opportunities for investors to purchase land plots or lease them.
- state support: Ukraine is actively working to improve the investment climate in agriculture. Government programs and support are aimed at attractive conditions for investment, simplification of procedures, reduction of tax burden and creation of a favorable business environment.

-potential for modernization: Ukrainian agriculture needs modernization and introduction of modern technologies. Investors can make a significant contribution to infrastructure development, technological upgrade, expansion of the processing industry and cultivation of varieties of products with high added value.

These factors contribute to the attractiveness of agriculture for investment in Ukraine. However, before making any investment decisions, it is recommended that you carefully examine the risks, competitive situation and regulatory framework, and consult appropriate professional advisors and experts.

5.6 Formation of innovative development strategies. The formation and implementation of strategies for innovative development of agricultural enterprises is determined by the level of innovation potential, as well as the effective management of this potential, aimed at maintaining innovation activity at the proper level and aimed at the commercial result from innovation [66]. Depending on the initial levels of innovative development of the agricultural enterprise and the level of investment attractiveness, an appropriate model of strategic behavior and an appropriate strategy for innovative development are proposed. The algorithm for choosing such a strategy for the further development of innovation activity of an agricultural enterprise is shown in Figure 3. As can be seen from Figure 3, the phasing of choosing a strategy for innovative development of an agricultural enterprise is determined by the relationship between successive measures to update technologies and management systems, which are characterized by control and correction of planned activities through constant monitoring and, in particular, marketing research of investment attractiveness.

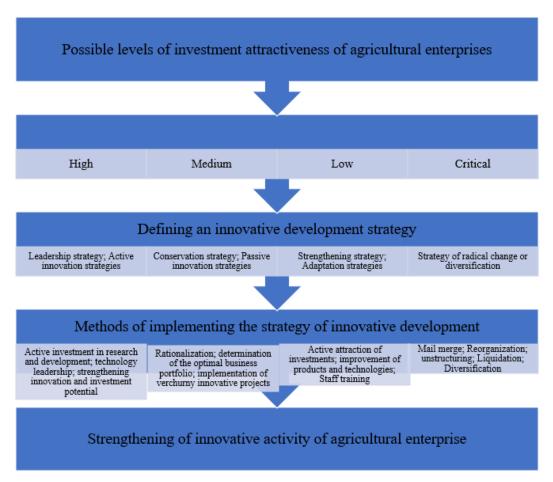


Figure. 3. Choosing an innovative development strategy taking into account investment attractiveness Developed by authors based on [66, c. 9]

Exploring the state of investment activity in the field of agriculture in other countries of the world, we can say that investment in agriculture in different countries of the world is a key factor for the development and maintenance of a sustainable agricultural sector. The level of investment depends on the economic situation of the country, its political will and priorities, as well as the needs and potential of agriculture. Here are some examples of investment strategies in agriculture in different countries of the world:

-USA: Agriculture is one of the main sectors of the US economy, and large investments are directed to its development. The government provides financial support to farmers through subsidy and credit programs. In addition, private investors are actively investing in technological progress, research of new varieties of plants, development of infrastructure and production processes.

-China: China is one of the largest agricultural powers in the world, and its government is actively investing in agriculture. Investments are directed to the modernization of agricultural machinery, the introduction of new technologies and innovations, the improvement of infrastructure, the development of irrigation systems and support for agriculture in regions with limited resources.

-European Union (EU): The European Union invests heavily in the agriculture of its members. EU funds, such as the Common Agricultural Policy, provide financial support to farmers, contribute to environmental conservation, rural development and stimulate the use of environmentally friendly methods of growing products.

-Brazil: Brazil is one of the world's largest agricultural producers, and large investments are directed to agricultural development. Investors fund high-performance technologies, support plant genetics research, increase crop efficiency and reduce environmental impact.

-India: India has a large agricultural sector and the authorities are directing investments to develop it. The government provides financial support to farmers, in particular through soft loans and rural development programs. In addition, it invests in irrigation, soil quality improvement, development of agricultural markets and introduction of new technologies. Each country has its own strategies and approaches

to investing in agriculture, taking into account its own characteristics and needs. However, the general trend is to use investments as a tool to support sustainable development of the agricultural sector, ensure food security and improve the quality of life of rural population. Any strategy of innovative development involves a complete or fragmentary restructuring of the enterprise, because a change in one element of strategic management will inevitably lead to a change in other elements. This flow of strategic changes accompanies current production processes. Speaking about the strategy of innovative development of agriculture, we note that the strategy of innovative development in agriculture traditionally should include the introduction of new technologies, methods and approaches that contribute to improving the efficiency, sustainability and sustainability of the industry. Here are some key areas that can be included in the strategy of innovative development in agriculture: Adopting modern technologies: The use of advanced technologies such as agricultural robotics, drones, process automation and smart agriculture systems can improve production efficiency, reduce costs and increase yields. Use of advanced management techniques: The introduction of modern approaches in agriculture, such as precision farming, risk management and data analytics, helps to improve the accuracy of decision-making, optimize resource use and reduce negative impact on the environment. Sustainable agriculture development: Incorporating sustainability into an innovation strategy involves implementing organic farming practices, environmentally friendly pest and disease control, water management and biodiversity conservation. Agritechnology development: Investments in research and development of new plant varieties, genetic modification, biotechnology, and microbiology can help create higher-yielding and sustainable crops that meet market demands and ensure food security. Fostering entrepreneurial spirit and innovative start-ups: Supporting and stimulating entrepreneurship and innovative start-ups in agriculture through providing financial support, training and consulting facilitates the development of innovative ideas and the implementation of new solutions in the industry. Digital infrastructure development: The implementation of digital solutions such as monitoring systems, IoT (things), and blockchain contributes to improving data exchange, farm management, and supply

chain optimization. These areas can be combined into a comprehensive strategy for innovative development in agriculture, which will contribute to increasing productivity, sustainability and competitiveness of the industry, as well as achieving sustainable development goals and ensuring food security. An important factor in this case is the level of technological advancement in Ukrainian agriculture. Technological progress in agriculture in Ukraine is progressing but still lags behind some other countries. Several factors contribute to the situation with the technological advancement of agriculture in Ukraine:

Limited resources: Many agricultural enterprises in Ukraine are limited by financial resources to implement modern technologies. The high cost of equipment modernization, acquisition of new technologies, and infrastructure development becomes a barrier for many farmers and agribusinesses.

Low level of education and awareness: The lack of proper education and awareness among agricultural workers regarding the benefits and application of modern technologies is a problem. Many farmers lack sufficient information about new agricultural technologies, their potential, and effectiveness, which hinders their adoption.

Lack of adequate infrastructure: Insufficient development of agricultural infrastructure, including the absence of modern irrigation systems, agrotechnical laboratories, data processing centers, etc., complicates the implementation of advanced technologies in agriculture.

Bureaucratic obstacles: Unstable legislation, complex procedures, and bureaucratic barriers also hinder the rapid implementation of advanced technologies in agriculture. The lack of transparent and straightforward regulations hampers investments in the sector and encourages illegal or unofficial circulation of technologies.

However, despite these challenges, some positive developments are observed. Ukraine actively cooperates with international partners and organizations to implement modern agrotechnologies. Support programs and funding are aimed at stimulating innovation and technological development in the agricultural sector. The number of

farmers implementing modern practices and technologies to increase productivity and efficiency in production is gradually increasing.

Technological advancement in Ukrainian agriculture is an important direction for development, but it requires further efforts to overcome obstacles and ensure rapid and sustainable progress.

We also consider it appropriate to analyze and compare approaches to the development of agriculture in Ukraine and the United States. The development of agriculture in the United States is one of the key factors of economic growth and food security of the country. The main aspects of agricultural development in the U.S. include elements like technological progress, meaning that the U.S. places great emphasis on introducing advanced technologies into agriculture. This includes the use of modern machinery and equipment, agricultural robotics, drones, precision farming and other innovative approaches. The use of such technologies helps to increase productivity, efficiency and quality of production, large-scale production: the United States has large commercial farms specializing in the cultivation of various crops and animal husbandry. This allows to provide a significant amount of products to meet domestic demand and exports, the development of genetically modified organisms (GMOs): the United States is one of the leading countries in the cultivation and use of GMO crops. GMO agriculture allows for more resistant varieties to pests and diseases, increases yields and reduces crop protection costs, support programs: The U.S. government provides significant financial support to agriculture through a variety of programs, subsidies, loans, crop insurance, and infrastructure development assistance. This contributes to the stability of the industry and encourages farmers to use new technologies and methods of cultivation, export orientation: the United States is one of the largest exporters of agricultural products in the world. They are actively working in foreign markets, developing trade relations and ensuring the growth of agricultural exports, sustainability and environmental awareness: Last but not least, the U.S. is increasingly paying attention to agricultural sustainability and environmental aspects of production. The demand for organic products, environmentally friendly cultivation methods, the use of renewable energy sources and measures to protect soil and water

resources is growing. In general, the development of agriculture in the United States is based on a combination of technological progress, large-scale production, government support, and the development of export potential. Important aspects are ensuring food security, efficient use of resources and sustainable development of the industry. The development of agriculture in Ukraine is no less important factor for economic growth, food security and sustainable development of the country. The main aspects of agricultural development in Ukraine include elements such as reforms and deregulation: Ukraine is pursuing reforms in agriculture aimed at reducing bureaucratic obstacles, simplifying procedures and improving the business climate for rural enterprises. Deregulation contributes to the attractiveness of investments and stimulates the development of the industry, increasing productivity: Ukraine focuses on increasing the productivity of agricultural production. This includes the introduction of modern technologies, mechanization, the use of artificial irrigation, the use of highquality seeds and fertilizers, as well as the improvement of the genetic potential of animal husbandry, the development of organic agriculture: Organic agriculture is becoming increasingly important in Ukraine. The demand for organic products in both domestic and foreign markets is growing. Ukraine has the potential to become one of the leading producers of organic products in the world, the development of rural tourism: Ukraine is actively developing rural tourism, which contributes to the diversification of agriculture and attracting additional income. Agriculture is becoming agritourism sites where tourists can get acquainted with rural life, traditions and taste local products, green development: Ukraine focuses on ensuring sustainable agricultural development. This includes the introduction of environmentally friendly cultivation methods, the rational use of resources, the protection of soil and biodiversity, as well as the development of renewable energy sources in agriculture, the export of potential: Ukraine is a major exporter of agricultural products, including grain, oil, meat, eggs and other goods. The development of export potential contributes to the expansion of markets and attracting foreign investment.

In general, Ukraine is committed to the development of agriculture, which is based on technological progress, productivity increase, sustainable development and

expansion of export potential. Food security, provision of quality products and support for rural enterprises are key priorities for agricultural development in Ukraine. The United States and Ukraine are two different countries with their own approaches to agricultural development. Here are some basic comparisons between the two:

Scale and structure of farms: In the United States, agriculture is mainly characterized by large commercial farms that use high-tech methods and mechanization. Ukraine, on the other hand, has a more distributed structure with a large number of small and medium-sized farms, often based on traditional cultivation methods. Ownership and management: In the United States, private ownership of farms is the dominant form, where farmers work as independent entrepreneurs. Ukraine, by contrast, has a difficult property situation, including state and collective farms, as well as private farms.

Support and subsidies: The U.S. provides significant support to its agriculture in the form of financial subsidies, loans, crop insurance, and other programs. Ukraine also has various support programs, but the level of financial support is not as high as in the United States. Technological development: In the United States, much attention is paid to scientific research and the development of new technologies in agriculture. They actively implement modern innovations such as genetically modified organisms (GMOs), precision farming and process automation. Ukraine also pays attention to technological development, but the level of introduction of new technologies has not yet reached the level of the United States. Exports and the domestic market: The United States is one of the largest exporters of agricultural products in the world. They are actively working in foreign markets and have a developed logistics system. Ukraine also exports a significant amount of agricultural products, but its export potential is not yet fully realized. So, although the United States and Ukraine have different approaches to agricultural development, both countries are investing in innovation, increasing efficiency and sustainability of the industry. Each of them has its own characteristics and challenges related to the development of agriculture, but the common goal is to ensure food security and sustainable development. Competitiveness and investment attractiveness of an agricultural enterprise have a close relationship and mutual

influence on its development. Consider this relationship in more detail: Competitiveness: The competitiveness of an agricultural enterprise determines its ability to compete in the market and provide stable profits. The main competitiveness factors include product quality, manufacturing efficiency, innovation, pricing, marketing strategies, and the ability to meet consumer demand. A competitive enterprise is able to attract more customers and increase its market share. Investment attractiveness: The investment attractiveness of an agricultural enterprise determines its ability to attract and attract investment for development. Investments in agriculture can be invested in the purchase of new equipment, the introduction of technological innovations, the expansion of production, infrastructure improvements, etc. Investments help the company to increase its competitiveness by improving quality, efficiency and productivity.

Relationship: The competitiveness of an agricultural enterprise creates a positive investment attractiveness. If an enterprise successfully competes in the market and has stable profits, it becomes attractive to potential investors. Investments, in turn, help the company improve its competitiveness by introducing new technologies, improving product quality and expanding production. Consequently, the competitiveness and investment attractiveness of an agricultural enterprise are interrelated and interdependent. Competitiveness helps to attract investment, and investments help the company improve its competitiveness. This cycle contributes to the stable development of the enterprise and increase its success in the market. In scientific sources, the following options are distinguished to achieve a stable leading position of the enterprise in the market [66]: to introduce new innovative solutions into production or to use previously acquired technologies. The success and effectiveness of the implementation of the strategy of innovative development of the agricultural sector enterprise is influenced by: 1) the validity of the strategy based on the results of marketing research; 2) compliance of the strategic innovative development of the enterprise with its financial and production capabilities, because each innovation is accompanied by a significant amount of investment and the more technologically complex it is, the greater the costs required for its formation and implementation [66, p. 101-102].

Therefore, it is more expedient to talk about the strategy of innovative development, taking into account the investment component.

Thus, each agricultural enterprise aimed at strengthening its market position and sustainable development should develop its own strategy of innovative development, taking into account investment attractiveness and resource support, and implement it in production. This will ensure the implementation of innovative goals, maximize the internal potential, effectively manage investment resources for the development of innovation and quickly respond to changes in the external environment.

5.7 Conclusions and prospects. Investment attractiveness has been and remains one of the determining factors of successful and competitive activity of agricultural enterprises, their strategic development, efficiency of functioning of the agricultural sector as a whole. In the presented material, the factors influencing the investment attractiveness of agricultural enterprises of Ukraine were identified, their essence was investigated, relevant statistical data were given. Despite the rapid industrialization and expansion of services, agriculture remains a leading industry for Ukraine, due primarily to favorable climatic conditions. At the same time, the key factors of profitability for agriculture are prices for manufactured products and climatic conditions. Mainly, the main vulnerability of the industry lies in the inability of manufacturers to influence these factors. As a result, support from the state, attracting investments for the successful implementation of innovative development strategies, improving agricultural production processes, improving its technological and innovative component, increasing the percentage of value added in agricultural products are of particular relevance. The studied factors of investment attractiveness provide an understanding that agriculture is one of the most attractive sectors for investment in view of the volume of capital investments, which opens up further prospects for the development and formation of this industry as the driving force of the Ukrainian economy. It is revealed that the success and effectiveness of implementation of the strategy of innovative development of the enterprise of the agrarian sector is influenced by: the validity of the strategy based on the results of marketing research; compliance of the strategic innovative development of the enterprise with its financial

and production capabilities. Approaches to sustainable development in the context of agriculture in the USA and Ukraine, strengths and comparative characteristics were investigated and described. Further scientific research should be aimed at identifying and predicting synergistic effects from the integrated application of marketing approaches, strategic enterprise management, increasing the level of investment attractiveness of enterprises in the agricultural sector.

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6. Analysis of research on the factors of war's impact on marketing

communications

**PREFACE** 

Our research material presents the opinions of experts, consumers and other

representatives of society on the impact of war on marketing communications in the

context of the current situation in Ukraine. The authors explore various aspects of this

issue, including the impact of the war on consumer preferences, changes in brand

perceptions and attitudes toward advertising, and the evolution of approaches to

integrated marketing communications in the face of war and the tragedy of our

Worldview.

Our goal is to summarize theoretical approaches to the study of the relationship

between war and marketing, as well as to determine the role of practical methods of

marketing communication in the context of war and killing.

The article analyzes the consequences of the war for the consumer market,

including a decrease in demand for goods and services, changes in pricing policy,

exchange rate instability, and increased propaganda costs. The article also examines

the impact of the war on marketing communication, including changes in the subject

matter and style of advertising messages, reduced advertising budgets, and changes in

channels of communication with consumers.

We draw readers' attention to the fact that war can be an obstacle to business

development and marketing, but it can also create new opportunities for certain

industries and companies. The section provides examples of companies that have

managed to adapt to the war and succeed in the market.

So, we are going to analyze the results of research on the impact of war on the

market and marketing communication, consider the consequences for business and

opportunities for companies in the real conditions of devastation, suffering and war.

We also consider the importance of social responsibility and ethics in marketing

communications during wartime, as this can affect consumer perceptions of the brand.

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concludes that in times of war, marketers should be especially attentive and sensitive to the needs and feelings of consumers.

You will gain valuable insights into the impact of war on marketing communications, including the need to adapt marketing strategies to conflict and to maintain ethical principles and social responsibility of marketing during war.

This section also covers topics such as changing the subject matter and style of advertising messages, using positive emotions and optimism in marketing campaigns, and the impact of advertising budgets and communication channels on marketing effectiveness in times of war 3

Finally, we will provide our partners and friends with tips on how to effectively organize marketing campaigns in times of war, including how to use modern technologies and tools, improve the quality of customer interaction, and maintain a positive company image.

In general, we aimed to provide useful information and practical advice on how to effectively conduct marketing campaigns during the war, which can be useful for businesses and marketers.

#### RESEARCH RESULTS

The war has a significant negative impact on the economy, business and marketing, and may also create new opportunities for some industries and companies. The analysis of the war's effects on the market shows, among other things, a decrease in demand for goods and services, changes in pricing policy, currency instability and an increase in marketing costs. The war also affects marketing communication, including changes in the subject matter and style of advertising messages, reduced advertising budgets, and changes in channels of communication with consumers. This raises the question of what effects the war may have on the market and marketing communication, and how businesses can adapt to the war to ensure their success.

There is also the problem of the war's impact on marketing communications due to a sharp change in the emotional and psychological state of consumers, as well as changes in their needs and values. In such a situation, companies have to adapt their

marketing campaigns, advertising budgets, and communication channels to adapt to the new market conditions and positively influence consumers. As modern technologies ensure a rapid flow of information, the positive image of a company may change during the war, which may negatively affect its operations. Therefore, the Monograph is devoted to studying these aspects and providing recommendations on how to adapt marketing communications in times of war.

The problem that this chapter explores is the impact of war on marketing communications, in particular, the need to adapt marketing strategies to the conditions of conflict and to preserve ethical principles and social responsibility in marketing during war. The chapter also discusses other issues, such as changing the subject matter and style of advertising messages, using positive emotions and optimism in marketing campaigns, and the impact of advertising budgets and communication channels on marketing effectiveness in times of war. The main challenge is how to maintain the effectiveness of marketing communications and compliance with ethical and social standards during a war that can affect consumers and their emotional state, as well as the company's image.

Researching the impact of war on marketing communications is a challenging task, although this issue is not new. Many studies have already been conducted on this topic. For example, the study by V. I. Linchevska (2016) investigated the consequences of the war for the economy and business in Ukraine, including the impact on marketing communications. Another research study on the impact of the war on marketing communications and business in Ukraine: "Impact on Business and Development Prospects" by Iryna Bilenko and Valeriy Chumachenko was published in the journal "Scientific Papers of Kirovograd National Technical University. Economic Sciences" in 2015. This monograph explores the impact of the war on Ukrainian business and offers recommendations on how to adapt to the war conditions and maintain the competitiveness of enterprises.

And the study by K. A. Krasnopolska (2019) investigated the effects of war on marketing communications in the context of the current war in Syria.

Of particular scientific interest on this topic is modern marketing research conducted during the war in Ukraine in 2022.

The study was based on the data from the Analytical Report "Trends 2022 in Marketing Communications Management" prepared by Factum Group in partnership with the Ukrainian Advertising Coalition. The purpose of the study is to assess the impact of the war on marketing communications, to understand the existing challenges facing marketing teams and plans for the future.

Due to the lack of experience in marketing communications during the full-scale Ukrainian-Russian war, the topic of factors of influence and adaptation to these conditions remains insufficiently considered by the Ukrainian scientific community.

There is no generalized algorithm for marketing communications during wartime in the scientific and professional literature. A study of the factors that influence them would be applicable to all types of enterprises in Ukraine that need to use consumer communications during the war.

Based on the assessment of the factors of influence of the war, the modern guidelines in the management of marketing communications of domestic enterprises will be determined. The strategies that marketers can use to adapt to these changes and maintain their relevance in the wartime economy are also explored.

When studying this issue, you should also pay attention to the Kantar Ukraine study "Brands in Ukraine: One Year Later" conducted in September 2022.

The following foreign scholars have been engaged in theoretical research on the impact of war on marketing communications, as well as the adaptation of marketing strategies during military conflicts in the 21st century: Shon Mackin, 5 Christin Goulding, Nizar AbuAli, Saleh Abu-Sitta, John Philip Jones, Rajat Roy, Abhijit Gangopadhyay, Banu Akdenizli, Morris P. Healy.

For a more in-depth analysis of the impact of war on marketing communications, we should pay attention to the following global studies.

The impact of war on marketing communication and business: A conceptual framework" by Imran Ali, Amir Manzoor, and Nasir Mahmood was published in the International Journal of Business and Management in 2011. The

monograph offers a conceptual model of the impact of war on marketing communication and business and explores the effects of war on advertising, promotions, and customer relations.

- The impact of war on businesses" by Mohammed N. Alomari and Adnan M. Almohaimmeed, published in the International Journal of Economics, Commerce and Management in 2016. The monograph examines the impact of war on business using questionnaires and interviews with entrepreneurs in Syria and Iraq. The study found that the war has led to significant changes in the business environment, such as reduced demand and increased production costs.
- "Marketing Communication in the Context of War: A Study of Palestinian Newspapers during the 2014 Gaza War" by Mohammad Ayish, Ibrahim Abu Hammad and Abdallah Abu Sheikh, published in the International Journal of Communication in 2016. The monograph explores how the war affected marketing communication in Palestinian newspapers during the 2014 conflict. The study showed that the war led to a change in style and language in newspapers, an increase in demand for military news and a decrease in advertising.
- "The impact of war on marketing communication and business: An exploratory study of small firms in Lebanon" by Mahmoud K. Abou Hamdan and Suhair S. Saba, published in the International Journal of Business and Social Science in 2015, is a research article that explores the impact of war on marketing communication and business in small businesses in Lebanon.

A qualitative study is also being conducted, using interviews with small business owners and managers in Lebanon to explore the impact of the war on their business operations and marketing strategies.

The study used structural and systematic approaches based on current marketing research, which include methods of analysis and synthesis, comparison and generalization.

The theoretical basis was the research of world scientists published in scientific journals.

War is one of the most vulnerable points for any country. It affects all aspects of people's lives, including the economy, politics, social relations and marketing 6 communications. War can significantly change the way companies conduct their advertising policy, their branding, and their perception of consumers.

One of the main factors of war's impact on marketing is the change in the social climate. War can create destruction and helplessness among the population, leading to uncertainty and stress. This can affect people's attitudes towards the products and services they buy. Companies that follow an image policy should understand the changes in the social climate and adapt their marketing strategies accordingly.

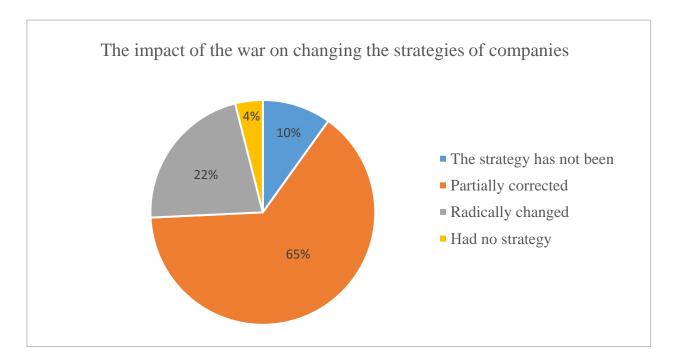


Figure 1. Adaptation of marketing strategies in Ukraine in 2022.

Source: compiled by the author based on the data from the Factum Group and the WCC study "Trends 2022 in Marketing Communications Management" [68].

In addition, war can affect consumer habits. In times of war, people tend to buy less and prioritize basic needs such as food and shelter. This can lead to a decrease in sales for most companies and, consequently, a decrease in their profits.

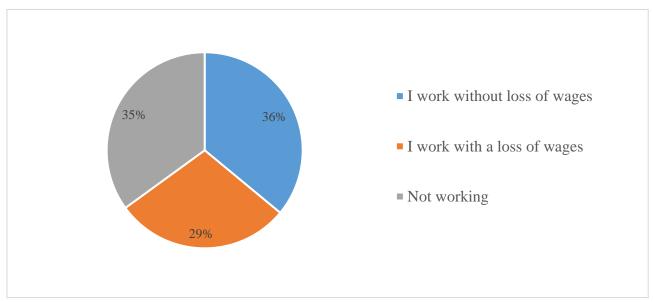


Figure 2. Loss of jobs and wages in Ukraine in 2022

Source: compiled by the author based on the data from the Kantar Ukraine study "Brands in Ukraine: One Year Later" [69].

The war is forcing companies to review their product portfolios, reducing the range of products and leaving the most profitable positions (profit is more important than leadership and volume). At the same time, new products and services are being launched, sometimes in related areas, diversifying business activities. Companies are leaving the aggressor's markets, focusing on exports and finding new markets.

In addition, war can change consumers' requirements for products and services. Companies must be prepared to adapt their products and services to changing consumer demands to remain competitive in the market.

War has a major impact on the economy and business, and businesses should be prepared for the possible consequences. For example, war can lead to reduced production and higher prices for raw materials and other resources, which can increase the cost of producing goods and services. This may force companies to reduce their costs, including reducing the number of employees, which may lead to increased unemployment and reduced consumption spending.

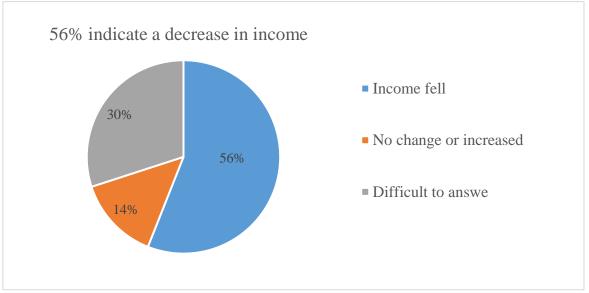


Figure 3. Reduction of revenues and staff of Ukrainian companies in 2022.

Source: compiled by the author based on the data from the Factum Group and the WCC study "Trends 2022 in Marketing Communications Management" [68].

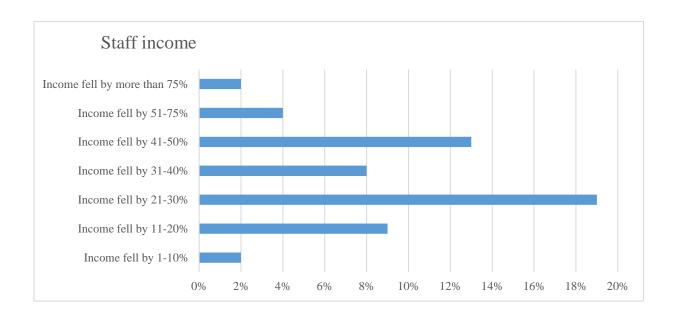


Figure 4. Reduction of revenues and staff of Ukrainian companies in 2022.

Source: compiled by the author based on the data from the Factum Group and the WCC study "Trends 2022 in Marketing Communications Management" [68].

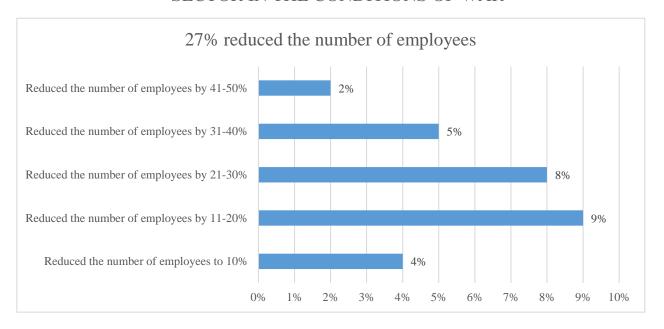


Figure 5. Reduction of revenues and staff of Ukrainian companies in 2022.

Source: compiled by the author based on the data from the Factum Group and the WCC study "Trends 2022 in Marketing Communications Management" [68].

In addition, war can affect consumer attitudes toward certain brands and products. For example, if a company supports the war or has direct ties to military operations, it may result in a decrease in sales and a negative image in the eyes of consumers.

However, war can also lead to an increase in demand for certain goods and services, such as basic necessities that become scarce or services related to infrastructure repair and rebuilding. War can also lead to changes in consumer behavior, such as increased attention to socially responsible companies that try to help warring countries and those affected by war.

Thus, war has a major impact on business and the economy, and businesses should be prepared for the possible consequences. This means that companies should be ready to adapt to changes in the market, change their strategies and market positions, depending on how the war will unfold and what consequences it will bring.

It is also important to pay attention to the needs of consumers and their habits in times of war, to adapt products and services to the changing needs of consumers, and

to be prepared for the fact that consumers may reduce their spending on unnecessary or non-essential products and services.

Finally, it is worth remembering that war can have different consequences for different industries and companies, so it is important to research the impact of war on your own industry and analyze its consequences for your own business. This will allow companies to be prepared for possible changes in the market and respond quickly to them. At the same time, it is worth staying active in marketing communications with your consumers.

War can be an opportunity for companies to show their social responsibility and compassion for those affected by conflict. Companies can use marketing communications to support charitable projects and sponsor aid to war victims. Also, companies can use marketing communications to show their support for peace processes and call for peace.

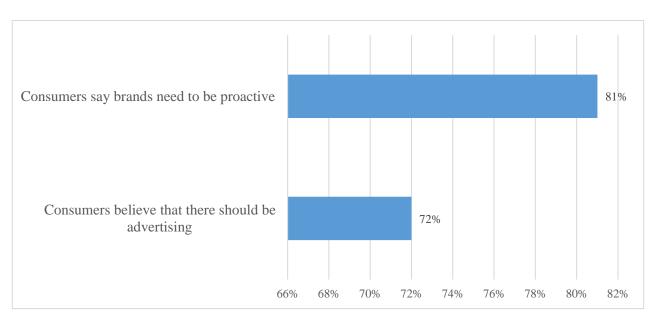


Figure 6. Consumer attitudes toward marketing communications during the war in Ukraine in 2022

Source: compiled by the author based on the data from the Kantar Ukraine study "Brands in Ukraine: One Year Later" [69].

The following principles are worth highlighting in the marketing communications of Ukrainian companies during the war:

- Social responsibility. Business should be socially responsible. And not only in difficult times for the country and its citizens. However, Ukrainians are now primarily interested in whether a company supports the Armed Forces, cares about the safety of its staff, volunteers, has ties to the aggressor country, and how it positions itself. At the same time, society is interested in real actions and projects, not slogans. This is the way to increase stakeholder trust and attract a loyal audience for the future.
- Media presence. The company's presence in the media space, including online, allows the business to stay in the public eye and introduce its corporate culture, services, and activities to all stakeholders. This reassures partners and customers, as they see that the business has adapted to the new environment and continues to operate. Openness of all processes increases the trust and loyalty of the team and provides an example for other companies to follow or is a source of uniting efforts for a common goal.
- Consistency in words and actions. Businesses should have a clear position on the choice of partners and contractors. Volunteerism and social projects to support the country's economy and population should be publicized. This is important because it brings people closer to the brand emotionally
- Be useful. A company operating in the market should be useful. And it's not just about meeting customer needs, which is always important. Today, many Ukrainians are looking for a new job, mastering new skills or vectors of development. It is appropriate for companies to help them. Social media and company websites are well suited for this purpose. For example, you can create posts or videos with free consultations to support small and medium-sized businesses. This is also a good advertisement for the professionalism of your team, because users often share such links and thus advertise both your brand and your web resource.

Marketing is always relevant, but you can promote your company and services in different ways. As a rule, unique and professional services, quality goods, individual approach and loyal attitude to customers become the best advertising in society than any loud slogans or banners around the city.

When building communication with the audience, it is important to remain honest and consistent. Values and responsibility have become the markers that show whether a company can be trusted or not.

How to advertise your product effectively during the war.

It would be a mistake to completely stop marketing activities until the victory. Right now, most Ukrainians are willing and ready to support Ukrainian brands. Today's realities leave little room for classic marketing planning. Digital marketing is coming to the fore with its inherent flexibility: marketers can see and analyze consumer reactions in real time, which allows them to quickly adjust their strategy. And everyone got used to working with small planning horizons during the acute phase of the coronavirus pandemic.

Actively integrate artificial intelligence technologies. One of the opportunities available today for marketing and advertising is the use of deep learning algorithms to analyze the target audience.

Such algorithms allow you to collect detailed information about consumers. In addition to identifying what consumers are interested in or could potentially be interested in, it is also possible to determine which sites are best suited to place advertising banners on. As a result, businesses attract customers who are most likely to respond to a product or service, the number of clicks on advertising banners will increase, and advertising campaigns can be optimized and fine-tuned.

An important advantage of using deep learning is that this technology is able to collect information without using cookies, which is relevant in light of the global rejection of the use of third-party cookies.

Contextual targeting has been known for a long time, but the latest technological advances are taking it to a new level. According to RTB House's internal statistics, the use of artificial intelligence capabilities improves the effectiveness of advertising campaigns by up to 47% without additional costs.

To increase efficiency, contextual advertising is also combined with programmatic - automated ad buying.

Both approaches are effective, and the result depends on how well these tools are integrated into the programmer's ecosystem.

Chatbots are becoming more and more relevant for communicating with users. The importance of online friendships is evident in recent global surveys: more than 70% of users rely on information from their social networks when making decisions about purchasing a product or service.

Another factor that reinforces the importance of constant brand communication with consumers is the new realities of a full-scale war.

User interaction with chatbots and AI-powered virtual assistants increased by 250% during the acute phase of the pandemic.

Experts predict that the trend will continue to grow, covering more and more messengers, including Messenger, WhatsApp, and Slack.

What's important is that using such a tool doesn't require any excessive budgets or staff expansion. You can start by testing at least the well-known ChatGPT, which will be able to communicate with users with little or no brand intervention.

Combining retargeting with artificial intelligence algorithms (deep learning) This solution solves two problems: it reduces the frequency of "one-size-fits-all" ads and improves the accuracy of targeting. As a result, the level of fatigue and irritation from advertising decreases, and the likelihood that users will see ads that really meet their needs at a particular moment increases.

A creative approach to advertising formats to increase the effectiveness of ads. Experts estimate that between 6,000 and 10,000 ads are shown to active users of the Internet and gadgets every day. Digital progress has long since made static banners a thing of the past, and artificial intelligence allows you to experiment with interactivity and precisely target ads to the right audience at the most favorable time.

It is vital for brands to keep abreast of current trends and explore new opportunities and technologies to engage their customers and stand out from the competition.

There are various ways to add creativity to campaigns for users who are tired of uninteresting, static ads - from banners that encourage active engagement with content

to dynamic video optimized in real time, which provides extreme flexibility to your campaign.

It is vital for brands, especially in highly competitive markets, to stay on top of current trends and explore new opportunities and technologies to engage their customers and stand out from the competition.

Alternatively, you can outsource this work to reliable retargeting partners with a relevant portfolio of the types of ads you want to display and the markets you want to reach with your campaign to optimize costs.

Values are a priority. Today, the patriotic theme in communications has gained particular importance, so if a business is socially active, it is worth talking about it. Brand communications that have a wider reach

will now cost less: CPMs have dropped significantly due to a decrease in the number of advertisers in the market.

At the same time, it would be completely inappropriate to include military or patriotic themes in product communication. This will be perceived as hype and speculation on emotions and the topic of war for mercenary purposes.

Assessing the factors of war's impact on marketing communication and business is an important task for any company operating in the market. This will help companies to be prepared for the possible consequences of the war and adapt to changes in the market, maintaining a competitive advantage and achieving business success.

In addition, it is important to understand that war can have both a negative and a positive impact on business. For example, a war can lead to an increase in demand for products and services related to security, defense and military operations. In addition, businesses that manufacture military products or provide services for military needs may receive more orders and increase their profits.

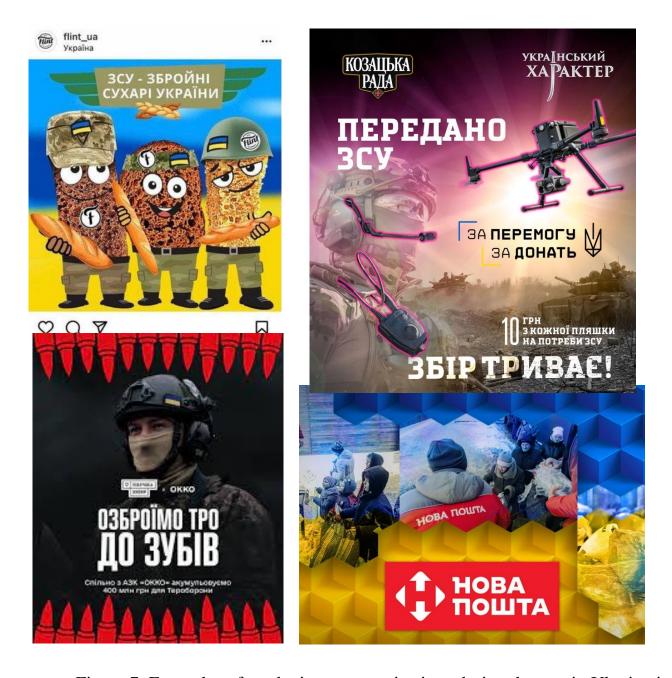


Figure 7. Examples of marketing communications during the war in Ukraine in 2022.

Therefore, it is important not only to assess the negative effects of the war on marketing communication and business, but also to know how to use the opportunities that arise during the war. Companies must be prepared for any changes in the market and adapt to them to remain competitive and successful. To do so, they need to constantly monitor the news and analyze the market situation, develop strategies and action plans, and be ready to respond quickly and effectively to any changes.

It can be added that another factor of the war's impact on marketing communication is the reduction of advertising and marketing budgets. In times of war, many companies are forced to cut costs in various areas, including advertising and marketing, and look for new, more effective methods of marketing communication to attract customers.

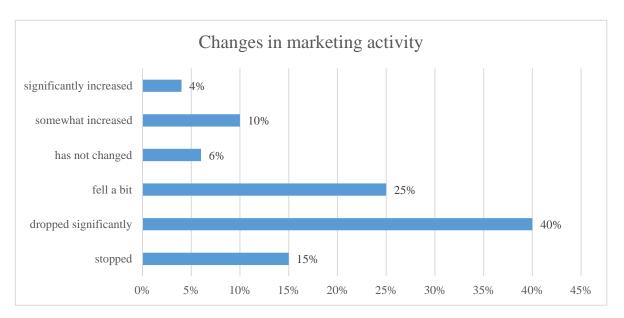


Figure 8. Decrease in marketing activity during the war in Ukraine in 2022.

Source: compiled by the author based on the data from the Factum Group and the WCC study "Trends 2022 in Marketing Communications Management" [68]

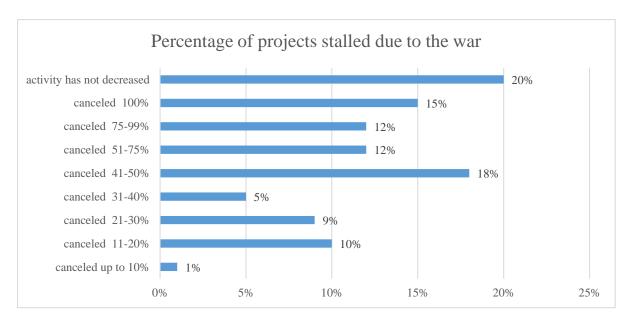


Fig. 9. Decrease in marketing activity during the war in Ukraine in 2022.

Source: compiled by the author based on the data from the Factum Group and the WCC study "Trends 2022 in Marketing Communications Management" [68]

In addition, war can affect the geography of markets. Demand for goods and services may decrease in the war zone, which may result in companies being forced to find new markets to maintain their market position.

It is also important to consider international sanctions that may be imposed on countries at war. This can lead to a ban on imports and exports of goods, which can negatively affect the business of companies that work with these countries.

Thus, assessing the impact of war on marketing communication and business is of great importance for the successful operation of enterprises in the market. Companies should be prepared for the possible consequences of the war, look for new markets, adapt their products and services to changing consumer demands, reduce advertising and marketing costs, and look for new, more effective methods of marketing communication.

One possible option for adapting to war is to focus on goods and services that consumers consider essential in times of war, such as food, healthcare, and personal care products. Companies can work to change the characteristics of goods and services in these categories, as well as increase their availability to consumers.

In addition, companies may consider tapping into new markets, such as military contracts, if possible. However, companies should be careful to consider the ethical and social implications of their actions in such cases.

To reduce marketing and advertising costs, companies can focus on more effective methods of marketing communication, such as the use of social media and network marketing. In addition, companies can focus their efforts on developing and maintaining customer loyalty, which can help maintain a stable customer base even in times of war.

To summarize, assessing the impact of war on marketing communication and business is an important task for businesses, allowing them to be prepared for the possible consequences of war and adapt to changes in the market. Companies should consider focusing on essential goods and services, attracting new markets, using more effective marketing methods, and reducing advertising and marketing costs. However, it is important to remember that the war may have different consequences depending

on the business sector and market in which the company operates. For example, an armed conflict can lead to a decrease in demand for goods and services in various industries, such as tourism, entertainment, and sports. However, demand for other goods, such as weapons and ammunition, may increase.

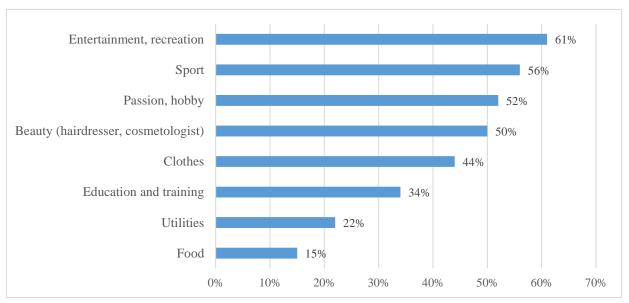


Figure 10. What Ukrainians save on during the war in 2022

Source: compiled by the author based on the data from the Kantar Ukraine study "Brands in Ukraine: One Year Later" [69].

Also, war can affect consumers, which can lead to changes in their requirements and preferences. Companies should be prepared for changes in the market and adapt their marketing strategy to remain competitive.

Finally, it is important to remember that businesses must adhere to the ethics of war and comply with international laws and norms. Companies should avoid using war as a means to advertise their products and services, and should not contribute to the financing of armed conflicts.

We will not be defeated, I believe in the Armed Forces of Ukraine! Population migration, reduced consumer solvency, plant destruction, logistics difficulties and investment restrictions have all contributed to a decline in company revenues. Despite all the difficulties and uncertainty, companies are trying to respond effectively to the existing challenges and are switching to short-term planning. By regularly adjusting

their strategies, companies are reviewing their product portfolios, entering new markets, and reallocating budgets in line with updated priorities. Despite significant losses, the priority is to help the country and the Armed Forces, where budgets and investments are directed.

Fight and you will overcome! Marketing activity declined significantly, especially in the first months, when the issue of ethical advertising communications was raised. Many planned activities were canceled or postponed. Meanwhile, marketing directors are forced to respond effectively to the situation in the face of limited budgets and sometimes team reductions. Companies are changing their communication strategy. Marketers are paying attention to the content of communications and checking almost every word, trying to formulate texts correctly 15 and avoid touching on sensitive topics so as not to damage the company's reputation. Digital remains a key media channel, often the only one in the media mix. Marketing teams are focusing on operational analytics and monitoring the situation, although they lack information about the consumer and the market, as the number of studies has been reduced significantly and official statistics are quite limited. Product portfolios are being reviewed, companies are looking for new product niches, and sometimes entering new markets, diversifying activities, inviting consultants, and creating new partnerships for mutual benefit and business survival.

Everything will be Ukraine! As of now, most companies are beginning to allocate budgets for marketing activities and are working on updating their strategies based on short-term planning. Marketers say that the main challenges of the future relate to: 1) the consumer - how the target audience and its purchasing power have changed, how to build communication with the consumer 2) business management - how to keep your finger on the pulse and retain and motivate the team 3) the product - how to optimize the portfolio, minimize production costs and provide products to the shelves.

In the face of a significant decline in business revenues and a general situation of uncertainty, companies are switching to short-term planning and adjusting their strategy, revising their product portfolio, entering new markets and reallocating

budgets, with assistance to the country and the Armed Forces becoming an important item.

Different companies mastered this state for different periods of time - from 3-10 days to 2-3 months. During this time, important decisions were made and current plans and courses of action were developed. Some companies needed time to sever relations with partners and manufacturers from Russia or change their subordination. Service companies were quicker to get up and running and resume business, while some food companies suspended production for up to 3-4 months. "For the first few months, of course, we stopped everything. It was not a matter of the budget, it was a matter of the existence of the country, people, and service as such. Although I'm proud to say that when Kharkiv was bombed, we had 8 drivers who continued to work."

Key challenges faced by companies Population migration and problems with logistics and supply, destruction of infrastructure, plants and factories, lack of insurance, business risks "This is the biggest migration since World War 2 in Ukraine. They are trying to use services abroad, while the organization is working to restructure its processes." "All manufacturers faced a supply problem. Something did not arrive from abroad. We do not sell as much as we did before the war - there are not enough supplies." Representative of an FMCG company "We have a closed factory because it is in Kharkiv, and we care about our people and their safety. Some of our competitors' factories are also located in central Ukraine. But they were also closed for a certain period of time." FMCG company representative "Any business operating in Ukraine does not have insurance now. Insurance companies do not insure businesses."

To successfully counteract the impact of war on business and marketing communication, companies must be able to respond quickly to changes in the market and consumer demand. They need to research the market, collect and analyze data to understand what goods and services are needed by consumers in the difficult conditions of war.

In addition, companies may consider opportunities to reduce marketing and advertising costs, for example, by using free marketing communication methods, such as social media, mobile video, and others.

Companies may also look for new markets outside of war-torn countries to increase their revenue. This may include looking for foreign partners and suppliers, as well as expanding operations abroad.

In general, assessing the impact of war on marketing communications and business allows companies to be prepared for possible consequences and maintain a competitive advantage in the market by adapting to changes in difficult conditions.

Analyzing studies on this issue that have been conducted during international conflicts in other countries, it can be noted that war has a significant impact on small businesses, in particular on their ability to attract new customers, sales and marketing.

The authors of these studies note that the war has led to a decrease in advertising and marketing spending, as well as a change in approaches to marketing communication, including the use of social media and online resources. There is a need to develop new marketing communication strategies and business plans to adapt to new market conditions. They believe that small businesses should look for new markets and focus their efforts on customer support and maintaining existing relationships.

An important strategy for small businesses in times of war is to focus on the development and sale of goods and services that are essential to people's lives and safety. In addition, the Monograph notes that an important aspect of successful marketing communication in times of war is the use of effective communication channels that can help businesses communicate effectively with their customers and provide information about available goods and services.

Our recommendations on how to adapt to the war and maintain the competitiveness of enterprises.

Taking into account these studies and other scientific sources, we can structurally formulate the factors of the war's impact on marketing communication and business as follows:

Political and economic conditions - Changes in economic and political conditions can affect the market, including the supply and demand for goods and services.

- The state of the population the state of the population, including health and safety, can affect consumer behavior by changing supply and demand in the market.
- Competition war can lead to an increase or decrease in competition in the market.
- International relations war can have an impact on international relations, which can affect business, including the export and import of goods and services.
- Brand and reputation war can affect a company's brand and reputation, in particular through associations with conflict, instability and violence.
- Financial expenses war can lead to an increase in the company's financial expenses for production and marketing.
- Media The media can influence the perception of a company and its products, in particular by changing consumer attitudes and beliefs.
- Information security the war may have an impact on the company's information security, including data confidentiality and protection against cyberattacks.

These factors can interact and change depending on the specific conditions and context of the war. For example, in the case of an incomplete war, when the armed conflict does not cover the entire territory of the country, the impact of the factors may be less noticeable.

One of the key factors is the degree of violence and security threats. If the war has resulted in a large number of casualties and destruction, businesses may face significant challenges, such as changes in demand for products and services, loss of control over supplies, changes in operating conditions, etc.

Another important factor is economic circumstances, such as inflation, currency fluctuations and declining revenues. These circumstances may lead to a decrease in demand for certain goods and services, increased competition, reduced marketing and advertising expenses, changes in the cost of goods and services, etc.

Other factors include national and cultural characteristics, changes in consumer attitudes and behavior, technological and scientific changes, political and social changes, etc.

All of these factors can affect marketing communication and business on different scales and can have both positive and negative consequences for businesses. It is important for businesses operating in a time of war to carefully consider these factors and adapt their marketing strategy to the changes in the market.

It is also worth noting that during a war, in addition to the impact on marketing communications and business, there are many other important aspects to consider. For example, the safety of employees and customers, ensuring an adequate supply of goods and services, the impact on public health, and so on. Therefore, before making decisions about business during the war, it is necessary to carefully analyze all aspects of the situation and take into account the possible consequences.

In general, it is important for businesses operating in a war zone to be prepared for possible consequences and changes in the market, look for new markets and reduce marketing and advertising costs. It is also worth paying attention to the social responsibility of the business and the possibility of providing assistance to those affected by the war.

The following important aspects should be considered:

- The importance of interaction with consumers: It is necessary to understand the needs and expectations of your customers, their attitude to the war and its consequences. It is important to use marketing communications that are consistent with the ethical and cultural norms of the country.
- Adaptation of the marketing strategy: Businesses should adapt their marketing strategy to the military actions taking place in the country. For example, advertisements can be changed to match the new situation and consumer sentiment.
- The need to respond to a crisis: Businesses must be prepared for possible crises and respond quickly to them. It is important to have a clear action plan to solve problems and reduce possible losses.
- Use of new technologies: It is important to use modern technologies and marketing communication tools, such as social media and messengers, to increase efficiency and reduce advertising costs.

• Cooperation with other businesses: It is important to collaborate with other businesses and organizations to join forces and help those affected by war. Joint initiatives and programs can have a significant impact on the community and support a business's social responsibility. For example, businesses can cooperate with organizations that provide humanitarian aid, collect donations to help war victims, and hold charity events and campaigns.

It is also important to pay attention to interaction with local authorities and organizations. They can provide the necessary information about the market, help with business development, and support within their capabilities.

In a military conflict, it is important to comply with international and national laws and regulations to avoid possible legal issues. In addition, it is important to ensure the safety of employees and customers by taking the necessary health and safety measures and ensuring the safety of the workplace.

It is equally important to maintain a positive image of the company in times of war. To do this, you can communicate effectively with customers and stakeholders, demonstrate your social responsibility and willingness to help. It is also important to have a reputation management strategy in a crisis situation.

Thus, in the context of war and conflict, a successful business must be prepared for changes in the market, look for new markets, reduce marketing and advertising costs, cooperate with other businesses and organizations, ensure the safety of employees and customers, and pay attention to social responsibility and the possibility of helping those affected by war. Businesses should be flexible and respond quickly to changes in the context of war and conflict to seize opportunities and avoid risks. In addition, cultural, ethical and political factors that affect the perception of business by consumers and the public should be taken into account.

For example, Ukrainian companies can create joint initiatives and programs to support the military, ATO fighters, internally displaced persons and their families affected by the war. It is also important to adhere to ethical standards, such as avoiding the use of war and conflict in advertising campaigns or aimed at political manipulation.

In addition, companies can explore new market opportunities, including markets that emerge as a result of war and conflict, such as in the areas of safety and security, technology and innovation, and construction and reconstruction.

Finally, companies should be mindful of the importance of employee and customer safety, consider possible risks and take the necessary measures to protect them. For example, war can lead to changes in working conditions and safety in the workplace, so companies should be prepared for such changes and adapt to new conditions.

In addition to taking certain actions to ensure business resilience in times of war, it is also important to have a clear strategy and action plan. This will allow businesses to respond quickly to changes in the market and make crucial decisions. You should also be open to innovation and use new technologies that can help reduce costs and increase efficiency. Finally, it is important to have patience and trust in your business, as results may not appear immediately in a time of war, but you should keep moving forward.

Below are some of the most important factors to consider.

- 1. The nature of the war: The nature of the war can have a significant impact on marketing communications. A war that is limited to a particular region or country may have a limited impact on global markets. However, a war that affects multiple regions or countries may have a significant impact on global markets.
- 2. The duration of the war. Another important factor to consider is the duration of the war. A short war may have a limited impact on marketing communications, while a long war may have a more significant impact. For example, a long war can disrupt supply chains and limit access to markets for a long period of time.
- 3. Type of product or service: The type of product or service being sold can also affect the impact of war on marketing communications. For example, demand for national defense-related products or services may increase during a war, while demand for luxury goods may decrease.
- 4. Target market: The target market is another important factor to consider. The impact of war on marketing communications can be different.

The business tips that can be identified based on research on the impact of war on marketing communication and business are as follows:

- Be prepared for possible consequences of the war and adapt to changes in the market. Try to anticipate the possible impact of the conflict on your business and perform risk planning.
- Explore new markets. Conflict can lead to changes in demand for goods and services. Consider opportunities to expand your markets.
- Reduce marketing and advertising costs. In the event of war, advertising budgets may be reduced or suspended. Focus on efficient and more cost-effective methods of marketing and customer communication.
- Prioritize customer needs. In times of instability and conflict, clients may turn their attention to other needs. Constantly monitor their needs and try to respond to them.
- Create backup plans and strategies. Develop action plans in case of negative consequences of war and market instability. Have backup plans to respond to different scenarios.
- Provide support to your employees. In times of war and conflict, employees may experience stress and fear. Provide them with support and help them deal with the problems that arise.

#### CONCLUSIONS

War has a significant impact on marketing communication and business. It can lead to a decline in demand for goods and services, changes in relations between nations and countries, a deterioration in the economy, a decrease in consumer confidence, and more.

Businesses should be prepared for possible consequences of the war and adapt to changes in the market. Companies should consider focusing on essential goods and services, attracting new markets, reducing marketing and advertising costs, and using more effective marketing communication methods.

Developing an effective marketing strategy in a time of war requires careful market and consumer research, as well as flexibility and speed in responding to changes.

For small businesses, it is especially important to have a flexible and effective marketing strategy to keep your company alive and remain competitive in the market.

Scientific research and recommendations can be a valuable aid for managers and business owners operating in a conflict and unstable market. They allow to understand the specifics of the impact of war on marketing communication and business, as well as to develop an effective strategy to adapt to changes in the market.

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#### 7. Theoretical and methodological aspects of brand management at the enterprise

Recently, brands as symbols of consumer culture are a key means of demonstrating identity, a determinant of social space, a "mirror" of social reality in the target market. That is why the role and meaning of the brand and branding is particularly important and relevant. Therefore, the analysis of the brand and brand advantages provides grounds for studying trends and dynamics, as well as transformational changes in modern economic conditions [99]. Let's consider the evolution of the brand concept. Thus, different scientists and researchers interpreted the concept of "brand" in their own way. Some scientists claim that the brand was the main asset of enterprises in the target market even in the 21st century. Even if we can manage certain components of the brand, its true and realistic meaning and value are determined by consumers. The following terms are quite common, such as "brand messages", "brand associations", "brand structure", "brand contacts" and "brand equity".

In his works, the researcher Anholt convincingly proved that it is the consumer who perceives the brand according to the analogy with the personality. It is about the personification of the brand. Therefore, consumers relate to the brand as a person, thereby giving it personal characteristics. The content of this is in the plane of personality psychology. The researcher proposed the concept of "brand individuality" to interpret the unique perception of the brand by the target audience. We are talking about the individuality of the brand as a set of personal traits and characteristics that are positioned with the brand [89, p. 69].

Currently, in the conditions of fierce competition, the company, which is widely known, has a rather difficult task, which is how to maintain its position in the market and maintain the efficiency of its activities. Usually, the heads of most organizations take a number of measures and steps to build up and increase their market share, reduce costs in order to implement price competition, and others. After the appearance of a new product on the market, as a rule, a special impression appears - either positive or

negative. Sometimes the combination of certain characteristics with the help of which the consumer gets an impression of the product is called a brand. A brand is a certain impression of goods and services that is reflected in the minds of consumers [103, p. 22].

Currently, the term "brand" occupies an important place in marketing research, but at the same time it needs some clarification. Different authors provide different definitions of the brand and its weight and meaning for different target audiences. So, the term "brand" comes from an old Norwegian word that means "roots" and is interpreted literally as "to burn". In ancient times, a brand was called a brand, which was usually put on cattle, in order to mark its belonging to a specific person-owner. Therefore, in modern dictionaries of foreign words, the interpretation of the brand is often found precisely as a trademark. It is also known that in ancient Rome, a brand was called a brand, which was burned as a result of burning markings on the body of livestock or on the product as a sign that allowed to identify the products. There are known facts of the use of the brand even in the times of Ancient Egypt. It was then that artisans branded the bricks they made so that the creator of each brick could be identified. In encyclopedias, there is documentary evidence of the appearance of trademarks even in Greek and Roman lamps, as well as Chinese porcelain. It is worth noting the trademarks that were used in India as far back as 1300 BC. The term "branding" was popular back in the Middle Ages. At that time, workers in production shops marked their products with a special mark.

Over time, the term "brand" began to be interpreted with other meanings. In modern conditions, it is impossible to present the description and characteristics of the product without using the term brand or branding. In the table 1. gives some definitions of the term "brand".

Table 1

Definition of the term "brand"

Last name of the author	Interpretation of the term	Source
Anholt S.	A brand is a name, term, sign, symbol, picture or a combination thereof, intended to identify the services or goods of suppliers and differentiate them from the products of competitors	[89, p. 47]
Golubkov E. P.	A brand is a set of product characteristics (attributes and consumer knowledge about products). It is an element of a trademark (like a logo, or a name, or a sound series) and a trademark	[98, p. 39]
Chala V.	A brand is more than advertising or marketing in general. A brand is everything that comes to a person's mind about a product as a result of seeing a logo or a video	
Kozak O. A., Bezhenar I. M.	The brand is an intangible but critical component for the company that it owns, thus it is a contract for the consumer regarding the level of quality and value of the products received by the buyer.	
Hryshchenko O. F., Nesheva A. D.	A brand is a combination consisting of both a product that satisfies functional needs and an added value that encourages customers to get even more satisfaction, which is associated with the formation of the belief that this particular brand is of higher quality or is more desirable for them. than a similar product	[101, p. 87]
Polishko H. G.	A brand is a means of distinguishing products or a group of goods, which allows the manufacturer to achieve the desired competitive advantages in the target market	

Source: formed according to sources [89, 98, 101]

Therefore, it should be noted that the brand is a general set of assumptions of the target audience about purchased products that have a certain trademark. Therefore, we note that the development, creation and promotion of a brand in modern conditions is a complex and long-term process.

It is very important to ensure a lasting positive association in the minds of consumers that this product is able to meet consumer needs. It should also be remembered that initially consumers will never step forward to receive a low-quality product that the company ordered to turn into a brand. Quality in consumer awareness

is directly related to the ability of goods to meet their expectations for their needs and desires.

Satisfaction after purchasing and using certain products is a significant reason for the formation of consumer loyalty both to the manufacturer itself and to the product it produces. Conversely, dissatisfaction with at least one item offered in the market with one name can reduce the position of all other successful products from various product lines that companies are trying to translate into brand development. That is why the idea of "brand" and "quality" always appear side by side.

The brand helps to solve the following tasks:

- to identify and define the product when it is voiced;
- to be unique and different from competitors;
- creates an attractive image in the minds of consumers and inspires trust;
- receiving positive emotions from products;
- product purchase and purchase satisfaction;
- formation of a target audience of consumers in order to encourage new customers.

As for Ukraine, it should be noted that branding has gained momentum and is developing rapidly. Therefore, today manufacturers need not only to bring new brands to the market, but also, if possible, not to forget to modernize already existing brands.

So, the main characteristics of a brand are usually:

- 1. The main meaning and essence of the brand;
- 2. Functional and emotional associations received by consumers and potential buyers;
  - 3. Trademark or verbal part of a trademark;
  - 4. Visualization of the trademark, which is formed with the help of advertising;
- 5. Strength and significance of the brand, as well as the level of popularization of the trademark;
  - 6. A generalized set of all brand features that determine its individuality;
  - 7. Value indicators of the brand;
  - 8. The degree of promotion of the brand in the target market;

9. The degree of involvement of the brand in target customers.

Sometimes the brand is identified with a set of certain ideas of the company, which defines what unique properties the product has to satisfy the moral values of consumers. For manufacturers, the popularity of the brand is an opportunity for additional profit. Today, the important role of the brand is that this term is an integral and active component of the complex marketing system of the enterprise. The level of development of the company's marketing system determines compliance with new requirements and conditions of both domestic and global markets. In addition, considerable attention is paid to the quality and effectiveness of advertising and information activities of manufacturers of branded goods.

The increased interest in brands can be explained by:

- brand and branding research suggests that organizations in today's environment have the opportunity to use more creative and modern ways to identify new consumer preferences for the brand to meet their needs. Therefore, these enterprises are able to quickly and immediately identify and determine the strengths of competitors;
- quite often, manufacturers have access to elements of control over product retailers;
- it is brands that make and provide a flexible basis for improving the image of the enterprise;
- at the expense of consumers' funds, a continuous process of increasing competition is carried out.

Therefore, the brand gives the company a boost and significant advantages. It is about increasing profits and expanding the market share, reducing the cost of production, winning over a new target audience of consumers, increasing the profitability of the enterprise, forming a strong image of the company.

So, in order to create a brand, you must first of all clearly define the main goal of the enterprise. At the same time, it is important to pay attention to a detailed analysis of the proposed name or brand name, as well as the advertising slogan and a clearly formed sales strategy and product promotion methods. In modern conditions of

development, information technology plays a significant role, which allows it to be implemented quickly and in a short period of time. The creation of a positive image leads to the formation of a positive opinion of consumers, which in turn will contribute to its promotion.

The format of the brand is formed taking into account two components: material (manifested in the form of finished and high-quality products that satisfy the expectations of the target consumer) and symbolic, manifested in the corporate style, with the specified logo, value set and content of the brand, as a rule, it is created by the consumer associatively.

As a rule, the components of a brand are:

- materialized product or service;
- exclusivity and value of products;
- visualization of the product. We are talking about a symbol or a sign;
- uniqueness of image and image.

When creating a brand, it is necessary to take into account not only its ability and ability to satisfy the preferences of consumers, but also how much the brand is able to adapt to the requirements of the target audience of consumers.

So, the main models for creating a brand are usually the following: "Brand Wheel", the Unilever Brand Key model, the Thompson Total Branding model, as well as the Brand Name Development Services model (Fig. 1.).

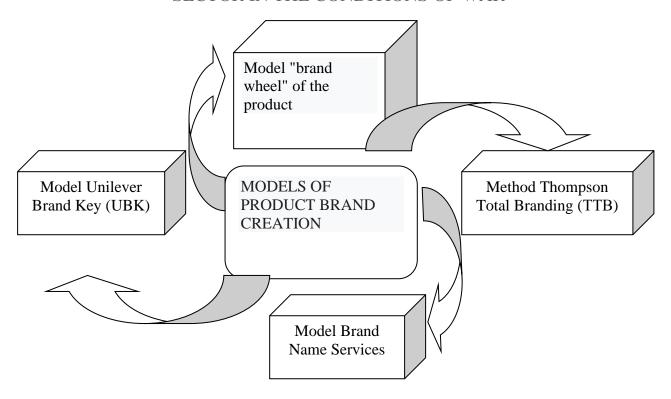


Fig. 1. Brand creation models "Brand Wheel"

So, The Decision Shop model developed with the help of Bates UK has its own structure. The main components of this model are shown in fig. 2.

Let's take a closer look at the Brand Wheel model. This model divides the brand into five main components: individuality, values, essence, advantages and attributes of the brand

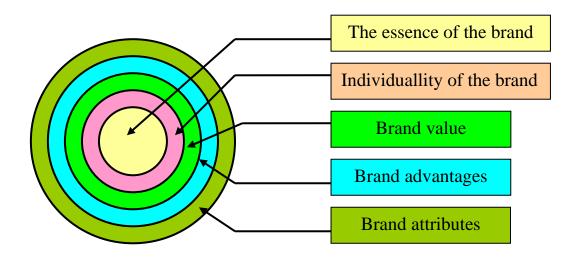


Fig. 2. Component wheels of the product brand

So, the "Brand Wheel" is a means of reflecting consumers' feelings and satisfaction with the brand. Thanks to this model, it is possible to depict feelings as accurately as possible, to find out what they are based on, so that they can be used for further purposes of brand development. The next Thompson Total Branding model was created by the famous advertising agency J. Walter Thompson. The essence of this model is to display the brand as a combination of three components. We are talking about physical sensations, rational and emotional.

The basis of creating a brand according to the specified model is the definition and concentration on the target audience of consumers, as well as the analysis of the competitive environment of the target market. Next, it is necessary to determine the preferences and dominant motives of consumers of products in order to use them in the formation of the brand. So, the main feature of this model is its attachment to the motives of the target audience of consumers and the requirements of the competitive environment.

Regarding the Brand Name Development Services model, we note that its main element is the phasing and sequence of brand creation. As a rule, the model is based on the main elements of market positioning. Then they develop strategies for creating and promoting the brand. And only then they form a creative idea and check the prospects of a new brand. The final stage is the so-called linguistic testing, as well as testing directly during marketing research using leading methodologies (Fig. 3).

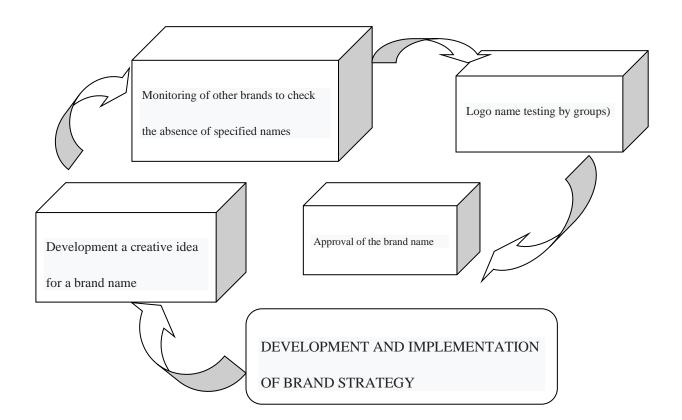


Fig. 3. Brand Name Development Services model

Source: formed according to the data of the source [102, p. 300]

As a result of the analysis of literary sources by both domestic and foreign scientists, it can be stated that there are three main components of a brand that create exactly that specific image in the minds of consumers. In addition, the brand also assures consumers about quality characteristics, which gives uniqueness and sophistication to the owner of the product. When buying a branded product, the consumer usually satisfies his own needs.

In today's conditions, a strong brand or trademark enables the manufacturer to gain loyalty from consumers and buyers, thereby reducing the possibility of aggressive attacks by competing companies. The very creation of a successful trademark is important during the formation and implementation of a modern marketing strategy of an enterprise.

In today's conditions, it is the presence of a strong brand on the market that makes it possible to form a sustainable purchase bonus for this brand, which will allow the buyer to have the opportunity to:

- 1) search for products of the appropriate trademark among the assortment of goods of the trademarks of competitors under the same equal conditions (this will give an opportunity to increase the volume of sales both in kind and in financial terms);
- 2) is ready to pay a significantly higher price for a product that contains a given trademark (this will allow to increase the volume of sales in monetary terms in conditions of unchanged sales volumes precisely in physical terms);
  - 3) or simultaneously use the above.

Recently, the very essence and content of the company's marketing strategy has changed significantly. We are talking about the fact that all efforts are directed, as a rule, primarily to products or services, to the range of products, to price, to quality, to sales and promotion. At the same time, the brand itself acts only as a brand name of the product or as a means of identification or definition. Otherwise, as a rule, all component systems of the company's marketing complex form the main goal and purpose in order to create a strong brand. Currently, the brand itself is the main object of the company's marketing strategy, and is the exclusively determining factor in the formation of both product and price, communication and product distribution policies (Fig. 4).

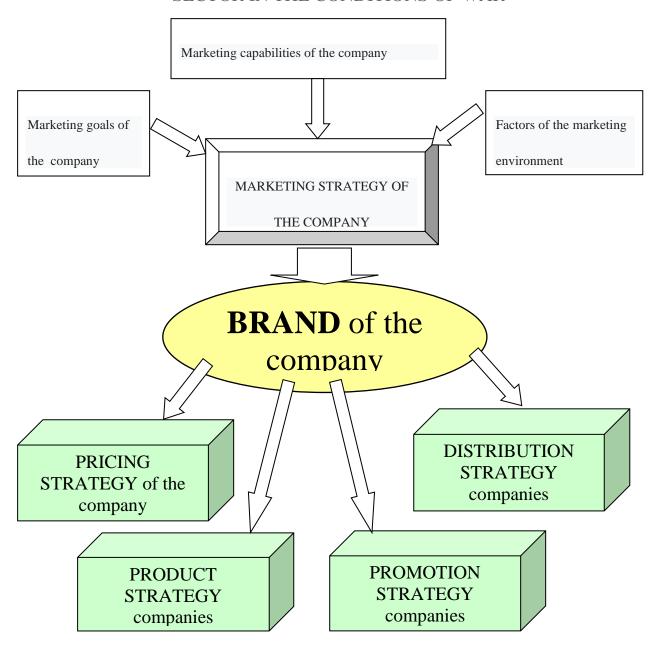


Fig. 4. The place of the brand in the structure of the company's marketing strategy

Source: formed according to the data of source [101, p. 88]

Therefore, companies, by attracting new consumers and keeping regular ones, thereby ensure the promotion of the product and obtaining additional profit. In addition, the brand usually provides an opportunity to protect the product or the market from the attacks of the main competitors. Having loyal and stable consumers, manufacturers can

get an opportunity to strengthen their position in the target market, thereby maintaining the established level of prices available to buyers.

In modern conditions, well-known trademarks that have the resources and the ability to create a positive image for the company, taking into account the impact on the external environment, are a guarantee of necessity when forming and implementing an effective marketing strategy of the enterprise. Taking into account the specifics and peculiarities of brand formation, it should be noted that marketing is formed on all brand values and acquires a new meaning. It is about the fact that, on the one hand, marketing plays the main role in the formation of intangible values precisely in the minds of consumers, and on the other hand, marketing ensures the satisfaction of consumer values.

It should be noted that in modern conditions, marketing strategies that are aimed specifically at the formation of a strong brand have their main differences, which allow not only to satisfy the functional expectations and requirements of the consumer, but also at the same time form a certain additional value for the target audience, thereby satisfying and some psychological needs. At the basis of such additional values, as a rule, is the confidence that this particular brand is the most acceptable and of higher quality and is much better than all analogues.

Therefore, the application of branding in the process of forming and realizing the company's competitive potential makes it possible to form and implement a system of measures aimed at strengthening the brand's position and forming a stronger position. It will also allow optimizing the line of the company's brand family, which will allow to maximize profits to a certain extent, increase the share in existing markets, and give the opportunity to capture a certain share of new target markets, which in turn will lead to an increase in sales. However, it is quite often mistaken that branding itself is the company's marketing strategy. This is what some researchers claim. But usually the branding itself is the tool that implements the company's marketing strategy, which allows you to achieve the ultimate goal.

Today, the high price of the brand is one of the main levers that significantly affects its development. From time to time, the price is formed taking into account consumers. However, sometimes prices are formed at the level of retail distributors or small sellers. Thanks to the high level of prices, the preference of consumers to successful branded trademarks, companies are able to withstand pressure from the market, which allows manufacturers to receive the planned income.

In addition, we note that it is the suppliers of strong and branded brands that usually have significantly lower costs per unit of product.

As a rule, the positions occupied by trademarks of branded companies are difficult for competitors to move. This can be explained by the fact that such a situation is due to the weighty importance derived from financial strength and a strong brand name. It is about the fact that market leaders almost always have a significant share of the target market. Also, companies have the highest indicators of revenues and profits, which in turn allows them to have a steady and stable advantage over competitors.

Another reason is that, as a rule, the market meets new products reluctantly, especially if the products and goods already existing on the market completely satisfy the requirements of consumers. Also, brands of branded goods usually realize the opportunity to exploit their own competitive advantages. In this context, it is not about solving significant global or grandiose strategic problems. We are talking about pushing a successful brand out of the rating positions, which will make it possible to solve significant shortcomings regarding the quality characteristics of products and correct certain shortcomings of the company's marketing activities.

Therefore, the high level of certain failures of products entering the market allows to increase the attractiveness of brands of products that occupy their niche in the market and were previously known to consumers. Every product has its own life cycle, this is a well-known concept. At a certain point in time, the product reaches the peak of development, then, during maturity, as a result of the emergence of new technologies, the demand decreases to and, in the end, the product "declines". However, practice shows that the life cycle concept does not extend to the brand

concept, although mature brands may be different in parallel with new and developing technology in new markets.

In the era of development of information technologies and Internet communications, they are increasingly and more actively used in brand management to promote brands.

Therefore, the promotion of brands in the modern Internet space, in contrast to traditional methods of advertising, usually has an image character. Thus, we note that the main task of branding is to build a strong and stylish brand. A status brand is considered to be such a brand that more than 60% of product consumers recognize and can distinguish from other competitors by specific features. In addition, recently, the demand for products promoted by leading brands has been growing significantly at a higher rate, in contrast to the demand for non-branded products.

For Ukraine, the share of the agro-industrial complex is almost 20% of the gross products countries and by the same is the main component in the formation budget of the domestic economy. Thus, the share of agro-industrial complex in the structure of Ukraine's GDP is 15%, and in structure export about 30%.

An important role in ensuring national food security is played by the dairy complex, which includes a complex of agricultural and industrial production companies that concentrate on the production, processing and sale of dairy products. The dairy industry is socially oriented and a priority in the agrarian sector of the economy. It provides the population with food products and requires regulation and stable support from the state to develop and spread positive trends.

Ukraine has all the favorable conditions for functioning and development dairy industry. We are talking about favorable natural and climatic conditions, the availability of labor resources, a developed fodder base, intensive areas of selection work, etc. However, there are a number of problematic issues in the domestic dairy industry that have a negative impact on functioning and development. We are talking about the low level of quality of dairy products, what significantly affects on the level of competitiveness industry.

It is worth noting significant changes in the domestic dairy industry. We are talking about the transition of the dairy industry to a significantly higher quality level in accordance with the DSTU 3662: 2015 standard "Cow raw milk. Specifications". That is why there are only three varieties of milk left on the domestic market, namely "extra", "higher" and "first" varieties.

Using the analytical data of the State Statistics Service of Ukraine, we analyzed the dynamics of domestic dairy development products by the studied period (tab. 2.).

Table 2. The results of the activities of the domestic milk processing industry

Name of indicators		Years		2020 in 0/ to 2019
Name of indicators	2018	2019	2020	2020 in % to 2018
Production	10064	9663	9264	92.1
Reserves	74	-1	171	231.1
Importation	180	337	691	383.9
Together	10170	10001	9784	96.2
Export	807	593	440	54.5
For animal feed	996	969	904	90.8
Losses	12	11	10	83.3
Consumption fund	8355	8428	8430	100.9
Based on 1 person				
(kg)	197.7	200.5	201.9	102.1

According to table 2.1. we can say that in 2018 there was the highest rate of milk production - 10.1 million tons, the lowest - in 2020 - 0.9 million tons, that is, 17.9% less than in 2018. The import of products also increased by 511,000 tons, which is 131.1%. The reason for this deterioration is a decrease in the resources of dairy products in 2020 compared to 2018.

Thus, to maintain consumer confidence in this industry and maintain the level of competitiveness of goods, it is necessary to strengthen the implementation of quality control systems, both for domestic manufacturers and for trade activities in general. The dairy industry, which includes milk and dairy products, cheese and the production of pure milk products, is one of the leading economic sectors, which, as a rule, accounts for 9% of all Ukrainian processing industries. The development of the technological

milk industry depends on the level of quality of young animals, which has significantly decreased in recent years.

According to the analytical materials of the State Statistics Service of Ukraine, the volume of milk production by region was: 8.1 million tons in 2016, 8.0 million tons in 2017, and 7.9 million tons in 2018. ., in 2019, respectively, 9.8 million tons. It should be noted that the lowest indicators of total milk production were observed in 2018. However, among the regions, the best indicators were in the Vinnytsia, Poltava and Dnipropetrovsk regions (Table 3.).

Table 3

Regions with the largest production of dairy products, 2016-2019,

thousand tons

				Y	ears				2019 to 2016		
Region of Ukraine	2016		20	2017		2018		2019		ation)	
Region of Oktaine	thousa	%	thousa	%	thousan	%	thousan	%	(+,-)	(%)	
	nd t		nd t		d t		d t				
Kyivska	109	23	114	24	123	26	119	25	10	9	
Vinnytsia	912	19	-	-	90	19	92	19	1	1	
Dnipropetrovsk	46	10	49	10	52	11	55	11	9	19	
Poltava	42	9	38	8	38	8	37	7	-4	-11	
Kharkivska	29	6	26	5	22	4	16	3	- thirteen	-44	
Ternopilsk	28	6	26	5	26	5	25	5	-3	-11	
Lviv	8	1	16	4	21	4	31	6	22	25	
Zhytomyr	7	1	31	6	37	7	12	2	4	6	
Khmelnytska	10	2	12	2	11	2	9	1	-14	-1	

As you know, it is quality and number raw materials depends from the aggregate of many factors Especially in this context it is the number of cattle (top) that is important. Note that in Ukraine from year to year there is a tendency to decrease number of livestock Cattle (tab. 3).

So, from the data in the table. 3 note that every year in all categories of domestic farms there is a sharp decrease in livestock. Thus, the number of cows in Ukraine

decreased by 842,000 (almost 20%). Somewhat lower rates of decrease were observed in agricultural enterprises by only 6%. For comparison, the decline in households was 13%.

Table 3

Cattle population in Ukraine

Indicator		Years							2019 to 2010 (deviation)		2019 to 2017 (deviation)	
	2010	2014	2015	2016	2017	2018	2019	+/-	%	+/-	%	
		Ente	erprises a	agricultu	ıral (tho	usand he	eads)					
Big hornedlivestock (cattle)	1526	1310	1270	1214	1167	1138	1050	-476	-31.2	-117	-10.0	
including cows	589	529	505	485	467	468	439	-150	-25.4	-28	-5.6	
Annual averagemilk yield (thousand kg)	3.9	5,	5.3	5.3	6.0	6.1	6.1	2.1	53.5	0.07	1,2	
		Но	useholds	s popula	tion (mi	llion hea	ads)					
Big hornedlivestock (cattle)	2.9	2.5	2.4	2.4	2,3	2.1	2.0	-0.9	-31.2	-0.3	-13.0	
including cows	2.0	1.73	1.6	1.6	1.5	1.4	1.3	-0.6	-33.9	-0.2	-13.1	
Annual averagemilk yield (thousand kg)	4.1	4.3	4.4	4.4	4.4	4.5	4.6	0.5	12.6	0.1	3.3	
	I	Househo	lds ever	yone cat	egories	(thousa	nd head	s)				
Big hornedlivestock (cattle)	4494	3884	3750	3682	3531	3333	3092	-1402	-31.2	-439	-12.4	
including cows	2631	2263	2167	2109	2018	1919	1789	-842	-32.0	-229	-11.3	
Annual average yield (thousand kg))	4.1	4.5	4.6	4.7	4.8	4.9	4.9	0.8	21.9	0.1	3.2	

So in the table 4 provides data on the more detailed dynamics of the production of dairy products in Ukraine. A significant decrease was observed in 2019. We are talking about the following categories, such as dry cream and milk (decrease by 48%), butter (decrease by 20%), fresh cheese (decrease by 14%). It should be noted that there are also positive changes - yogurt, cream and fermented milk (increase by 12%).

Table 4 **Dynamics of domestic production of dairy products, kg** 

			Year	S			Deviation			
Product type							2019 to 2014		2019 to 2017	
	2014	2015	2016	2017	2018	2019	+/-	%	+/-	%
Processed liquid milk	1117	972	961	942	939	909	-208	-19	-33	-4
Dry cream and milk	66	60	51	47	38	34	-32	-48	-thirteen	-28
Butter	114	102	103	108	105	91	-22	-20	-17	-16
Fresh cheese	74	67	70	68	72	64	-11	-14	-4	-
Processed rennet cheeses	130	124	113	121	125	115	-14	-11	-6	-5
Yogurt and fermented milk	473	426	426	388	400	416	-57	-12	28	7

Recently in Ukraine there is a sharp decrease in volumes general production dairy products. The reason for this is the decrease in the solvency of the domestic population, which is also significant increase prices on products Therefore, along with reduction of production volumes products, there is also a decrease in export volumes (Table 5).

Currently, the milk processing industry in Ukraine is represented by 200 enterprises. Although, as can be seen from those who passed, it is positive dynamics are shown by only half of the enterprises. This is due to outdated technological equipment, which does not allow some enterprises increase production and make a profit.

Regarding exports, we note that in 2019 year Ukraine exported dairy products to countries such as China, Vietnam, UAE, Egypt and Bangladesh. So, 17% of dairy products were exported to Vietnam, up to Egypt 10%. A little more than 10% of dry butter was exported to Bangladesh,9% of the dairy products were exported to the UAE. As a result, in 2019, Ukraine took first place 18 place among world exporters dairy products

Table 5 **Export of domestic dairy products, thousand tons** 

Name products				2019 to 2015 (deviation)			
	2015	2016	2017	2018	2019	(+,-)	(%)
Cream and milk	8.1	6.9	8.8	10.4	14.0	5.9	172.5
Condensed milk	30.7	4.8	59.0	51.8	46.8	16.1	152.5
Sour milk products	3.2	2.9	3.7	2.8	3.7	0.4	114.4
Milk serum	35.4	22.3	26.5	23.8	31.9	-3.4	90.2
Animal oil	3.6	11.2	11.7	12.0	30.4	26.8	845.6
Cheeses and cheese products	59.8	19.4	10.8	8.0	9.0	- 50.7	15.1
Ice	2.9	2.8	4.5	4.4	5.0	2.1	171.8
Casein	3.3	5.0	5.7	6.1	7.1	3.8	215.8

So, in 2019, Ukraine took 6th place in terms of butter exports. In addition, in 2019, Ukraine took 8th place in the export of milk and 10th place in the export of cheese. Despite these export indicators, Ukraine still imports more cheese and cheese products than it exports. Let's analyze the dynamics of the import of dairy products in Ukraine during the studied period (Table 2.6).

The key element that significantly affects the quality characteristics of products is the price. As for the price situation, let's say that over the last year, the price of dairy products in grocery store chains has increased by 5-15%. So drinking milk with 1% fat content increased by 7.2% in price, drinking milk with 3.2% fat content at the end of 2019 cost more than UAH 30. in addition, at the end of 2019, the price of yogurt increased by 6.45% per kilogram (an increase of 15%), the price of dairy butter increased by 13%, cheese by 12%.

Table 6

The dynamics of the import of dairy products, million dollars.

Type products			Years				o 2015 ation)
	2015	2016	2017	2018	2019	(+,-)	(%)
Milk and non-thickened cream, (withoutsugar)	7.3	3.9	0.8	1.0	1.4	-5.8	-80.1
Milk and condensed cream, (with sugar)	27.0	1,2	1.7	2.1	3.8	-23.3	-86.1
Yogurt and kefir (bacterial sourdough starter)	21.7	1,2	3.7	3.9	5,6	-16.0	-74.1
Milk serum	7.0	4.8	2.0	1.6	2.4	-4.7	-66.5
Creamy butter and other fats	67.4	47.9	2.6	3.7	4.5	-62.9	-93.3
Different species cheeses	11.1	67.6	23.4	29.9	47.1	-64.2	-57.6
In total	24.2	14.9	34.4	42.4	64.8	-176.9	-73.2

Thus, we note that the largest domestic enterprises for the production of dairy products include more than 20 organizations, which account for 80% of the domestic market. In Ukraine as a whole, more than 1.2 million tons of dairy products are produced annually. These 20 enterprises produce their own products under approximately 95 brands. These are "Yagotynske for children", "Dobryana", "Prostokvashino", "Halychyna", "Rud", "Farm", "Molokia" and others. According to the State Statistics Service of Ukraine, 1 million tons of dairy products were produced domestically in 2019, which is 5% more than in 2018.

Table 7

Data on average consumer prices for dairy products in Ukraine, 2019,

UAH per kg/l

product name		Time
	January	November
Pasteurized milk	22	23
(2.6% fat content)		
Pasteurized milk	21	21
(increased storage fat)		
Kefir	24	25
Hard cheeses	173	186
Soft cheeses (low-fat)	96	105
Soft cheeses (fatty)	89	95
Sour cream (fat content to 15%)	51	55
Sour cream (increased contents	65	70
fat)		

Big companies are quick to respond to consumer preferences: the reduction of the premium class caused the brain portfolio of roaming and the expansion of the cheap line of the brand; or to the addition in the range of family packaging, which allows you to save; or reduce packaging (we are talking about such companies as TM "Yagotynske", TM "Selyanske"). As for glass packaging, it should be noted that it has a place in the "premium" class segment, as well as in the range of baby food.

From the data in the table. 8 we will analyze the dynamics of growth and decrease in the market share of domestic brands of dairy products. Thus, the market of dairy products of Ukraine is developed and structured to a certain extent. The first 10 brands make up 55% of the entire market. We are talking about both the in-kind and the monetary equivalent.

Table 8 **Dynamics of changes in the market of domestic brands of dairy products** 

Brand name	Increase / decrease, hryvnias.	Growth / decrease, l	Increase / decrease, hryvnias.	Growth / decrease, l.
	2018 to 20	17 p. (in %)	2019 to 20	018 p. (in %)
The enterprise "Milk alliance"" VAT "Yagotinsky oil factory"	13.6	13.0	6.3	4.3
Danon company Ukraine" Trade mark "Prostokvashino"	-14.2	-17.5	-13.7	-11.6
Wimm Bill Dunn Company Trademark "Slavyanochka"	-2.9	0.3	-14.5	-7.3
Company JSC "Zhytomyrskyioil factory" ("Rud" trademark)	-8.1	2,2	-11.7	-5.9
Company LLC "Milkcompany" TM "Galichyna"	108.9	152.5	26.2	27.1
Ternopilskyi Public Enterprisemilk factory" TM "Molokia"	20.7	13.2	34.5	31.3
Enterprise LLC "Lustdorf" TM "Selyanske"	-6.6	-12.8	2.1	0.6
Enterprise Terra Food "Farm"	12.6	22.6	7.2	11.9

The following key players can be singled out in the domestic market of dairy products: the firm "Danon Ukraine" (trademark "Prostokvashino"), the JSC company "Molochniy Alyans" (trademark "Yagotynske") and the enterprise Wimm Bill Dunn (trademark "Slovyanochka" ). These enterprises account for 30% of the domestic market.

It should be noted that almost all companies have a set of several categories in their portfolio: kefir, sour cream, milk, butter, yogurt, and desserts (we are talking about cheese products with various additives). However, we note that sometimes different categories can be combined into one brand. Then a wider list of brands, packages, and prices for dairy products can go.

Therefore, we will further define the main leaders in the dairy products market of Ukraine (Table 9).

Table 9

The largest domestic enterprises on the dairy market of Ukraine, in 2019

N	Name of Company	Enterprise income,	Share, %
		UAH billion.	
1.	"Terra Food" ("Farm" trademark)	5.2-5.3	12.4
2.	Ltd "Danone Dnipro" (trademark "Prostokvashino")	3.7-3.8	8.8
3.	"Milk Alliance" (TDV "Yagotyn Maslozavod")	3.2-3.3	7.7
4.	LLC "Lustdorf" ("Selyanske" trademark)	2.9-3.0	6.9
5.	JSC "Zhytomyr Maslozavod"  ("Rud" trademark)	2.2-2.3	5.3
6.	LLC "Milk Company Halychyna" ("Halychyna" trademark)	2.0-2.1	4.8
7.	JSC "Dubno Moloko" ("Komo" trademark)	1.9-2.0	4.6
8.	PJSC "Ternopil Milk Factory" ("Molokia" trademark)	1.8-1.9	4.1

So, as a result of the study of the dairy industry of Ukraine, we note that it is quite profitable and has a perspective of development. The problems that need to be overcome can be identified as follows: to create comfortable conditions for pure competition, to prevent the production of low-quality and falsified products; harmonize domestic legislation in the field of dairy products to European standards. It is also necessary to promote at the state level the creation of an effective mechanism for monitoring the quality of dairy products.

Therefore, the market for dairy products is changing dramatically: producers, as far as possible, diversify the range of their products for broader market purposes, and consumers, in turn, will pay more attention to the quality of products, which is why competition leads to changes in the specified conditions. Consumers used to be directed at product prices, but now it has drawn attention to product quality, packaging forms, reputation and rolls. A successful brand is one of the main factors of effective trading companies.

The key to building a brand is its positioning, which helps define brand strategies designed for the long term. To apply a standard position, you need to analyze other brands, which will show the general situation in the market and allow you to understand the offers of competitors. To perform this analysis, we summarized information about the most important and used brands of dairy products.

As a result of the evaluation of the brands of the researched dairy enterprises, it can be noted that some organizations have a wider portfolio (set) of brands. Such is the Lustdorf enterprise, which has a significant wide product category (we are talking about the brands of the Lustdorf company, such as the Na zdrovya trademark, the Vesela buryonka trademark, the Despicable Me trademark, the trademark "Buryonka, "Selyanske" trademark, "Delicious Chef" trademark, "Ideal Nemoloko" trademark and "Totosha" trademark. However, some milk processing companies have a much smaller market share and, accordingly, a smaller number of trademarks.

Increasing the production of dairy products in Ukraine is a matter of time, which attracts increased interest from agricultural enterprises. However, there is a lot of competition among companies, where the realization and promotion of dairy products in the consumer market is a certain problem. Therefore, milk processing companies must clearly be able to form a strategic vision of business development, promptly plan activities, constantly improving and changing the technology of dairy products, apply a system of modern quality standards, and use the latest modern marketing technologies and innovative developments.

The main and defining feature in the positioning of the company's brand is a detailed and thorough study of the wishes and preferences of consumers. Therefore, it

was important to study the state of competitiveness of dairy companies that exist according to their level of involvement in the market, the position of the market and the state of marketing and branding activities in the company

So, as it was mentioned, the leaders in the domestic market of dairy products in 2019 were: the Terra Food enterprise (trademark "Ferma"), the company "Milk Alliance" (trademark "Yagotynske"), the enterprise LLC "Lyustdorf" (trademark brand "Selyanske"). Despite the fact that the demand for dairy products has generally increased in recent years, for most milk processing companies (leaders in the domestic market) the main and defining marketing strategy is the maintenance of comparative competitive advantages. We are talking about attracting significant amounts of investments, both domestic and international, precisely for the development and promotion of brands and investing funds in an advertising campaign with the aim of maintaining positions and gaining a share of competitors. Those enterprises that occupy a smaller share in the market should form marketing strategies that will allow them to achieve better results and increase market presence. We are talking about Ukrainian enterprises such as the company "Danon Dnipro" (trademark "Prostokvashino"), the company JSC "Zhytomyrskiy maslozavod" (trademark "Rud"), the company PRT "Ternopilsky Molokozavod" the trade mark "Molokia", the company LLC "Molochna" company trademark "Halychyna".

We will conduct a study of the general assessment of the attractiveness of the market and the level of competitiveness of such dairy enterprises as the company "Terra Food" (with the trademark "Ferma") as well as the company PRT "Ternopilsky Molokozavod" with the trademark "Molokia" (Table 10 and Table 11). The essence of the "market size" indicator is derived and consists of: the current state of domestic production, as well as the state of the foreign trade balance. The indicator characterizing the level of competitiveness takes into account: the concentration and market shares of competitors, as well as the general level of the amount of competition.

Table 10
Competitiveness of the dairy company "Terra Food" (with the trademark
"Ferma") on the regional market

Attractiveness product market	K / weight	Rank / positio n	Q	The level of competition capabilities	K / weight	Rank / positio n	Q
The magnitude of the size market	0.161	10	1,602	Quality of manufactured products	0.202	10	2,001
The magnitude of the tempo growth product market	0.182	10	1,803	The absolute share of the product market	0.142	10	1,402
Profitability company assets	0.171	8	1,602	Relative market share of products	0.0802	10	0.801
Level the company's competition	0.123	10	1,602	Attractiveness of the product range	0.144	10	1,402
Sensitivity to company inflation		6	0.723	Efficiency of product sales channels	0.083	8	0.643
Security material and	0.033	8	0.242	Effectiveness of advertising activities of companies	0.082	8	0.642
technical resources				Product market risk	0.082	6	1,021
Social market	0.033	4	0.122	Financial resources of the company		10	0.803
environment				Production capabilities of the company	0.082	8	0.644
Overall assessment	1.003	64	8,642	Overall assessment	1.003	82	9,287

So, Table 11 shows data on the assessment of the attractiveness and level of competitiveness of such a milk processing company as PrJSC "Ternopilsky Molokozavod" with the trademark "Molokia". As can be seen in the mentioned enterprise, the attractiveness of the market depends on such indicators as the existing level of competition (1.1 points), market volume (0.7 points), sensitivity to the level of inflation (1.1 points), provision of material and technical resources (0, 2 points). The indicator of the level of market competitiveness takes into account exactly the quality of products (1.2), including absolute quality (0.6 points) and relative quality (0.4

points), attractiveness of the product range (0.8 points), sensitivity to price fluctuations (1.1 points) and production capabilities of the enterprise (0.7 points).

Table 11

The level of competitiveness of the dairy company "Ternopilskiy molokozavod" PJSC with the trademark "Molokia" on the regional market

Attractiveness index market	K / weight	Rank / positi on	K / weigh t	Product competitiveness indicator	K / weight	Rank / positio n	K / weight
The magnitude of the size market	0.121	6	0.722	Quality of manufactured products	0.201	6	1,201
The magnitude of the tempo growth product market	0.142	4	0.563	The absolute share of the product market	0.082	8	0.642
Profitability company assets	0.121	4	0.481	Relative market share of products	0.053	8	0.402
Level the company's competition	0.185	6	1,082	Attractiveness of the product range	0.142	6	0.843
Sensitivity to company inflation	0.186	6	1,081	Efficiency of product sales channels	0.041	6	0.242
Security material and technical resources	0.051	4	0.211	Effectiveness of advertising activities of companies	0.042	5	0.201
	0.031	4	0.122	Product market risk	0.172	6	1,022
Social market environment				Financial resources of the company	0.141	8	1,123
CHVHOIIIICH				Production capabilities of the company	0.142	5	0.703
Overall assessment	1.003	39	5,141	Overall assessment	1.001	58	6,363

The next stage of the research will be the formation of the "McKinsey" matrix. So, in Fig. 5, in the upper left part of the 1st sector, where the assessment of the level of market attractiveness at the point 8.6 points and the level of competitiveness of the brand in relation to existing competitors at the point 9.3 points intersect, the researched dairy company "Terra Food" (trademark "Farm"). Such an arrangement gives reason

to note that the company "Terra Food" really works in a promising market and occupies a strong position in relation to competitors.

		Level of competi	tiveness milk processing co	ompanies
		High level 6,7 – 10.00	Average 3.3 – 6,7	Low level 0.0 -
				3.3
		Trademark		
		"Farm"		
At	Higł 10.	Trademark		
tract	High level 6,7	"Peasant"		
Attractiveness index market	el 6,	Trademark		
ess i	7 —	"Yagotinskyoil factory" -		
nde	1.0			
k ma	Avei 3.3 – 6,7	Trademark "Rud"		
rket	Average -6,7		Trademark	
	age		"Molokia"	
	lev			
	Lo level 0.0			
	Low ).0-			

Fig. 5. The matrix of the level of market attractiveness and the level of competitiveness of McKinsey milk processing companies.

Source: based on data [102]

In the first sector, such milk processing enterprises as Tcompaniya LLC "Lyustdorf" (trademark "Selyanske") (respective values 8.16 and 8.92), the company "Yagotinsky Maslozavod" (respective values 7.64 and 7.72) are located. These enterprises should maintain their competitive advantages, as well as invest and expand their product range. In segment two, JSC "Zhytomyrskiy Maslozavod" (trade mark "Rud") was located (respective values 6.4 and 7.86). JSC Zhytomyr Maslozavod, which has an average level of competitiveness and an average level of market attractiveness, should apply a development strategy taking into account investments in the most profitable sectors in order to increase profits by minimizing production costs.

Table 12

Qualitative assessment of presented brands of dairy products on the regional market

	Rank							
Likes	Tradem ark "Rud"	Tradem ark "Moloki a"	"Yagotyns		Trademar k "Farm"	Trademar k Como	Trademar k "Prostokv ashino"	Trademark "Galichyna "
	450/	450/	450/	450/	450/	450/	450/	450/
fresh	449	442	398	400	412	364	373	365
product								
Beautiful	450/	450/	450/	450/	450/	450/	450/	450/
taste qualities	423	413	412	356	322	321	301	288
Quality	450/	450/	450/	450/	450/	450/	450/	450/
products	420	422	415	404	398	384	352	349
Conformity	450/	450/	450/	450/	450/	450/	450/	450/
price-quality	400	400	350	345	333	332	328	323
"I often	450/	450/	450/	450/	450/	450/	450/	450/
I use this	312	298	287	285	194	156	150	147
product brand"		11						

Source: formed according to the data [105].

According to the table 2.12 we can say that the leader in the regional market is the brand "Rud" with a share of 4.5% and the company "Molokia" with a share of 4.4%. The third step was taken by the trademark "Yagotynske", the fourth position was taken by the trademark "Selyanske". The rating is closed by the trademark "Komo", the trademark "Prostokvashino" and the trademark "Halychyna" (respectively with indicators of 3.5%, 3.3%, 3.3%).

Then, based on the results, the ranking of companies and the impact of the results on product brands was determined (Table 13).

Table 13 Rating of leaders in the dairy products market

	Methods								
The company name	Matrix GE / Mc Kinsey		company	Assortment company policy	market company capabilities (Index Market score)				
"Terra Food" LLC ("Farm")	5	4	4	5	5				
Lustdorf LLC ("Peasant")	4	5	5	2	1				
The company "Milk alliance" VAT "Yagotinsky oil factory"	3	3	3	4	4				
Company PJSC Zhytomyrskyioil factory" ("Rud")	2	2	2	1	3				
The company PrJSC "Ternopilskydairy" ("Molokia")	1	1	1	3	2				

Source: formed according to the data [105].

In order to strengthen the market position, the company's specialists pay attention to innovations in the production chain and in the production process and product sales. The successful experience of the company is constantly researched, the analysis of domestic and foreign markets is carried out, the tasting is established to introduce excellent achievements and maintain its own tradition, active optimization of this range.

The effectiveness of branding companies is considered by the level of influence on consumer loyalty. Since the main goals of the company are used by various methods

of creating and maintaining consumer loyalty, there is a formation in the awareness of the positive attitude of the buyer towards the brand. Therefore, we used and optimized the approach to identify the loyalty of consumer qualities. We are talking about the use of the BAV technique, the purpose of which is to determine the consumer values of the developed brand.

With the help of the above-mentioned BAV method, we will calculate the level of consumer value of the formed brands of dairy products with the application and optimization of the proposed proposals. The specified BAV technique makes it possible to understand the essence of the brand (Fig. 4).

As can be seen from Figure 4, segment differentiation allows you to determine exactly the perception of users of the features and differences of a particular brand. That is why the product must have differences from other competitive products, so that ultimately the consumer has the opportunity to choose it among others. For the consumer, the main question always arises: how to distinguish branded products from non-branded ones. In this case, it is the difference that distinguishes the role and status of the brand, the choice of users, the essence and content of the brand, as well as its boundaries. Therefore, it is the main difference that is the key to unlocking the market potential of manufacturers.

The relevance segment allows you to distinguish the individual (personal) use of the brand by consumers and depends entirely on the factors of involvement in the consumption of the product. This is the basis (base) for development any manufacturer or product brand. This raises the question of the brand's compliance with consumer requirements. Therefore, this moment attracts and keeps consumers (users) in order to satisfy their needs and requirements. A factor such as relevance is commonly used for products, pricing, promotion and sales, distribution and packaging policies. Therefore, it can be noted that actuality is decisive for engagement consumers

As can be seen from fig. two segments (relevance and differentiation) are the basis of the so-called axis of brand strength and status, which is decisive for future transformations and development of brand potential. This is the indicator that will make it possible to determine how the brand will grow and what its potential

opportunities are. The relationship between differentiation and relevance is derived from the economic development of the state and market capacity.

Respect or relationship shows the level of quality relations of the brand with consumers, as well as the degree of satisfaction of consumers with the chosen brand.

The knowledge segment shows how well the brand is recognized and how well it is understood. It is about how knowledge helps define a brand and how deeply it penetrates the minds of consumers. This is a consequence of marketing communications in combination with the consumer experience of direct contact with the brand. Therefore, it is understanding that is the main and determining factor for the maturity of the brand.

Thus, the interdependence between the main four brand factors forms a real model of both opportunities and threats for the brand. So in fig. 5 an optimized model of brand formation and development is proposed, taking into account the BAV methodology, which will allow to determine such indicators as "brand health indicator" and such an indicator as brand status by comparing such components as "respect" and "knowledge" or "understanding » brand taking into account the analysis of the company's internal environment.

Further, by analyzing the influence of the external environment on the brand by comparing "differentiation" and "relevance", the features and possibilities of the brand's potential were determined and studied, which would allow for the formation of "brand strength" or "brand potential". Therefore, as a conclusion in the process of combining the obtained results of the "strength" of the brand and the "status" of the brand (taking into account both positive opportunities and negative potential), the established system will help to understand.

Therefore, it should be noted that the state of such a trademark as "Lyustdorf" on the regional market (Zhytomyr) is evaluated according to the least number of points among competing enterprises.

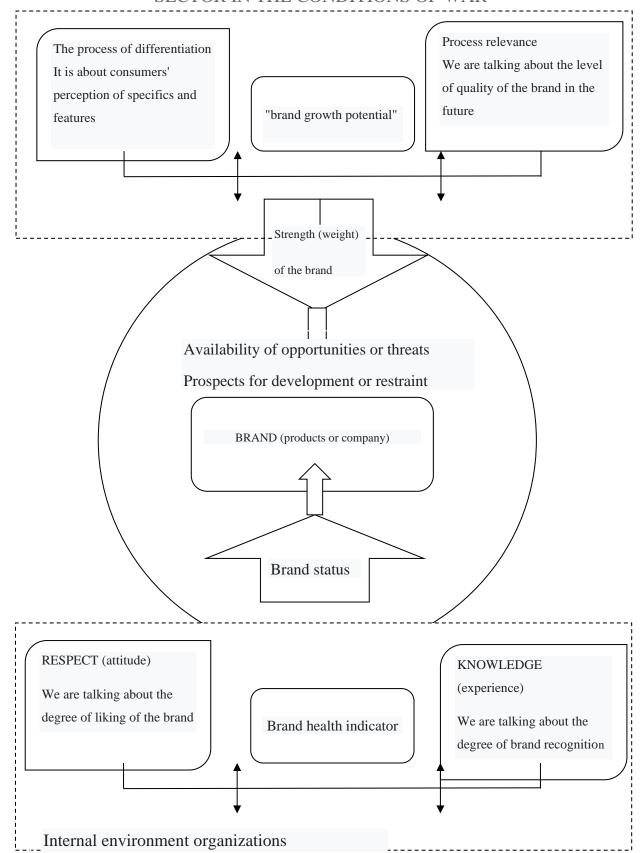


Fig. 5. Optimized model of brand formation and development Source: based on data [106]

The next step is to monitor dairy product brands to determine their potential. Let's consider the following companies, such as Ternopil Dairy Company, trademark "Molokia", "Lyustdorf" LLC, trademark "Selyanske", JSC "Zhytomyr Maslozavod" trademark "Rud", LLC "Terra Food" trademark "Ferma".

So, based on the application of marketing research in the form of a survey, we will determine the potential of the product brand. In the table 14 summarizes the results regarding the consumer value of brands of dairy products.

Table 14

Consumer value of brands of dairy products

	The company name							
Indicators	Zhytomyrsky PJSCoil factory" ("Rud" trademark)	PrJSC "Ternopilskyi dairy" (trademark "Molokia")	LLC "Terra Food" (trademark "Farm")	Ltd Lustdorf (trademark "Peasant")				
	Ratin	g (10-point scale)						
The meaning of "differentiation"	546 (91)	530 (88)	515 (85)	480 (79)				
The meaning of "relevance"	544 (90)	527 (88)	498 (83)	490 (81)				
The meaning of "respect"	546 (91)	527 (87)	387 (64)	307 (50)				
The meaning of "knowledge"	516 (86)	485 (80)	367 (65)	398 (61)				

Therefore, such a factor as "differentiation" is calculated using the following indicators, such as the introduction of innovations and the latest technologies, leading and advanced technologies, the provision of quality logistics services, product quality control, concern for the environment and the environment, as well as social responsibility. Therefore, the "Rud" company maintains a leading position according to the results of the conducted research among consumers (residents of the city of Zhytomyr). We have the following results, the respondents gave 91 points for 6 defined indicators, which gives grounds for asserting that the company's brand is unique and significantly different from competitors. The second position belongs to the enterprise "Molokia" with 88 points according to such a criterion as "differentiation", then the

trademark "Ferma" with 85 points and the trademark "Selyanske" with 79 points

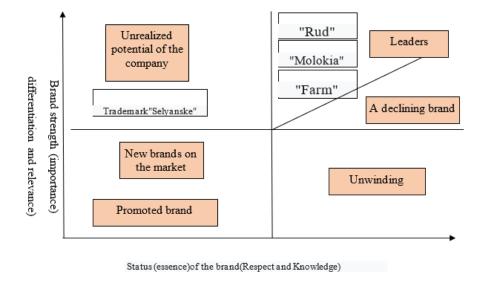


Fig. 6. Matrix of the potential of domestic brands of dairy products on the regional market

As can be seen from fig. 6 "Rud" trademark and "Molokia" trademark, "Farm" trademark are in the leading positions in sector 3, respectively, with high values of indicators such as "differentiation", "relevance", "respect" and "knowledge". the "Selyanske" brand was located in sector 2. This is explained by the fact that this brand is a well-recognized brand with successful positions in the market, which has significant potential for growth. Therefore, if a brand is in the leadership sector for a certain period of time, it means that it maintains all four main factors in a dynamic and progressive state in the market environment.

Today, the place of brands in the modern economy is growing every day, which requires the development of the latest approach to the management of the company's product portfolio. This topic calls for further research in scientific detail, brand managers and experts in the field to identify a number of theoretical gaps.

It should be noted that positioning a product or a brand is to provide a specific image of a trademark that conveys meaning, it is a well-constructed strategic process that helps to accept and strengthen its market position. In our case, this is the definition of brands or trading portfolios. Having a clear provision makes it possible to effectively

implement communication with consumers.

So, positioning is a process by which you can correctly and objectively distinguish the company's product from the main competitors, which will make the product more acceptable to consumers, more visible and accessible. Also, the positioning strategy itself can help identify and determine the place, in relation to others, that the company will occupy in the subconscious of consumers. The main goal of positioning is to achieve a stable and stable status in the mind of the consumer regarding the brand (we are talking about a leader among competitors). In the process of brand positioning, the following requirements must be observed:

- the positioning process must be original and unique. This is the main function that will allow you to successfully distance yourself from competitors;
  - the positioning process must meet the needs and preferences of consumers;
- the positioning process must be supported by real facts and evidence in order to ensure consumer trust in the brand;
- the positioning process should be stable with respect to the 7P indicators. We
   are talking about the format price, place, product, promotion + process + people + physical evidence).

Then, after forming clear positioning strategies, we should monitor and develop future tactics to identify losses and adjust successful productive products and support.

Managing the brand portfolio is a sustainable process that, on the one hand, gives satisfaction to the target audience, and on the other hand, increases the capitalization of the brand in the company for a long time. The famous marketer F. Kotler offers his vision regarding a scientific approach to the formation of a portfolio of brands that makes it possible to clearly and concretely form the purpose of the entire organization and determine the positions of brands, contributing to the corresponding preferences of consumers.

That is why it is recommended to use such a model, which is used in the study of chemistry, namely for showing and demonstrating the main molecular structures, for the analysis of brands taking into account the external environment. In this version, each brand acts as an atom, and accordingly, its size depends directly on the importance

of the brand in the portfolio. Related elements between trademarks are usually shown as straight line segments. The thickness of the line segments should correspond to the importance of interaction between the established brands.

In fig. 7 shows the process of building a brand portfolio molecule. As can be seen from these figures. 7 the process of building a molecule of a brand portfolio allows you to single out those brands that are included in the structure of the brand portfolio with the possibility of their distribution and gradation into the main (essential) brand, sub-brand, as well as auxiliary and supporting brands. Thus, the main brand is the manufacturer's brand, in accordance with which the brand-molecule is formed and built.

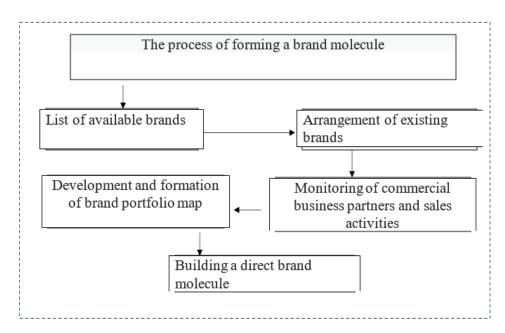


Fig. 7. Scheme of the brand molecule formation process

Source: based on data [106]

That is why Rud is the main brand in JSC Zhytomyr Oil Plant. In addition, subbrands usually depend on key and main brands and are formed depending on the assortment and nomenclature set of manufacturing companies. It should be noted that the company produces the following products under the "Rud" brand: dairy products, frozen products, butter, ice cream, frozen dough, curds, spreads, frozen semi-finished products.

In JSC "Zhytomyr Maslozavod" the supporting brands include "Khutorok", "100% Ice Cream", "Chef", "Super Chocolate", "Imperia" trademark, "Children's

Desire" trademark, "Vologodske", "Eskimos" trademark, "Pustunchyk" trademark, "Impreza" trademark. In the future, these brands will allow the company to strengthen its position in the domestic market.

Auxiliary brands are considered to be all enterprises that in any way cooperate with the organization in order to promote the main brand in order to establish strong contact with consumers.

Table 15

Brand portfolio of Zhytomyr Maslozavod JSC

The company	Position (side) of the brand			Impact of	on position brand	(place)	Thickness segment of the brand		
name	strong	average	weak	strong	average	weak	strong	average	weak
1. "Rud"									
trademark									
2. Ice cream	4.5				2		1		
3. Dairy	4.4				2		1		
products									
4. The products	4.2				2		1		
are frozen									
5. Milk butter		3.7			2		1		
6. Milk spreads			2.8		2		1		
7. Semi-	4.6				2		1		
finished									
products are									
frozen									
8. Frozen	4.2				2		1		
dough									
9. Curds		3.62			2		1		
10. "Khutorok" trademark	4.7			1			1		
11. "Vologodske" organ stamp	4.6			1			1		
12. Trademark "Chef"	4.4			1			1		
13. Trademark "100% ice"		3.8		1			1		
14. Trademark "Kak Are you here?"	4.2			1			1		
15. Company LLC "Ice that"		3.8		1					3
16. LLC "Acris Logistic "		3.9		1			1		

#### Continuation of table 15

17. LLC	3.6	1			3
"Alpha"					
18. TOV	3.7	1			3
"Aisnet"					

Source: based on data [108]

Thanks to the evaluation of the brand-molecule of the portfolio, it is possible to establish and determine the position and place of the company in the market, its place among the main competitors, and will allow to determine the impact on the company's performance. In this way, a strong brand position will in a certain way strengthen and improve the consumer's attitude towards the product and will form a loyal and favorable relationship or attitude.

The following system of indicators and criteria should be used to analyze the position of the brand on the specified market with the specified components of the brand portfolio (we are talking about both the main brand and sub-brand, supporting and auxiliary brands):

- the presence of a product group is the main component of the brand; economic effect; originality and uniqueness of the brand; product quality parameters; a variety of brand assortment;
- peculiarities of sales activity reputation of the company; marketing support
   of the brand; degree of interaction; representation and accessibility of the brand;
- specifics of partnership level mutual consumer trust in the brand; quality
   information presentation of the brand; consistency views on creation attractive brand.

Therefore, during the formation of the positioning strategy for Zhytomyr Maslozavod JSC, it is necessary to evaluate the brand-molecules of the brand, as well as determine the degree of influence of other brands on the main brand and identify their place in the market. It is in the table. 3.2 shows a detailed diagram of the brand portfolio of JSC "Zhytomyr Oil Plant".

As a result of the formation of the brand portfolio molecule, we can take into account all existing connections and relationships between other brands. In addition, the

brand molecule will allow you to visualize all other brands that should be taken into account when developing and making operational marketing decisions, because it is the relative influence of each individual brand on the target product market that shows the extent and value of the influence of the borders of each brand. In addition, it is possible to indicate that there is a relative value of individual brands taken. It is about the fact that the wider the circle, the higher the value of the brand. We also note that the process of positioning boundaries in the brand molecule provides an opportunity to obtain additional information that will allow developers to differentiate brands.

So, based on the results of the brand molecule, we will form a positioning matrix. This matrix will be important for all participants of the brand portfolio, taking into account the criterion "brand position" and the criterion "thickness of the segment". The specified criteria are the main and key ones in the development and implementation of the company's brand positioning strategy.

In the table 16 shows the positioning matrix of the brand portfolio for the "Rud" trademark for the Zhytomyr oil factory PJSC.

Table 16

Brand portfolio positioning matrix of the "Rud" trademark

Positioning model	Choice positioning criterion	Characteristics of the model
Macro modelX -	X - position on the targetmarket	Hold central positions on the market The company's activities are aimed at the mid-price segment of the target market
Y - Z	YZ - Key figure in the target market	Product Efforts to form positioning, taking into account the uniqueness and originality of products
Meso modelIDU	U - Uniqueness of the trademark	Brand opportunity bring a higher reward compared to competitors  The "Rud" trademark presents consumers with quality products and a guarantee of safety, taking into account full responsibility
Micro modelabe	and - physical properties of the product	Attention is directed to properties of the company's products The "Rud" trademark focuses on the latest and innovative technologies
	a-b - attribute benefit	Attention is paid to receiving a reward, which is connected with the special characteristics of the product.

Taking into account the above, we proposed an algorithm for the positioning of the brand portfolio, which is based on the formation of the main goal and the assessment of the state of the company's activity, taking into account the analysis of the positioning of brands among competitors (Fig. 8)

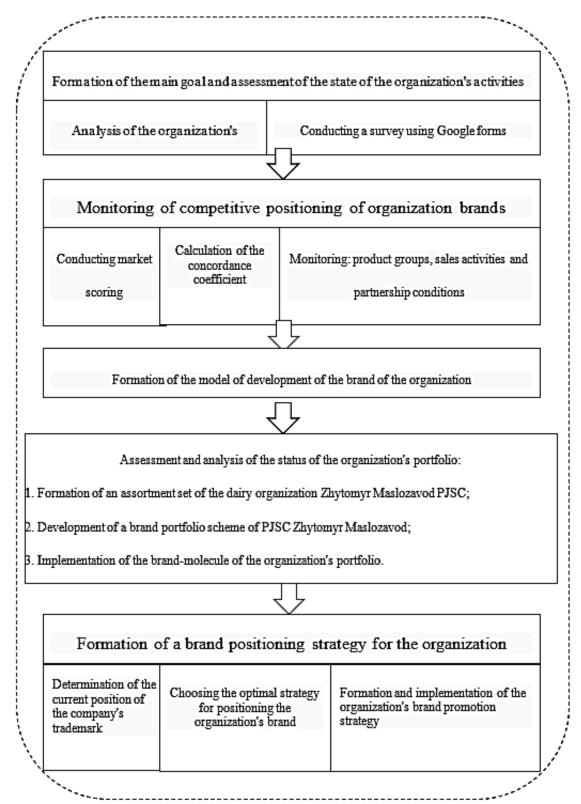


Fig. 8. Scheme of the positioning algorithm of the brand portfolio of the organization

It is worth noting that the "XYZ" brand positioning model makes it possible to create an application for the position of the company's trademark and allows you to get answers to the following:

- benefits and advantage to consumers of the company's brand;
- content and informativeness of the company's brand;
- the target audience of consumers and users of the company's brand.

To maintain a competitive position with the choice of positioning, it is necessary to ensure product differentiation from competing products that help remain in the unconscious of consumers, occupy positions in the market and are excluded from competitors. Marketing activities are used through differentiation of goods, services, personnel and images.

To increase the effectiveness of sales activities, there is the creation and implementation of marketing development strategies. Using the example of PJSC "Zhytomyr Oil Factory" of the "Rud" trademark, we will understand the peculiarities of marketing strategies.

The main goal of JSC "Zhytomyr Maslozavod" is to meet the needs of consumers by supplying high-quality products to the places of sale. In addition, the tasks of the enterprise are compliance with high standards and norms, which will allow the enterprise to apply a certified system of environmental management, which will guarantee quality and food safety for consumers.

So, the marketing strategy is a comprehensive plan for the development of business or other economic activity, the purpose of which is to increase the volume of product sales and increase profits.

Therefore, marketing strategies are useful both for large companies (holdings) and for small enterprises. However, earlier the assessment of the value of the enterprise was carried out on the basis of the value of assets. Today, the value of the enterprise uses other indicators, which can be used to reflect the investment attractiveness and the ability of the enterprise to accumulate funds for the long term. It should be noted that the main role is played by brands and the ability of companies to manage the positioning of the portfolio of brands in the target market.

Branding is increasingly becoming an important tool in the process of forming marketing strategies. It is the use of branding that allows you to intensively change and adapt to new products, taking into account the market situation. In the table 17 shows the main types of marketing strategies of portfolio analysis.

Table 17

A set of marketing strategies for forming a portfolio analysis

Matrix type	Marketing strategies / matrices at different stages brand formation		
	enterprise - leader	enterprise - outsider	
BKG Matrix	Formation strategyadvantages competitive for the enterprise in order to preserve and support positions on the market	Intensification strategy for the purpose of building up target market shares	
GE/ McKinsey Matrix	Defensive strategy	Strategy selective development of the enterprise	
Ansoff Matrix	Strategy penetration	Strategy diversification in order to find new sales markets	
Shell Matrix	Strategy leadership in the specified species business	Strategy folding business in conditions of uncertainty	

As can be seen from the data in the table. 17 the following marketing strategies are typical for leading companies in the market:

- the strategy of expanding the market share i.e. attracting new target consumers; studying new needs of consumers, increasing the volume of realization and sales of products;
- defensive strategy protection of market positions by means of flank defense (attack on the weaknesses of the leaders) taking into account preemptive defense using the strategy of differentiation and price leadership. In addition, the use of mobile protection means the release of a new product brand and entering new regional target markets;
  - the strategy of increasing the market share (provided the available capacity

of the target market). This strategy is used in combination with market development strategies. Components of the marketing mix are also often used.

With the help of the "product-market" model, the optimal strategy of deep penetration into the target market or the strategy of developing the target market for the brand of the "Rud" brand is optimal.

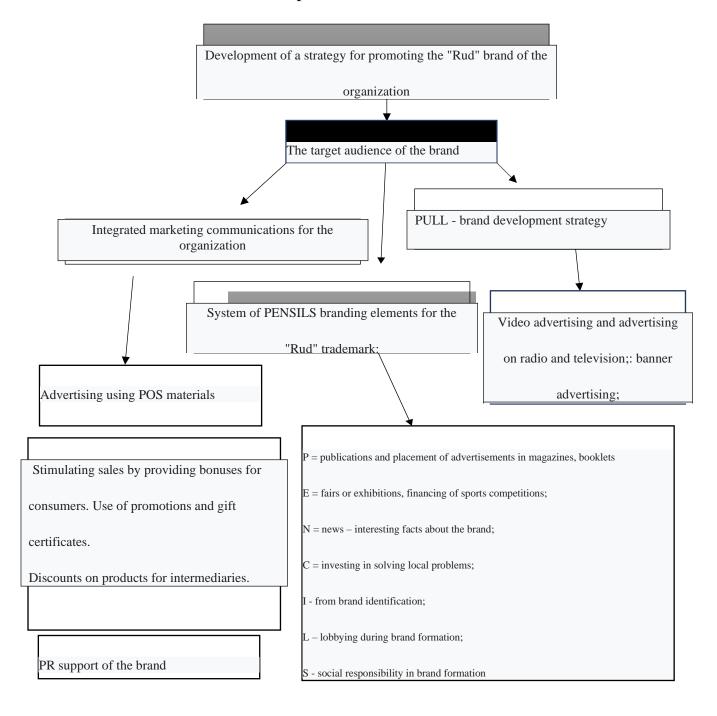


Fig. 9. Stages of formation and promotion of the Rud brand brand Source: formed according to data [100]

For the company under study, the positioning strategy largely depends on the choice of the target market and the formation of comprehensive recommendations for encouraging new consumers. Therefore, in fig. 9 we proposed a positioning strategy for the "Rud" brand.

Also, by improving the quality of products, it is possible to diversify sales markets and increase the efficiency of production of products based on innovative technologies, which in turn will allow to subdue the price policy, give an opportunity to strengthen advertising activities, expand sales volumes due to vertical and horizontal integration [106]. Therefore, in order to convince consumers to buy the products of Zhytomyr Maslozavod PJSC, it is necessary to more effectively prove information about its quality composition, naturalness, usefulness and ease of use.

When purchasing dairy products of the "Rud" trademark at various points of sale, it is worth returning the purchased product with booklets and prospectuses, which mention the benefits of using this product.

Thus, the components of the "Rud" brand should include:

- brand attributes we are talking about the brand leader in the market of both ice cream and frozen products. In addition, it is a high-quality product that meets the standards and has a wide range of different types of goods that are in high demand among consumers, has a modern stylish design. This is a product; a company that constantly moves in step with the times and constantly works hard to improve the quality of manufactured products;
- benefits and rewards it's about status and reliability as well as confidence.
   The company guarantees the safety and quality level of its own products and, at the same time, is responsible for the impact on the environment and ecology;
- value and authority we are talking about trust in the brand and products,
   namely confidence in quality products and reliability, which brings emotional and
   moral satisfaction to consumers;
- individuality and exclusivity of the brand we are talking about a progressive
   and modern approach to brand development. Products can be trusted, which is the
   motto of the company;

the essence and content of the brand - PJSC "Zhytomyr Maslozavod" trademark "Rud" is the undisputed leader among domestic ice cream manufacturers.
 The trademark "Ice Cream No. 1" is not only the advertising slogan of the company, but also the purpose of its existence. We produce high-quality products using high-tech equipment.

Therefore, the development of the organization's marketing strategy is a complex step-by-step process, as a result of which it is necessary to form an operational plan of action that will allow the achievement of the final goal.

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#### 8. Marketing activities enterprises of the sugar industry: pre-war and war periods

The development of Ukraine's economy involves focusing on factors that would ensure the stabilization and further growth of all branches of the national economy. The current situation in the economy requires the solution of a number of problems related to the transition of sugar industry enterprises from production orientation or intensification of commercial efforts to the marketing concept in activity, and of course, its full support in production and commercial activity. In the past, the sugar industry of Ukraine was strategically important and occupied a prominent place in the country's economy. In modern conditions, the integrity of the sugar complex is violated, the unregulated market exacerbates the contradictions between beet farms, sugar factories and other partners.

The full-scale invasion of the Russian Federation on the territory of Ukraine posed the series of unresolved issues and new disappointing challenges for sugar production. Occupied territories, including mined agricultural lands that in the recent past were planted with sugar beet, have caused a decrease in the amount of sowing and cultivation of sugar raw material - sugar beet, a constant increase in the cost of energy resources, a shortage of electricity caused by constant rocket attacks on thermal power plants during the active season of sugar production, an increase in the price of gas and its transportation, an increase in the price of materials and equipment, an increase in logistics costs, a limitation in the number of customers, and the outflow of personnel abroad and a number of other processes led to a crisis situation in the sugar industry,

The revival of sugar production is possible thanks to the development of new theoretical and methodological approaches to management that combine the strategic interests of the state, partners of the sugar industry and consumers, and the use of the latest methods of managing sugar enterprises on a marketing basis. The functioning of sugar industry enterprises requires modernization and the application of marketing approaches in managing not only the product range or the formation of a mutually beneficial price policy, but also the development of programs to attract personnel to

production enterprises, to encourage employees to seek employment at production enterprises, including sugar enterprises. In addition, the specified incentive process should consist of both an effectively developed incentive system at sugar enterprises (factories), and have support at the national level, especially during the period of military operations, when there is an outflow of the able-bodied population abroad. These and a number of other issues can be solved with the help of marketing in the activities of enterprises of the sugar industry, as well as other enterprises of the processing industry.

Marketing is a synthetic science, it is closely connected with other sciences, first of all with economic theory, political economy, management, sociology, psychology, so some laws, regulations, categories and postulates can be common and complement each other. So, in particular, strategic marketing and strategic management have in many respects a common methodological toolkit [109,110]. It should also be noted that consumer behavior, which is researched by marketing specialists, is closely related to psychology, culture, values, social stratification of society, and before developing and introducing a new product to the market, it is necessary to investigate how much it is needed by the consumer, what needs it will satisfy, how it will differ from competing products, etc. It is also important to apply marketing when planning the sale of goods, especially to the foreign market, where it is necessary to study cultural features, customs and attitudes to the goods, quality parameters of raw materials, individual details in the country where it will be sold. Also, before bringing it to the market, it is necessary to clearly know the relationship to the product in a certain country, the dynamics of demand, the peculiarities of its perception and use,

Like any science, marketing has a theoretical and practical component. The task of the first is the systematization of categories, definitions, principles, laws and regularities of the existence and interaction of market subjects, as well as the development of appropriate models that enable specialists to adequately analyze market processes. The task of the practical component is the development of a methodical apparatus that makes it possible to effectively apply this knowledge in practice. [109, 110]

An equally important component of the implementation and improvement of marketing in the practice of domestic enterprises is the understanding of what marketing is. In the economic literature, there are quite a few definitions that reflect the essence, content and functions of marketing, because its categorical apparatus was developed in different periods of the development of commodity-money relations. The content of the concept of "marketing" underwent a natural evolution, changing under the influence of the development of market relations, product production, scientific and technical progress, the volume, nature and structure of customer needs.

Nowadays, the essence and meaning of the concept of marketing are interpreted in different ways. Agreeing with the opinions of most experts in the field, it is worth noting that marketing is a phenomenon that is somehow related to the market, market processes and activities. In the most general definition, marketing is a management concept that ensures the market orientation of the production and sales activities of the enterprise [111, p. 9]; a management system that provides for coordinated and directed activity on the study of sales markets, adaptation of production to their requirements, active influence on market processes, on consumers with the aim of increasing sales and obtaining high profits [111, p. 9]. However, it should be noted that the mentioned work does not indicate the importance and necessity of applying marketing research in the activities of enterprises as a defining component of marketing.

Also Zhan Lamben in the work "Strategic marketing. The European perspective" notes: "Marketing is the architect of consumer society, ... a market system in which sellers commercially exploit consumers in order to continuously create new needs for the sale of more goods [112, p. 2]. This understanding of marketing goes beyond the mere sales activity of the enterprise or even the concept laid as the basis of enterprise management. It explains marketing as a complete market system that determines the development of social relations. These views are based on three aspects of the modern concept of marketing: the active aspect (the essence of which is to penetrate the market), the analytical aspect (understanding the market) and the ideological aspect (the way of thinking). Most often, in practice, trends in the development of marketing towards its active dimension, that is, towards sales techniques (operational marketing),

and an underestimation of its analytical component (strategic marketing) are observed [112, p. 2].

Each of the above definitions emphasizes certain aspects of marketing, and their large number (today there are about two hundred) is explained, on the one hand, by the relevance of the role of marketing in modern science and entrepreneurship; on the other - by the use of various methodological approaches by scientists in defining marketing.

The above approaches to determining the content of marketing complement each other, forming a holistic concept, and find their application in the practical activities of enterprises. Due to the presence of several levels of perception and multifunctionality, it is quite difficult to formulate a single understanding of marketing, but after analyzing the existing theoretical and methodological approaches to understanding its essence, it is possible to formulate a proper, broader definition of the category "marketing", which should be understood as a purposeful process of improving the company's activities in market conditions, which primarily involves the development and implementation based on marketing research of an effective product and price policy, the definition of effective sales channels and sets of marketing communications.

An integral component of the application of marketing at enterprises of the sugar industry is the use of marketing tools and the formation of a full-fledged complex of marketing activities based on them, which will ensure effective sales and communication activities, as well as contribute to the growth of profitability of sugar enterprises.

The classic components of the marketing complex (product, price, sales and promotion), as well as variable marketing tools, which should be as fully suited as possible to ensure the commercialization of each individual sugar enterprise and the industry in particular, should become important tools for the implementation and improvement of marketing activities at sugar industry enterprises, especially in conditions of instability of the market environment and military operations.

In this regard, it is expedient to propose an adjusted marketing complex for sugar industry enterprises, which will be as fully adapted to the peculiarities of the sugar industry as possible, especially during the period of martial law (Table 1).

 ${\it Table~1}$  Adjusted marketing complex for enterprises of the sugar industry

Marketing complex	Components of the marketing complex	Translation	The content of the main elements	The degree of importance for enterprises of the sugar industry
	Product	Goods	Goods and services offered on the market for sale	The main element of the marketing mix, represented by types of main and secondary products
"4R" (classic	Price	Price	The amount of money that must be paid to the consumer to receive a product or service	Price is a key factor of choice for consumers of primary and secondary products; in the process of formation, the dependence of the price level on seasonality, changes in the conditions of the domestic and world markets should be taken into account
elements of marketing)	Place		Sales activities, places of sale of products	It is related to the urgency of product sales, because sales efficiency depends on the choice of channels, location, and volume of deliveries
	Promotion	Promotion	Dissemination of information and convincing consumers of the advantages of the company's goods and services	Dissemination of information on the volumes of production and sales, prices, conditions of sale of the main and secondary products.
"5R"	"4R" + People	People	Participants in the buying and selling process, company personnel	Interaction with buyers, suppliers of raw materials, intermediaries
"6R"	"5R" + Probe	Approbatio n	Verification in practice of traditional products of sugar production and innovative products	Inspection and quality control (raw material and production laboratories), product testing (from the manufacturer's warehouse, at exhibitions and fairs).

Source: developed by the author using [113, 114, 115]

This combination of marketing elements are important to provide the marketing support for enterprises of the sugar industry in real practice, in real production and commercial conditions of activity. It is necessary to clearly control the external environment of enterprises, market conditions, operating conditions, and also take into account the expediency of each element for each individual sugar enterprise.

Taking into account the peculiarities of modernity, it is worth noting that the last year turned out to be extremely difficult both for the agro-industrial sector and for the sugar industry. The challenges and conditions in which both the agricultural sector and the sugar industry found themselves turned out to be extremely difficult.

During 2017-2022 enterprises of the sugar industry did not work in the best conditions, namely: the constant increase in the cost of raw materials, materials and energy resources caused an increase in the cost of sugar, in addition, there is a decrease in the production of sugar beet, adverse climatic conditions caused a reduction in the number of sugar factories and, as a result, the production of sugar and production byproducts.

Sugar-production season in 2022 wasn't an exception, because Ukrainian sugar beet producers faced a number of challenges, including the increase in costs per 1 ha of sugar-beet cultivation, rainy weather, which made it difficult to harvest sugar beets, early frosts and snow, which led to the deterioration of the quality of raw materials supplied to sugar factories, as well as the war ... which caused a reduction in the sales markets for the products of sugar industry enterprises, and non-fulfillment of contractual obligations, and a decrease in land bank under raw materials and a number of other things that negatively affected the development of the sugar industry. As for the occupation of sugar industry enterprises, it is worth noting that in temporary occupation was a factory in the Kharkiv region - SHP "Bily Kolodyaz", which is located almost on the border with the Belgorod region. But currently no sugar factory is occupied. [116]

For the purpose of a detailed analysis of the activities enterprises of the sugar industry, it is advisable to analyze the supply of sugar industry enterprises with sugar

raw materials, the main indicators of which are the area of sowing and the volume of sugar beet collection - the main raw material for sugar production (Fig. 1).



Figure 1. Sugar beet harvesting area during 2017-2022, thousand hectares Source: Systematized by the author based on National Sugar Association of Ukraine Ukrtsukor" [117]

In 2022 sugar beets were grown on an industrial scale in 14 regions of Ukraine, the main crops were concentrated in 6 regions (more than 70% of sowing). The largest areas under sugar beet were allocated to the following regions: Vinnytsia 44,000 ha (-5,000 ha by 2021), Khmelnytskyi, Poltava and Ternopil. Sown areas for sugar beets in 2022 amounted to 178,000 hectares, which is 48,000 hectares less than in 2021 (226,000 hectares).

An equally important component when conducting a marketing analysis of enterprises in the sugar industry is to characterize the yield of sugar beet as a component of ensuring the quality and product policy of sugar producers (Fig. 2).

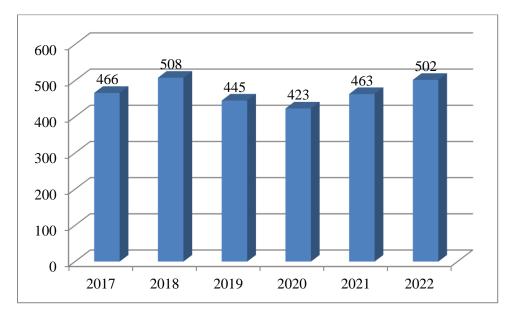


Figure. 2 Yield of sugar beets used for sugar production, centner/ha

Source: Systematized by the author based on National Sugar Association of Ukraine Ukrtsukor" [117]

The yield of sugar beets in 2022 was 50.2 t/ha on average in the country, which is 3.9 t/ha more than in 2021 (46.3 t/ha). Sugar beet yields were higher than the national average in the following regions: Lviv (64.5 t/ha), Ternopil (56.3 t/ha), Khmelnitsky (51 t/ha). However, with an increase in the yield level, the average sugar content of sugar beets at intake was 16.7%, which is 0.2% lower than in 2021 (16.9%). However, despite the increase in productivity, not all sugar factories that worked before the military operations started the sugar-making season in 2022. In 2022-2023, 23 sugar factories produced sugar in the conditions of military operations (in the previous period, 33 factories worked). The dynamics of the number of working sugar factories is shown in fig. 3.

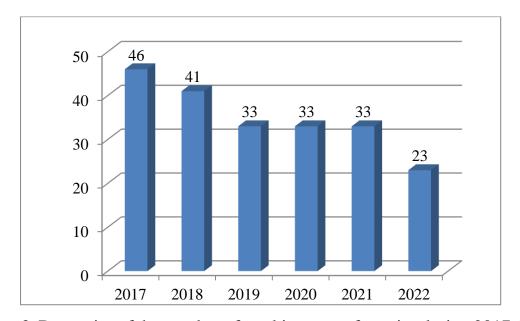


Figure. 3. Dynamics of the number of working sugar factories during 2017-2022. Source: Systematized by the author based on National Sugar Association of Ukraine Ukrtsukor" [117]

Constant missile attacks on energy infrastructure facilities, which caused a shortage of electricity, an increase in the cost of gas and other energy sources, partial migration of the working population abroad, mobilization of personnel for the war in hot spots of Ukraine, mining of agricultural lands and occupation of part of the country and other challenges faced by the country and the sugar industry caused a reduction in the number of working sugar factories. [116, 119]

The average yield of sugar at 23 operating sugar factories in Ukraine in 2022 was 14.1%, which is 0.1% less than in 2021 (14.2%), although in 2019 the figure was 15.1%. In 2022, almost 9 million tons of sugar beets were processed, which is more than 1 million tons less than in 2021 (2021 - 10.15 million tons; 2020 - 8.7 million tons; 2019 - 9.84 million tons). There are 23 sugar factories that produced sugar, the supply of which was formed on the market and shown in fig. 4.

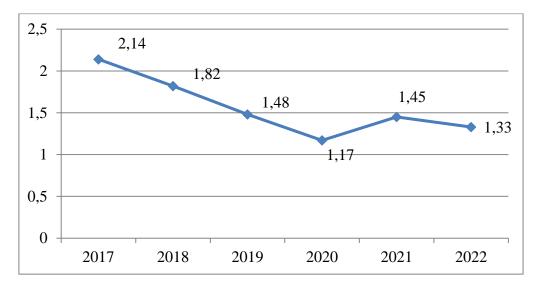


Figure. 4. Volume of sugar production during 2017-2022, million tons

Source: Systematized by the author based on National Sugar Association of Ukraine "Ukrtsukor" [117]

The shortage of electricity, the constant increase in the prices of raw materials, materials, components and other resources directly affected the production of sweet goods. Sugar production for 2022/23 MR was 1.33 million tons, which is 120 thousand tons less than in 2021/22 MR (1.45 million tons; 2020/21 MR — 1.17 million tons, 19/20 MR — 1.48 million tons of sugar).

During the 2022/23 fiscal year, 9 enterprises produced sugar from sugar beets of 50,000 tons or more, of which 4 plants produced 100,000 tons or more. The largest amount of sugar from sugar beets (per one enterprise) was produced at the enterprise located in the Lviv region — almost 160,000 tons. This enterprise was the winner last year as well with 135,000 tons, processing almost 1.1 million tons of sugar beets. The yield of sugar was 14.4%. The largest sugar factories of Ukraine are shown in fig. 4. From those shown in fig. 4 sugar factories, 12 are part of vertically integrated structures - agricultural holdings, 11 sugar factories work independently. Regarding the operating conditions of these factories under martial law, it should be noted that the factories of Radekhiv Sugar LLC,

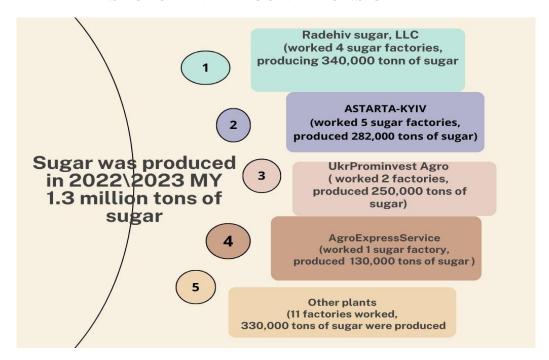


Figure. 5. Dynamics of sugar production by sugar enterprise in 2022.

Source: Systematized by the author based on National Sugar Association of Ukraine "Ukrtsukor" [117]

Shown in fig. 5 companies provide a total of 66% of the marketable sugar supply in the domestic market of Ukraine.

An important component in the system of marketing analysis of enterprises in the sugar industry is the analysis of price policy. Questions related to sugar prices and its cost are extremely painful. Indeed, after February 24, 2022, the prices of food products increased by 23.1%, while the price of sugar increased by 19.3%. In February 2022, the average price of sugar in large supermarkets of the country was UAH 26/kg, and in August it was UAH 31/kg (+19% compared to the previous price). A price increase of UAH 5/kg should not become critical for the final consumer, at the same time, the increase in the cost of sugar is even lower than the general Ukrainian food inflation. However, this is not positive for sugar enterprises, because 83% of the component cost of sugar consists of expenses that the sugar factory cannot influence. Such expendable components, including during the war, became:

1) raw materials, as the main component in the production of sugar, have risen in price by 78% over the last three seasons;

- 2) the cost of gas for sugar enterprises has increased by 570% (5.7 times) over the past three years;
- 3) import dependence (purchase of sugar beet seeds, beet-harvesting equipment, forced conversion of sugar factories with modern imported energy-efficient and progressive equipment), which ultimately leads to an increase in the price of the final product and devaluation of the hryvnia.

All the above components are included in the cost structure of sugar production, which also increases during military operations. Cost structure of sugar production for 2022. shown in fig.6.

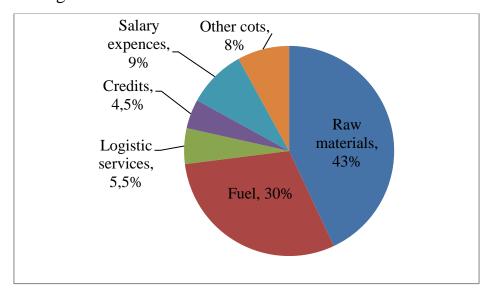


Figure 6. The structure of the cost price of sugar by sugar factories in 2022.

Source: Systematized by the author based on National Sugar Association of Ukraine "Ukrtsukor" [117]

The cost of production is the starting point for forming the price of sugar and one of the main criteria that consumers are guided by when buying sugar. The cost price is the basis for the formation of wholesale prices for the main consumers of sugar factories, as well as retail prices for the population. As ofat the end of 2022, the cost of sugar production by sugar factories was about UAH 18,000/ton, which is almost at the level of profitability. Since the wholesale price at each enterprise is a commercial secret, it is worth considering the retail prices for sugar by weight and packaged in a volume of 1 kg in the largest retail chains of Ukraine.

The dynamics of retail prices for packaged sugar is shown in fig. 7.

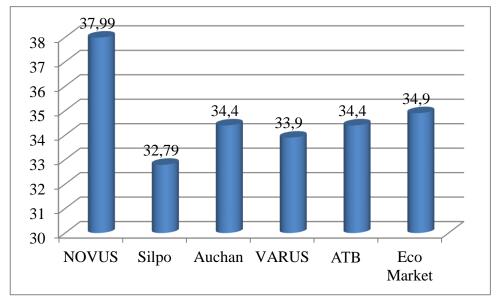


Figure 7. Retail prices for packaged granulated sugar in Kyiv retail chains in July 2023, UAH/kg

Source: built according to the website "Go to Shop" [119]

Since each retail network is characterized by its level of marketing development, works in a clearly selected market segment with a clear positioning in it, it is worth noting that not all retail networks offer consumers the opportunity to purchase sugar by weight. Therefore, it is worth noting the retail prices for sugar by weight in those retail chains of the capital that offer it to their customers (fig. 8).

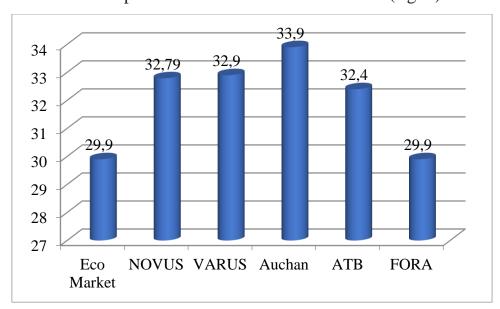


Figure 8. Retail prices for granulated sugar by weight in Kyiv retail chains in July 2023, UAH/kg

Source: built according to the website "Go to Shop" [119]

As a result of the above information, it is worth noting that retail prices for packaged sugar are 5-10% higher than the weight, which is traditionally explained not only by the costs of production and delivery to the point of sale, but also by the costs of packaging and packaging.

However, it is also worth remembering that the starting point for retail prices is the wholesale price of sugar by sugar factories, the change of which by sugar factories is caused by an increase in costs for:

- natural gas;
- the increase in costs for sugar beets and auxiliary consumables that ensure the technological process;
- maintenance of the working condition of fixed assets for the uninterrupted operation of the sugar factory;
- the operation of a large agro-industrial complex, which employs a large number of workers during the season. [120]

Due to a mediocre sugar beet harvest in Europe and high fuel costs, we currently have high sugar prices, which is why this market is so interesting to our producers, despite the significant logistics costs.

In addition to the above, it is worth remembering that thousands of workers participate in the production of sugar and a significant amount of resources (materials) are involved, which become more expensive every day and thus increase the final price of the sweet product. As for the price of sugar, as of July 2023 unfortunately, there are no prerequisites for its reduction. However, experts and manufacturers do not predict a significant price increase.

First of all, Ukrainians should not panic and buy sugar, so as not to harm themselves and create an artificial shortage of this product and, as a result, cause an increase in its prices and unnecessary nervous tension in society.

An important component of the marketing analysis of sugar industry enterprises is the sales activity - the sale of sugar. As for the characteristics of sales activities, it is worth specifying the main channels of sugar sales by sugar industry enterprises.

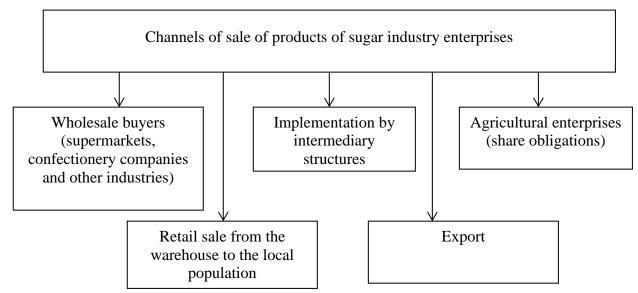


Figure 9. The main channels of sale of sugar by enterprises of the sugar industry during the war

Source: Systematized by the author based on National Sugar Association of Ukraine "Ukrtsukor" [117]

One of the most important and necessary sales channels for sugar is export, which is especially important for the sugar industry during the war. As of January 1, 2023, Ukraine exported 185,000 tons of sugar (in 2022). Currently, Ukraine has a free trade zone with Europe and we are allowed to export sugar in unlimited quantities. Previously, we could export 20,000 tons of sugar to the European Union. If they exceeded this limit, they had to pay a duty of €300. After a full-scale invasion, this big competitive market has been opened up to us and we can sell sugar without restrictions.

The main sugar exporting countries are mainly the countries of the European Union. Most sugar is exported to Romania and Poland. Perhaps due to the fact that sugar is transshipped there and then it goes to other EU countries. However, we already have direct deliveries to Italy, Spain and Bulgaria. Even final consumers of sugar enter the Ukrainian market and look for producers who can provide them with a certain batch. Therefore, sugar producers need to hold these markets now so that the customer gets used to our sugar. And in general, the increase in exports will only stimulate the industry to increase crops in 2023.

The main component of sugar sales is demand research. That is why it is advisable to analyze the volume of demand for sugar in the domestic market (table 2)

Characteristics of sugar demand in Ukraine: pre-war and war periods, thousands of tons

Table 2

Indexes	Marketing year			
	2020/2021 MY	2021/2022 MY	2022/2023 MY	
Internal consumption*	1380	1050	440	
Export	71	59	220	
Demand, total	1451	1109	660	

<sup>\*</sup>Not taking into account the temporarily occupied territory of the Autonomous Republic of Crimea and the city of Sevastopol, as well as the occupied territories in the Donetsk and Luhansk regions

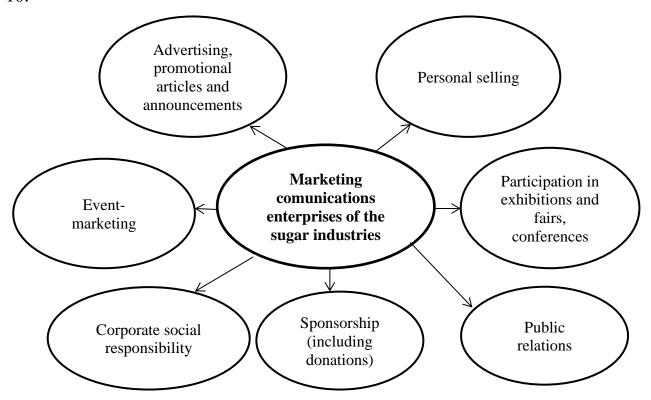
Source: Systematized by the author based on the National Committee of Statistics of Ukraine [118]

In connection with the high price of sugar in Europe and the unlimited quota for Ukrainian sugar producers, the export of sugar was opened. As of July 2023, there is no reason to set an export quota, because there is enough sugar for the country's domestic needs, especially during periods of increased demand, and for exports. Export of sugar to European countries has become profitable for sugar producers, because in conditions of insufficient amount of sugar there is demand and high price for the product, and during the war this situation is beneficial for Ukrainian sugar companies due to the possibility of maximizing profits.

An equally important component of the marketing activities of sugar industry enterprises is the use of marketing communications, especially during martial law.

Sugar industry enterprises are characterized by the use of separate means of marketing communications. Although this process is not at the highest level, it is important. Marketing communications significantly expand awareness of the

enterprise, increase its competitiveness and importance at the regional and local levels, create a positive image and improve the existing one. The most common types of marketing communications used by enterprises in the sugar industry are shown in Fig. 10.



Figrky 10. Use of marketing communications enterprises of the sugar industry Source: Systematized by the author based on National Sugar Association of Ukraine "Ukrtsukor" [117]

Regarding the use of marketing communications by enterprises in the sugar industry, it should be noted that the types and frequency of their use depends on the financial capacity of each enterprise and its popularity on the market. However, it is worth noting that all sugar enterprises operate in the industrial market, therefore all marketing communications are directed in most cases to the industrial client.

The war in Ukraine made adjustments to the use of communications in the agroindustrial complex, including in the sugar industry. From February 24, 2022 to July 2023, the volume of communication budgets of sugar enterprises sharply decreased both at sugar factories that are part of the structure of agricultural holdings, and those

that are not part of them. In most enterprises of the sugar industry, the communication policy is focused on the use of sponsorship, namely, donations to the Armed Forces of Ukraine, material and humanitarian aid for the military, as well as for the population that remained living in temporarily occupied territories and zones of active hostilities are most often used.

In connection with the war, the enterprises of the sugar industry are actively developing humanitarian projects, which are directed both to help and contribute to the formation and maintenance of a positive image of the company. A striking example was the humanitarian project "Common Help UA" of the agro-industrial holding "Astarta-Kyiv" and the charitable foundation "Believe in Yourself". The participants of this project combined all opportunities, resources and connections in order to restore the full life of Ukrainians. During the period of the project's existence, from March 14, 2022 to July 14, 2023, 29,700 tons of humanitarian aid were provided, the financial assessment of charitable contributions and humanitarian aid for the specified period amounted to 754.5 million dollars, more than 831,000 evacuees and residents from hot spots received assistance, 500 social and medical institutions received assistance.[121]

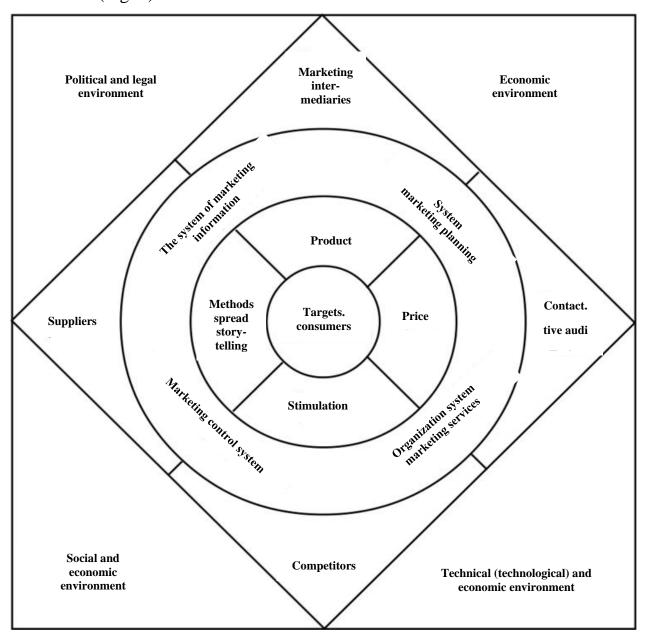
According to the results of the given material, it should be noted that in the war conditions, the production and marketing activities of sugar factories and other enterprises of the industry are at a high level, of course, with adjustments made for military actions in the commodity, price, sales and communication policies, taking into account the turnover and immigration of personnel, but it is happening.

As of today, we must thank the sugar workers who, despite the sirens, anxiety and vagaries of nature, continue to work. Agribusiness is, in fact, the second front today. And sugar producers, in addition to supplying the domestic market with sugar at one hundred percent, also generate significant inflows of funds to the country's budget at the expense of exports.

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#### 9. Institutional environment in reproduction of production potential of farms

The development of the farming system in a competitive environment should take place under institutional influence. Farms are recognized as full-fledged institutions and the main elements of the institutional environment, which allows them to provide a mechanism for the reproduction of production potential in conjunction with other institutions (Fig. 1).



 $\it Figure~1.$  Factors that determine the institutional environment and strategy of a marketing firm

Figure 1 shows the influence of institutions on the functioning of farms, taking into account elements of both state and market regulation. The institutional development of farms is directly related to changes in the economic mechanisms of reforming relations in the agricultural sector.

The processes of globalization, increased financial instability and international competition are driving the search for new forms of production organization, reproduction of production potential and a paradigm shift in competitiveness management at the micro and macro levels of socio-economic systems. To build an effective market economy, the formal creation of markets and major market agents is not enough, but rather the construction of a new institutional socially oriented economic system based on trust and responsibility, legislative support, and defined transparent and fair "rules of the game." The experience of reforms in other countries shows that it is necessary to change the institutional environment rather than "catching by the hand" everyone who has a reason to suspect something. After all, if violations in a market are widespread, repressive measures will not be effective. Thus, the essence of institutionalism is to reflect the effectiveness of the formation of new rules of the game for the development of the agricultural market environment, in which farms are participants.

Many scholars believe that the main reason for the emergence of institutionalism is the process of capitalism's transition to a monopolistic stage, which was accompanied by significant centralization of production and capital, leading to social contradictions in society. In other words, they assume that institutionalism originated as a protest form against the postulates of classical and neoclassical market economy theory that prevailed at the turn of the twentieth and twenty-first centuries. However, most scholars consider economic and political instability, the presence of social conflicts and contradictions to be the preconditions for the emergence of institutionalism. Quite symbolically, it is during this period that interest in another area of research is growing, which examines the processes of interaction and relationships between different institutions: the state and law, property and self-government, business and its infrastructure, education and science, finance and management, etc.

All this is studied in the context of the cluster theory and practice of the formation and functioning of these institutions at the level of the regional economy [122, p. 12].

Quite often, institutionalism (Latin: institutio - custom, instruction) is seen as a trend in economic thought that emerged in the 20s and 30s of the twentieth century to study the totality of socio-economic factors (institutions) over time, as well as to ensure social control over the economy. In this sense, the institutional concept had a twofold purpose: 1) the creation of political economy or socio-economic theory as opposed to the spread of economic theory called "economics"; 2) the formation of an evolutionary theory that was to replace the theory of "equilibrium" [123, p. 28].

Thus, the analysis of the literature [122, p. 16; 124, p. 7; 125, p. 61; 126, p. 44; 127, p. 190; 128, p. 11; 129, p. 24; 130, p. 584; 131, p. 123] on identifying differences and harmonizing the definitions of "institution" and "institution", made it possible to distinguish the vision that the basis for the progressive development of the agrarian market should be considered its structured and consolidated system of institutions and institutions as a constructor of the formation of the institutional environment for the interaction of market agents [132, p. 94]. In our case, we consider institutions as mechanisms of regulation and self-regulation of the agricultural market and market relations between farms and other market participants. We are convinced that the increasing role of social factors of economic development, the growing importance of the position of the agricultural market as an institutional structure in ensuring stable economic growth and food security is directly related to the reproduction of the production potential of farms. Therefore, it is undeniable that the reproduction of the production potential of farms requires effective regulatory institutions.

The scientifically based classification of agrarian institutions [124, p. 7; 133, p. 293] and the allocation of normative-restrictive, regulatory and production institutions among them gives grounds to state that institutionalism is a direction in economic theory based not only on the analysis of economic problems, but also on their consideration and coordination with social, political, ethical and legal issues. Therefore, farms can be considered full-fledged institutions and the main elements of institutional formations, which allows them to provide an institutional mechanism for

the reproduction of productive potential in conjunction with other institutions. Thus, we can state that the mechanism of state regulation of the reproduction of the productive potential of farms is based on institutions and institutions that are formal and informal regulators of this process (Fig. 2).

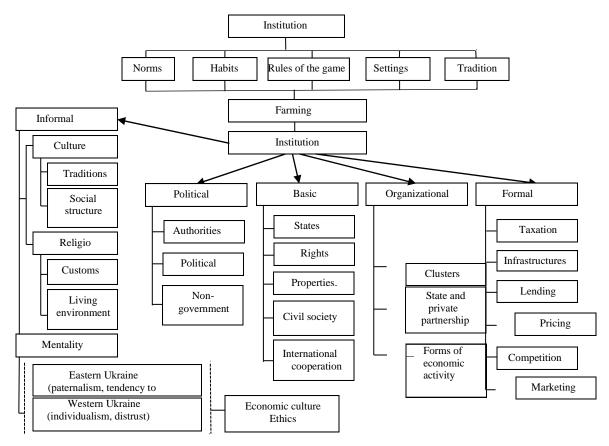


Fig. 2. Structural architecture of the institutional environment for reproduction of the production potential of farms [135, p. 36].

The formation of an institutional environment suitable for the reproduction of the production potential of farms requires taking into account the importance of informal institutions. This is especially true for the Carpathian region, where individualism is a manifestation of the farming mentality. In fact, informal institutions are one of the obstacles for farmers to join service cooperatives. The data in Fig. 2 show that education and religion are the informal institutions that contribute to the manifestation of economic culture on the way to farming development. In this regard, O. Shpykuliak notes that "where there are equalizing tendencies and the envy of someone else's success caused

by them, where all hope is not on oneself but on the state when solving problems, there is no solid basis for the establishment of entrepreneurship, and basing economic culture on initiative, freedom and responsibility is a crucial condition for the development of entrepreneurship" [134, p. 108]. Such individualistic features of the Ukrainian peasantry were largely formed historically under the influence of Ukraine's being part of other states and empires.

Agrarian institutions, in our opinion, should be viewed as relatively stable combinations of factors that regulate the economic behavior of farms and result from a compromise of interests of both parties, taking into account the influence of the external environment.

Accordingly, the institutional mechanism is a social system that has its own specific patterns, relations and characteristic behavioral form of existence. One of the main functions of the institutional mechanism is to establish and maintain a certain order of economic functioning [124, p. 5]. That is, the institutional mechanism of reproduction of productive potential is an open, multilevel, dynamic social system that ensures the interaction of basic and derivative institutions, is the basis for organizing market processes and ensuring the strategic direction of farming development.

The institutional mechanism of reproduction of the production potential of farms forms effective formal and informal norms, rules and values [132, p. 96], it is a system of instruments of influence of institutions on the environment of reproduction of the production potential of farms, taking into account elements of both state and market regulation. The functioning of the institutional mechanism leads to the institutionalization of the environment through institutional changes. The establishment of an effective institutional mechanism should lead to the leveling of spontaneous changes and increase the share of targeted market-oriented transformations. The instruments of the institutional mechanism that will contribute to the reproduction of the production potential of farms should be: regulation of the reproduction process by all levels of government, market (market) regulation, infrastructure provision, self-development and self-regulation of the reproduction process of the production potential by farms, promotion of the reproduction of

production potential by public organizations.

As society moves to a phase of stabilization, governments are increasingly turning to institutional forms of states with similar but more advanced institutional systems. In particular, the experience of the United States in maintaining competitiveness through constitutional methods indicates their high efficiency. After all, the United States retains advantages due to a number of fundamental factors of long-term effect, namely: the use of the principles of economic liberalism, according to which regulatory policy and state stimulation of the economy are carried out; maintaining dominant positions in the main areas of basic science; the availability of unique military and space research programs, which provides the country with long-term technological advantages [122, p. 34]. In Ukraine, in particular, in relation to farms, they use mainly short-term tools and means within the framework of annual state budgets, which significantly limits their regulatory potential. An objective reflection of the underdevelopment of the institutional environment in Ukraine is a significant share of shadow economic activity, which has a destructive impact on the reproduction of the production potential of farms.

The key institution for the development of farms is the legal and economic relations of land ownership. The institutional environment for the development of farms was assessed using the SWOT analysis in terms of institutions and institutions that have a direct impact on the performance of farming. The results of the SWOT analysis give grounds to state that the elimination of gaps in the institutional environment for the development of farms is possible only through a radical transformation of land ownership as part of the change in agrarian relations in general. Today, there is an urgent need to integrate the efforts of institutions and farmers to achieve farm growth.

The institutional development of farms is directly related to changes in the economic mechanisms of reforming relations in the agricultural sector, which require effective and rapid resolution, among other things:

- labor relations are a basic institution, but in the farming environment this axiom is difficult to reflect in economic indicators: first, in some cases it is difficult to

identify the amount of the farmer's own salary, especially when the production process is serviced only by the farmer's family, and second, the level of wages in the agricultural sector is significantly lower than the average in the Ukrainian economy, both nominally and in terms of growth;

- the principle of fairness is violated in agricultural pricing, in particular in the distribution of income in the logistics chain, where the farmer's share is the lowest in the retail price;
- institutional support for the development of legal and economic relations of land ownership is a complex problem that requires, first of all, scientific substantiation, in particular, analysis of the processes of transformation of land ownership and economic forms of its use in the context of economic reforms;
- incomplete formation of the institutional mechanism in the agricultural sector in general and, as a result, inconsistency of contracting procedures for the interaction of participants in agricultural relations due to the traditionally low culture of formalization of economic relations, social apathy and farmers' disbelief in the fairness of the institution of law [134].

In Table 1, the institutional environment for the development of farms is assessed using SWOT analysis in terms of institutions and institutions that directly affect the performance of farms.

The main obstacle to the formation of an institutional model for the development of farms is the so-called merger of political and economic institutions, which has led to the emergence of transformational rents and the prevalence of large agricultural business. If agricultural enterprises of different organizational and legal forms operate in unequal socio-economic or legal conditions, this leads to the subordination of the economic interest of one entity to another.

In such a situation, farms, as structures that have a lower production potential in physical terms than large agricultural enterprises, have a reduced desire to achieve significant economic results, which leads to a delay in the process of reproduction and, accordingly, the development of farming. The targeted formation of the institutional environment for farms will help to achieve a compromise between the interests of large

agricultural businesses and farms, creating competitive advantages for the latter in promoting the production of niche products.

 $\begin{tabular}{l} Table\ 1 \\ SWOT\text{-matrix for assessing the institutional environment for} \\ farm\ development \end{tabular}$ 

	Strengths	Weaknesses		
	Mental attachment of farmers to land cultivation,	Poor investment attractiveness (interest) in		
	which ensures the continuity of agricultural	farming activities		
1,	production			
nen	Liquidity of elements of production potential	Institutional traps caused by imperfect state		
onr	(including land), which is ensured by private	regulation of farms		
Internal environment	land ownership			
al e	Rapid diversification of farming activities and	Low level of social responsibility of farmers for		
tern	rationalization of reproduction production	their impact on the social and environmental		
In	potential of farms	environment		
	Readiness to generate innovative changes in the	Uncompetitiveness of small batches of		
	reproduction of the production potential of farms	agricultural products		
	Opportunities.	Threats		
	Intensification of farming development as	Growth of the financial crisis		
	strategic form of management in the agricultural			
=	sector			
ment	sector  Interest of public organizations in the process of	Inefficient financing of state programs for the		
ronment		Inefficient financing of state programs for the development and support of farms		
environment	Interest of public organizations in the process of			
nal environment	Interest of public organizations in the process of reproduction of the production potential of farms	development and support of farms		
xternal environment	Interest of public organizations in the process of reproduction of the production potential of farms  Focusing agricultural policy on global	development and support of farms  Focusing market infrastructure on large		
External environment	Interest of public organizations in the process of reproduction of the production potential of farms  Focusing agricultural policy on global integration processes, which promotes the	development and support of farms  Focusing market infrastructure on large		
External environment	Interest of public organizations in the process of reproduction of the production potential of farms  Focusing agricultural policy on global integration processes, which promotes the export of farm products	development and support of farms  Focusing market infrastructure on large agricultural producers		

Source: author's own development

Therefore, the tools of the institutional component of the development of family commodity production in rural areas should include: regulation of the reproduction process by all levels of government, market regulation, infrastructure provision, self-development and self-regulation of the reproduction process of production potential by

farms, and promotion of the reproduction of production potential by public organizations.

Without a significant improvement in the condition of production factors, i.e. the components of production potential, it is impossible to maintain stable growth rates of farm production over a long period of time. The main reason for the deterioration of production factors in Ukraine's agricultural economy is the weakness of the regulatory influence of state institutions on the formation of financial flows and funds necessary for the reproduction of production resources. The experience of market transformations shows that economic development and improvement of welfare cannot be ensured without active and consistent state intervention in the processes of forming the financial basis for the renewal of personal and real factors of production [134].

According to the State Statistics Service of Ukraine, as of July 1, 2021, 48438 farms were registered in the agricultural sector. However, according to the authors of the draft law No. **4046** "On State Support for Farmers...", only 28788 active farms out of 32452 operating today cultivate 4.7 million hectares of land. As of the beginning of 2022, there were 3.9 million private peasant farms (but they are not business entities (Fig. 7, Table 7)) and sell surplus products outside the organized agricultural market and are potential family farms (Table 2).

Bill 4046 on state support for farmers is proposed:

- normalize the composition of land plots of farms;
- determine the range of recipients of state support through the Ukrainian State Farm Support Fund;
  - clarify some concepts regarding the definitions of the type of farm;
- introduce state support for farms whose head is under 35 years of age (inclusive), which will enable rural youth to realize their entrepreneurial initiatives and help stop the migration of young people from rural areas.

It is proposed to update the classification of farms in Ukraine. Today, it is difficult to call a farmer someone who cultivates up to 2 hectares of land (personal households), up to 500 hectares (microfarming) and farms (from 500 to 10 thousand hectares). Such a division is relevant when it comes to increasing state support for

farming and transparent distribution of these funds. This gradation can be introduced by amending the law "On Farming" or the current law 985-IX on state support and the agrarian register.

 $Table\ 2$  Dynamics of development of Ukrainian farms, 1990-2022

••	The number of	The area of agricultural.		Gross output in prices 2010 p.	
Year	FAs, units.				
		thousand	per 1 FA, ha	total.mln UAH	per 100 hectares
		hectares			of agricultural
					land, UAH
					thousand
1990	82	1,9	23.2		
1991	2098	39,7	18.9		
1992	14681	292,3	19.9	410,4	140.4
1993	27739	558,2	20.1	1228,7	220.1
1994	31983	699,7	21.9	1177,0	168.2
1995	34778	786,4	22.6	1392,4	177.1
1996	35353	835,0	23.6	1119,4	134.1
1997	35927	932,2	25.9	1552,6	166.6
1998	35485	1029,2	29.0	1341,6	130.4
1999	35884	1162,3	32.4	1637,9	140.9
2000	38428	2157,6	56.1	3125,2	144.8
2001	41599	2585,8	62.2	5594,0	195.7
2002	43042	2822,7	65.6	6360,5	225.3
2003	43016	3094,6	71.9	4306,2	139.2
2004	42533	3420,6	80.4	7523,0	219.9
2005	42445	3661,2	86.3	8177,5	223.3
2006	43150	3972,8	92.1	9780,5	246.2
2007	43410	4198,9	96.7	8303,6	197.8
2008	42446	4327,8	102.0	14141,3	326.8
2009	41906	4298,6	102.6	12119,1	281.9
2010	41524	4290,8	103.3	11965,8	278.9
2011	40965	4345,9	106.1	16192,5	372.6
2012	40676	4389,4	107.9	14111,1	321.5
2013	40752	4451,7	109.2	19091,4	428.9
2014	39428	4621,7	117.2	19188,8	415.2
2015	39169	4391,9	112.1	18909,3	430.5
2016	33682	4437,9	131.8	22101,4	498.0
2017	34137	4580,1	134.2	21743,1	474.7

#### Continuation of table 2

2018	33164	4707,2	141.9	25118,9	533.6
2019	34543	4879.4	141.3	27166.0	556.7
2020	27667	4712.3	170.3	22602.4	479.6
2021	26629	4709.1	176.8	31017.2	658.7

To allocate a certain percentage of state support to farmers - for example, 0.5% of the total amount of the state budget per year. The figure can be debated, but there should be a specific figure and approved programs for farming development (e.g., purchase of agricultural machinery, compensation of interest rates on bank loans, per 1 hectare of cultivated agricultural land, etc.)

The Young Farmer Program (includes a number of measures, such as tax holidays for 4-5 years for farms that cultivate up to 500 hectares of land within their family, or have up to 3 employees and pay them at least 4 minimum wages.

Adopt a law on local producers (local retail chains should purchase a certain percentage of products from regional producers, as is the case in some European countries).

Establish a system of state food procurement for the current needs of the army or to form a state reserve from farmers.

Create a database of investment projects on the basis of the Investors Council or the Ministry of Agrarian Policy, where each farmer can submit his or her business plan and where he or she can look at requests from potential investors for the implementation of certain industries. This database should be filled out in two clicks by farmers (it should be very accessible), and it should be promoted by Ukraine's trade attaches abroad and embassies. You can even link the performance of ambassadors to this database.

In fact, these proposals are reflected in the Law "On Amendments to Certain Legislative Acts of Ukraine on Stimulating the Activities of Farms" **No. 1788-IX** (4046), which was adopted by the Verkhovna Rada on September 24, 2021.

In September 2022, a forum dedicated to the decade of family farming was held at the UN headquarters. Its goal was to draw attention to the problems of smallholder

farmers and their role in eradicating hunger and shaping a secure food future.

If this legislative initiative is the lobby of large agricultural holdings, they must be stopped immediately from doing so in time of war.

The unfavorable trends in the development and functioning of farms are largely due to the unformed market institutional environment, so the importance of such components as property rights and the degree of their protection, the system of values and traditions, and the level of human capital development is constantly growing. The elimination of these unfavorable trends is largely influenced by the full-scale war with the Russian Federation, the total amount of losses from which amounted to USD 4.29 billion as of June 15 (Table 3).

The second type of unfavorable conditions for farmers is physical damage to the fertile soil layer. Occupation, hostilities and mine contamination limit farmers' access to fields and harvesting opportunities. About 2.4 million hectares of winter crops worth \$1.435 billion will remain unharvested.

Table 3

Amount of damage by category

Category	Total cost (mln. USD)
Agricultural land and unharvested winter crops	
	2135,0
Machine equipment	926,1
Storage facilities	272,4
Animal husbandry	136,4
Perennial crops	89,1
Inputs (e.g., fuel)	119,6
Stored products	613,0
Total	4292,3

Agricultural machinery and equipment are also damaged as a result of shelling, air strikes and hostilities. The estimated cost of replacing and repairing the equipment is \$926.1 million.

In addition, losses due to damage or destruction of grain storage facilities are estimated at \$272 million.

The estimated cost of the dead animals is over \$136 million. According to estimates, 42,000 sheep and goats, 92,000 cattle, 258,000 pigs, and more than 5,700 poultry were killed as a result of Russian aggression.

In modern conditions, the state regulates the economic interests of business structures, forcing them to build certain relations with it. The implementation of the economic mechanism of interaction between farms and the state is based on the ideas of bringing government agencies closer to the real conditions of farms and the formation of farmers' awareness of the need to solve social problems. The algorithm of interaction between the authorities and farms determines the strategic goals of the economic system at all levels, taking into account the inverse interaction of the results of the process on its content (Fig. 3).

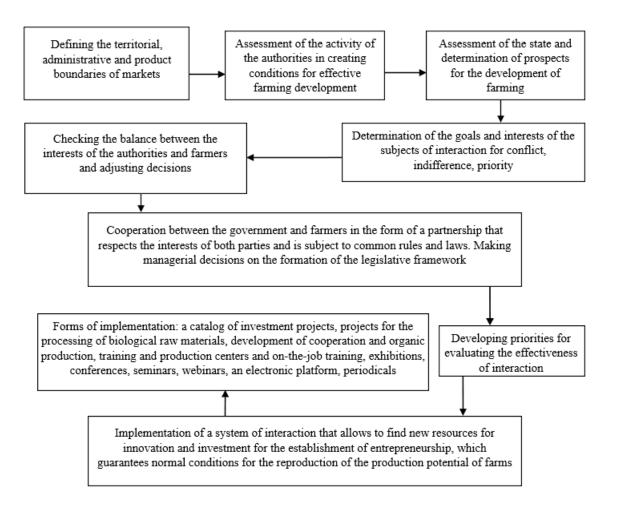


Fig. 3. Algorithm of interaction between authorities and farmers Source: based on [122, p. 100].

The system of interaction between the state and farmers should be open and able to adapt to changes in the external environment and market conditions. At the same time, the effectiveness of interaction depends on the extent to which the state and farmers are prepared to integrate joint efforts to achieve reproduction and economic growth, and are interested in establishing relationships and an atmosphere of trust.

Therefore, in the context of institutionalization, state support measures for farms should ensure that the majority of farmers are able to expand their production potential through their own and borrowed sources of financing.

Today, farms can be partially perceived as a guarantor of food self-sufficiency of the country, an instrument of rural employment policy and the economic basis for rural development. Therefore, regulation of their activities should be carried out in a special regime without reference to any type of entrepreneurship. In particular, to build up production capacity at the state level, a program to support small businesses should be developed. For example, in Poland.

The Rural Development Program provides assistance for farmers to start off-farm activities, but this is practically impossible in Ukraine due to the imperfect tax policy (Table 4, Figure 4).

Table 4
State support for farms in Ukraine

Name of expenditures by program	Years					
classification	2014	2015	2016	2017	2018	2019
Total support for the agro-industrial complex	2424,7	2038,4	1754,6	5448,1	4283,9	5963,3
including: farmers under all programs	27,9	25,6	15,8	65,0	253,1	1044,5
as a percentage of the total amount of	1,15	1,26	0,9	1,19	5,91	17,5
agro-industrial complex						



Figure 4. Dynamics of the volume of state support for agriculture and its growth rate in 2014-2019

In the context of the financial crisis, long-term financing for most farms is becoming impossible due to their high cost and requirements for borrowers. Therefore, it is important to develop a well-thought-out mechanism of state support for farming in terms of solving credit problems. In particular, state support for farms is provided through the Ukrainian State Farm Support Fund. It is a state budgetary institution that implements the state policy of providing financial support for the establishment and development of farms. Each year, the Fund provides financial support to Ukrainian farmers on a repayable and non-repayable basis.

Today, the government's main focus in terms of financial assistance is on the construction of new and reconstruction of livestock complexes, particularly for cattle. Other areas of support include cheaper credit resources, support for the development of cattle breeding, and improving the genetic potential of farm animals. Funds are also planned for a program to partially compensate for the cost of Ukrainian-made agricultural machinery and equipment and to support the horticulture, viticulture and hop industry.

In 2019, the State Budget of Ukraine allocated UAH 1,044.5 million to support farms, including UAH 40 million from the special fund and UAH 25 million from the

general fund. These funds are distributed among the regions in proportion to the volume of agricultural products produced by farms. To stimulate the development of the agricultural sector in 2020 and 2021, the government plans to increase financial support to farms through the Ukrainian State Farm Support Fund to UAH 1 billion annually. However, targeted allocation of funds in the form of state support is not always able to solve the problems of farming development. After all, the factors that negatively affect the activities of farms are systemic (structural) and require not only increased state support, but also the establishment of a mechanism of institutional influence on the reproduction of the production potential of farming. For example, in the Lviv region, state support for farms is provided through the state program and in the form of a comprehensive regional program in three areas (Table 5).

Since 2017, the state program in the region has covered a small number of farms - only five units. In particular, in 2016, farms that were involved in financing under this area of assistance received an average of 170 thousand UAH of loans, and in 2017 - an average of 390 thousand UAH. It is clear that the amounts of such assistance are smaller - from UAH 31 to 430 thousand in different years in different areas.

 $Table\ 5$  State financial support for farms in Lviv region

Type of state support	2016	2017
State program "Provision of loans to farms"		
number of recipient farms	3	5
support, units		
amount, UAH thousand	509,4	1950,0
Regional comprehensive program for support and		
development of agricultural production in Lviv region		
for 2016-2020		
First direction. Financial support for agricultural entities and		
individuals by compensation		
nterest on loans taken from banking institutions and credit		
unions in national currency		

Continuation of table 5

number of recipient farms	13	17			
support, units					
amount, UAH thousand	1329,1	1222,6			
Second direction. Financial support to agricultural entities on					
a repayable basis in the form of					
concessional loans for the implementation of business plans					
number of recipient farms	15	15			
support, units					
amount, UAH thousand	6404,1	6455,3			
Third direction. Financial support for business entities in the					
field of agriculture in the form of					
subsidies for the area of land where measures to preserve					
and restore soil fertility will be taken					
number of recipient farms	15	17			
support, units					
amount, UAH thousand	472,4	678,6			

Source: calculated according to the Department of Agricultural Development of the Lviv Regional State Administration

Under the first area of the regional comprehensive program, support is provided to farms that have attracted loans for agricultural activities in the amount of up to 1.5 times the NBU discount rate, but not more than UAH 200 thousand.

The second area provides for the provision of loans at 5 percent per annum for up to three years in the amount determined by the business plan, but not more than UAH 500 thousand. UAH, with a deferred repayment of the principal amount of the obligation for up to one year for the following purposes: purchase of agricultural machinery and technological equipment, breeding animals, cows and heifers; development of small-scale livestock (sheep, goat, rabbit, poultry, etc.), as well as beekeeping and fish farming; construction, reconstruction of livestock premises, modernization of their equipment and arrangement of milking parlors, milk pipelines, slaughterhouses, pastures, etc. But while in 2017, farms were able to receive an average of about UAH 430 thousand in this area, this is not enough to buy a tractor. Therefore,

to ensure that at least one farm has the opportunity to purchase a tractor, the distribution of financial assistance should be differentiated.

Under the third area, the subsidy is provided for: development of land for horticulture and berry growing after agrochemical survey of land plots in the amount of up to UAH 400 per hectare; soil deoxidation (liming) by applying limestone ameliorants - up to UAH 500 per hectare; enrichment of soils with biological nitrogen by inoculants of nitrogen-fixing microorganisms - up to UAH 160 per hectare; and green manure - up to UAH 350 per hectare.

In addition, the state program for reimbursement of agricultural machinery continues to operate in Lviv region. Partial compensation for the cost of such machinery and equipment of domestic production is provided to farmers in the amount of 20% to 25% of the cost of machinery and equipment (excluding value added tax). In addition, as part of the state support, farmers are provided with additional preferences for the purchase of machinery. In addition to the standard 25% compensation under the program to reduce the cost of agricultural machinery, farmers will receive an additional 15% compensation, for a total of 40%.

It is worth noting that the State Budget for 2021 includes the following among the general

Of the UAH 4 billion planned for livestock in the agricultural sector, UAH 1 billion has been allocated for a program to support small farms and agricultural cooperatives. The rest, i.e. UAH 3 billion, will be allocated to large agricultural producers whose interests are defended by vested interests.

Given the imperfection of the mechanism of state support for farming, the Ministry of Agrarian Policy and Food has repeatedly planned to reform the Ukrainian State Farm Support Fund by creating an alternative Agency for Support of Farmers and Rural Communities. In doing so, it wanted to guarantee state support for small farms and family farms by law, and to launch the implementation of the Unified Comprehensive Strategy for the Development of Agriculture and Rural Areas for 2015-2020, which includes an action plan to support family farming. However, the indicators of export achievements proved to be more indicative than the increase in the share of

agricultural products produced by farms. Therefore, in 2015, the Ministry of Agrarian Policy and Food once again stated that Ukraine was among the top three global grain exporters after the US and the EU, and also leads the world's exporters of sunflower oil, corn, barley, wheat, soybeans, chicken, etc. It is worth remembering that in the 2014/2015 marketing year, our country managed to achieve a record volume of grain exports - almost 35 million tons - since independence. It is clear that by 2023, the agricultural sector of Ukraine plans to maintain its position as an export-oriented industry with the exports of grain reaching 40-70 mln tons and gross grain harvest of 80-100 mln tons. Such volumes of grain exports will ensure foreign exchange earnings of over USD 20 billion. We understand that the contribution of farms to such achievements is minimal, and family farms are practically absent from these figures. In addition, grain exports are not only the prerogative of agricultural holdings to generate foreign exchange earnings, but also VAT benefits that farms are deprived of.

It is worth noting that starting from March 1, 2018, Ukraine abolished VAT refunds for exports of oilseeds: soybeans, rapeseed and sunflower seeds. From an economic standpoint, this is a restrictive measure for large oilseed producers aimed at stimulating domestic processing into oil for further export. However, in 2016-2021, farms also produced an average of 19.4% of sunflower seeds, although not all of them had direct access to foreign markets - most of the products produced by farmers go abroad through intermediaries. Therefore, limiting export VAT could also be an additional incentive for farmers to organize into cooperatives to process raw materials.

A study of the experience of developed countries shows that the forms of public administration are changing along with the development of market relations. They are moving from purely administrative functions to social management, which is focused on meeting the needs of direct producers in services for the dissemination of advanced technologies, professional training and information and consulting services.

All countries of the world actively provide state support for the national agricultural sector. This is because the state of the agricultural sector affects the food security of the state, the stability of the food industry, and the quality of life of every citizen (Table 6).

Table 6

Dynamics of changes in the Total support estimate (TSE), mln USD

Years	Ukraine	EU	USA	India	Canada	Australia
2013	648	135435	86539	-71043	7189	2441
2014	-213	117690	92547	-19674	6259	2343
2015	260	105874	91504	23359	5348	1807
2016	-281	107339	91258	2117	5978	2055
2017	-95	111032	89163	17325	5347	2807
2018	889	122195	98904	-807	5350	2574
2019	1246	117101	103083	9581	5865	2452
2020	708	117450	96855	38516	6349	2439

\*Agricultural support URL: https://data.oecd.org/agrpolicy/agricultural-support.htm (accessed: 10/15/2021).

Based on the analysis of Table 6, it can be concluded that among the world's major agricultural producers, the largest state support in absolute terms in 2020 was received by the agriculture of the EU and the US, respectively, in the amount of almost USD 118 and 97 billion. USD.

In the context of the European integration course of development, the reproduction of the production potential of farms should also be based on a solid institutional framework, which in its own way has already been formed in the countries of the European community. As part of the implementation of the EU-Ukraine Association Agreement, the creation of a new national system of agricultural rural development management should be reoriented to achieve strategic goals with clearly defined effective priorities and mechanisms for its financing and implementation. This is a rather ambiguous and complex process, as Ukraine's current agricultural policy is not in line with the tactics of peasants' survival.

Thus, the speedy completion of administrative-territorial and land reforms should also have a positive impact on the reproduction of the production potential of farms and the overall development of the domestic agricultural economy. And this is where the standards and priorities of the European community should be maintained, in particular in terms of decentralization of power with the transfer of some financial

resources to the local level. The permanent process of reforming public administration in Ukraine should rely exclusively on the farmer who is ready to work and live in a decentralized environment. In our opinion, it is important that family farms "...become the framework for the formation of a territorial community and generators of comprehensive rural development". In this regard, state support for family farms should become a priority area of agricultural development, the efficiency of which will depend on the concept of their development. To do this, it is necessary to limit the monopoly on land ownership and land use with the parallel introduction of a real market, not symbolic, generated by the dictates of monopolies, payment for land (Fig. 5).

This will strengthen the position of farming and promote partnership and cooperation. At the same time, it should be noted that the legal framework in which farms operate is so imperfect that the amendments to the Law of Ukraine "On Farming" do not ensure the implementation of private family farms in a solid legal framework and do not provide economic and social prerequisites for their transformation into family farms. But, as our research shows, the primary goal of the updated Law of Ukraine "On Farming" is to bring all small agricultural producers out of the shadows by increasing their tax burden. That is why we believe that legislative changes should first of all strengthen the social and economic protection of family farmers, increase the willingness and ability of farmers (especially young and middle generations) to manage their own family farms, create a more viable system of agricultural service cooperatives on the basis of family farms, and contribute to the growth of rural producers' incomes by creating a favorable price for their own products.

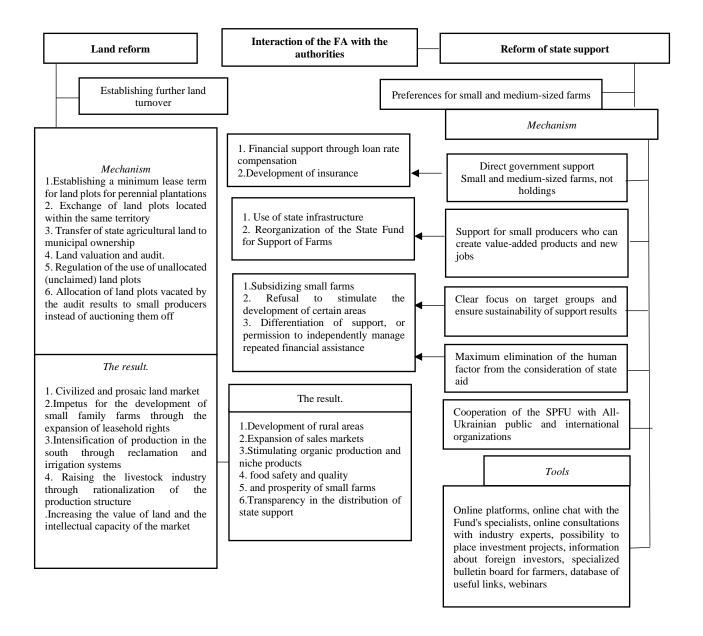


Figure 5. Attributes of the institutional environment of farms

An orderly institutional environment is a prerequisite for the reproduction of the production potential of farms:

- organizational diversity of ownership, farming systems, landscapes, culture and traditions;
  - improving the sectoral structure of agricultural production;
- environmental social benefits in terms of responsible management of natural resources;

- social and personal responsibility of farmers for themselves, their families, and communities, and building social capital;
- fostering a system of values and preserving traditions, passing on knowledge and experience of farming from generation to generation;
- personalized interaction of consumers with the food system, when consumers unite with farmers and get direct access to food flows (solidarity agriculture);
- an economic basis for the production of certain types of food, including ecological and niche crops, in accordance with consumer priorities.

To elaborate on the problem in more detail, we note that the defining organizational and economic potential of farming in Ukraine belongs to private peasant farms, which, given a favorable institutional environment, can be transformed by their owners into family farms. This potential is evidenced by the development and management effects of private farms (Table 2) [135].

 ${\it Table~7}$  Private peasant farms as a potential economic form in family-type agriculture

Indicator	Unit	2010 p.	2015 p.	2021 p.	2021/
	measurement				2010, +/-
Number of farms in rural areas	thousand	4915,3	4948,7	4924,0	100,1
	units.				
Number of farms with employees	thousand	2642,1	2676,8	2621,5	99,2
	units.				
Number of households	thousand	4540,4	4 108,4	3921,5	86,4
	units.				
Area of land owned by the households	thousand	6655,4	6307,2	6120,0	92,0
	hectares				
The average size of the area of the farm	ha	1,47	1,54	1,56	106,1

Source: Statistical collection "Agriculture of Ukraine".

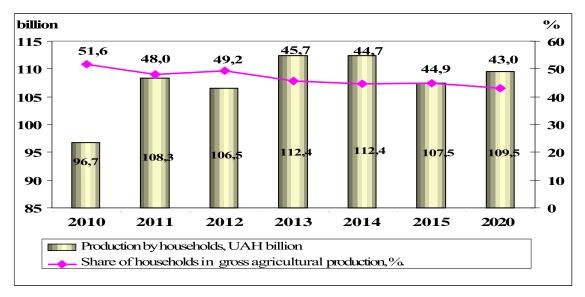


Figure 7. Dynamics of gross agricultural production by households

Source: Statistical collection "Agriculture of Ukraine" 2016.

Legally, these farms are deprived of the opportunity to legalize themselves in the market environment by choosing a family farm as the basic organizational and legal form of management, as they do not meet one of the identification criteria, namely, a minimum land size of 2 hectares.

The same opportunity is also denied to some farms - almost 22% of rural households that currently use land plots with an area of more than 1 hectare, of which 3.6%, or more than 170 thousand farms, use plots with an area of more than 5 hectares (in 2005, there were only 1.9% of such farms). In 2016, the share of such farms in the total land fund used by households was almost 73% (in 2005 - only 66%) (Fig. 8).

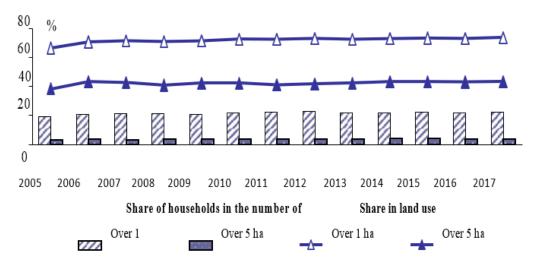


Figure 8. Share of households using more than 1 ha / 2 ha of agricultural land in their total number and the area of land they use

The calculations confirm the conclusion that private households provide a significant amount of gross agricultural output. However, they have probably already reached the limit of productive growth and are a category of forced entrepreneurship whose main priority is food self-sufficiency in the context of peasant poverty.

**Conclusions.** Thus, farms can be considered full-fledged institutions and the main elements of the institutional environment, which allows them to provide a mechanism for the reproduction of productive potential in conjunction with other institutions.

Hence, the institutional environment for the development of farms is an open, multi-level, dynamic socio-economic system that ensures the interaction of basic and derivative institutions, is the basis for organizing market processes and ensuring the strategic direction of farming development. It is a system of tools for institutions to influence the environment of farms, taking into account elements of both state and market regulation.

The institutional component of farming forms effective formal and informal norms, rules and values. Formal norms and rules (institutions) are represented, firstly, by a set of regulatory documents of different levels of influence on the agricultural market as an integral institutional structure; secondly, by a set of relevant institutions and institutions that directly function and ensure the reproduction of the production potential of farms.

The institutional development of farms is directly related to changes in the economic mechanisms of reforming relations in the agricultural sector, which require effective and rapid changes. In particular:

– labor relations are a basic institution, but in the farming environment this axiom is difficult to reflect in economic indicators: first, in some cases it is difficult to identify the amount of the farmer's own salary, especially when the production process is serviced only by the farmer's family; second, the level of wages in the agricultural sector is significantly lower than the average in the Ukrainian economy, both nominally and in terms of growth;

- there is a violation of the principle of fairness in agricultural pricing, in particular in the distribution of income in the logistics chain, where the farmer's share is the lowest in the retail price;
- institutional support for the development of legal and economic relations of land ownership is a complex problem that requires, first of all, scientific substantiation, including analysis of the processes of transformation of land ownership and economic forms of its use in the context of economic reforms Incomplete formation of the institutional mechanism in the agricultural sector, in general, and, as a result, inconsistency of contractual procedures for interaction of participants in agricultural relations due to the traditionally low culture of formalization of economic relations causes.

Farms grow institutionally if new resources, including land, are attracted, staff qualifications are improved, etc. Institutionalization, on the one hand, stimulates the entrepreneurial activity of farms, their economic growth on the basis of structural and innovative reproduction of production potential, the establishment and functioning of farming as a socio-economic system, and on the other hand, it helps to overcome contradictions between the economy and agricultural producers. The lack of the necessary institutions in Ukraine significantly limits the main market mechanism - competition, significantly hinders the reproduction of the production potential of farms, the modernization of economic culture, etc.

The institution of farming is the social, economic, and demographic basis for the development of Ukrainian rural areas. The problems of farming as an institution still exist outside the theory and methodology of research on the development of farms in Ukraine. Therefore, the institutional environment should ensure the formation of new rules of the game for the development of market relations in which farms are participants. The system of interaction between institutions, one of which is farming, should be open and able to adapt to changing environmental conditions and market conditions.

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# 10. International marketing activity: theoretical, methodological and practical aspects

#### 10.1 The essence and features of international marketing activity

In the modern conditions of globalization, there is a need for national companies and enterprises to more effectively use the principles of international marketing activities in order not only to work in foreign markets, but to be competitive and to have the opportunity to carry out activities efficiently and profitably on a global scale. The strengthening of the globalization of production leads to the globalization of the entire complex of marketing activities of the enterprise and requires the development of various marketing programs for the markets of foreign countries. The development of the globalization process, the intensification of the international activities of companies, enterprises, and organizations and their aggressive penetration into new international markets, the strengthening of competition between manufacturers on a global scale have led to companies' awareness of the importance of studying and using international marketing for effective functioning in foreign markets.

The term "international marketing" refers to the activities of international firms and enterprises, the sphere of production and commercial activity of which extends to foreign countries [136, p. 7]. The term "international marketing" itself is quite common, but there is no definition of it in the scientific literature. The available foreign and domestic literature on international marketing issues in most cases does not highlight the definition of the concept of "international marketing", although all marketing researchers pay attention to this issue and note the need to distinguish it as a branch of science and a specific field of activity. This situation can be explained by the fact that the majority of foreign and domestic scientists consider international marketing to be a part of the marketing system and do not see the need to define it separately. Along with this, another group of scientists, on the contrary, considers it necessary to give a separate definition of international marketing. Also, the definition of the essence of international marketing is significantly influenced by the diversity

and ambiguity of the views of scientists regarding the essence of marketing itself. Accordingly, the concept of marketing should form the basis for clarifying the concept of international marketing. International marketing is developing dynamically, in connection with which the understanding of its essence is expanding and changing somewhat.

The most common interpretation of the essence of international marketing is the definition of scientists J. Evans and B. Berman: "International marketing is the marketing of goods and services outside the country where the organization is located" [137, p. 310]. The same definition of international marketing is given by domestic scientists in their scientific works, in particular: M.I. Belyavtsev, L.M. Ivanenko [138, p. 37], V.M. Havva and F.I. Evdokimov [139, p. 221], O.P. Lucius [140, p. 3] and others. Domestic scientists L.V. Balabanova [141, p. 73], S.S. Harkavenko [142, p. 39] and T.M. Tsygankova [143, p. 3]. They consider international marketing as "a firm's marketing activities across national borders or in foreign markets." The same opinion regarding the definition of the essence of international marketing is held by foreign scientists, in particular: G. Albaum, G. Mirakl [144, p. 4], E. Kainak [145], Van Mesdag M. [146, p. 74], V. Terpetra [147, p. 81] and others.

Many scientists offer in their scientific works several definitions of international marketing at the same time, considering its essence from different angles. These include Ukrainian scientists V.E. Novytskyi and T.M. Lozynska Domestic scientist V.E. Novytsky considers international marketing as "a system of organizing the activities of the subjects of the production sphere, which contributes to the optimization of the functional combination of production goals and the current needs of international consumers, the collision of private interests in all spheres of internationalized economic life - production, intermediary, consumer" [148, p. 42]. According to the scientist, thanks to such a system, it is possible to achieve optimal indicators of entrepreneurial activity - profit, profitability, technical and resource support, etc. According to another definition of this scientist, international marketing is "an important condition for the establishment of an effective inverse relationship between supply and demand on an international scale, is a kind of guarantee that the manufactured products, which will

pass through all stages of the production process, will find their way to the end consumer by border" [148, p. 42].

Also, several definitions of international marketing are given by the domestic scientist T.M. Lozynska According to one of its definitions, international marketing is directly the "feedback between supply and demand on an international scale" [149, p. 9]. According to another definition of the scientist, "international marketing involves a unique approach to making production decisions from the position of optimal combination of meeting the needs of local and foreign consumers" [149, p. 9].

Taking into account the development of processes of globalization in the world economy and internationalization, scientists are changing their views on the essence of international marketing. An example of this is the definition of the Ukrainian scientist O.L. Kanishchenko, who defined international marketing only as a "theory of managerial decision-making based on the analysis of factors of the international market environment" [150, p. 261]. From this definition, it can be concluded that the author considered international marketing only from a theoretical point of view. However, the scientist later gave another definition: "International marketing is the provision of the process of planning and entrepreneurial activity outside national borders in order to create the most favorable conditions for business" [151, p. 5].

The founder of marketing science, the American scientist Philip Kotler, does not give a specific definition of international marketing, but only indicates its features and notes that "international marketing is engaged in by firms involved in foreign economic activity." According to the scientist, in order to engage in international marketing, you need to "learn a foreign language, deal with an unfamiliar currency, face political and legal uncertainty, and even the need to adapt the product to meet unusual consumer needs and requests" [152, p. 572].

In the modern conditions of the development of communications and globalization, scientists Ph. Kotler and G. Armstrong consider international marketing more globally and connect it with the activities of global companies. A global company is a company that, working in several countries, achieves such advantages in research, production, marketing and finance that are unavailable to their "domestic" competitors

[153, p. 1026]. A global company considers the whole world as a single market, increases the size of real capital, "picks up" raw materials and components around the world, produces and sells its goods wherever they can bring profit.

Table 1. Stages of development (forms) of international marketing

No	Stages (forms)	Essence
1	Traditional export (traditional export)	Deliveries of products abroad without further marketing support: the exporter is responsible for the products to the buyer only until the moment of sale.
Export marketing (export marketing)		Marketing activities related to the sale of goods outside national borders, while the exporter studies the foreign market, adapts production to the requirements of this market and tracks the way of the goods to the final consumer.
	Import marketing	Marketing activity of the enterprise regarding the import of goods
3	Foreign economic marketing International marketing (international marketing)	Marketing activity of the enterprise in foreign markets, which includes not only trade operations, but also other forms of activity, in particular: creation of branches, representative offices, subsidiaries, joint ventures, scientific and technical exchange, contract production, transfer of licenses, etc.
4	Multinational marketing (multinational marketing)	The marketing activity of the firm in many different countries or on many foreign markets, which proceeds from the fact that each market is unique and the firm must adapt as much as possible to the national characteristics of an individual foreign country, adapt to the characteristics of a specific market.
5	Multiregional marketing (multiregional marketing)	Marketing activities of the firm in large regions (groups of countries), while the firm considers the totality of the markets of the countries of one given region as a single one and must adapt (adapt) to its specific local environment (national features of the given region).
6	Global marketing (global marketing)	The company's marketing activity is on the scale of the world economy as a whole, while the world economy is considered as a single market - a global market, the needs of which can be satisfied with a standardized product, using similar tools of marketing communications and sales. This type of operations is typical for transnational corporations

Source: determined and generated by the author

Currently, in the works of scientists, more and more attention is paid to the activities of global companies and global marketing, which is considered the highest form (or stage of development) of international marketing. Forms (stages of development) of international marketing are distinguished depending on the degree of internationalization of the enterprise or company (Table 1).

Having analyzed the content of the definitions of international marketing, it can be stated that there is no single definition of the content of international marketing in scientific economic literature, the interpretation of its essence by scientists is different and contradictory. In most definitions of international marketing, a simplified approach to defining its essence is characteristic. This trend is characteristic of the initial stage of the formation of the theory of international marketing in the works of foreign researchers and domestic scientists.

However, it should be noted that as the analysis shows, the definitions of international marketing are constantly changing, becoming more complicated and updated. As a result of the analysis of the evolution of the content of international marketing in the studies of foreign and domestic scientists, three trends can be identified in the process of forming its definition:

- on the one hand, there is a gradual expansion and complication of definitions that take into account various aspects of the company's international activities;
- on the other hand, a significant part of scientists still continues to use rather narrow definitions of international marketing;
- there is also a third trend some scientists do not give a separate definition of international marketing at all, but emphasize only the differences in the international environment or emphasize the generic commonality of international and national marketing.

On the basis of the given and considered definitions, the author's definition of international marketing was formulated and proposed (Figure 1). In our opinion, international marketing is a philosophy of business activity and a toolkit used by an enterprise in the markets of foreign countries in order to satisfy the needs of foreign buyers in products that are developed or modified, produced and offered taking into account the existing and future requests of foreign buyers, the characteristics of foreign markets, activities of competitors, as well as aimed at more effective provision of long-term interests of the enterprise. International marketing orients the enterprise's scientific-technical and production-marketing activities to the needs of specific national markets, and also expresses the scale of the enterprise's foreign activities.

The philosophy and tools of international entrepreneurship, the process of development and decision-making in the network of relationships (communications) between international forms (legal or natural persons) that are involved in the process of commercial or non-commercial exchange of goods or services

Philosophy and at the same time intellectual technology of international business, which has a cumulative and synergistic character, under the influence and through which in the form of material and non-material exchanges, which are modified by the international environment, marketing communications are created and developed, as a rule, which cross state borders, ensure the satisfaction of commercial or the non-commercial interests and needs of the parties to these exchanges

The market concept of managing the activities of an international company, which is based on the principles of the organization of production and sales of products for foreign buyers, which is developed and promoted taking into account both the existing and future needs of foreign markets in order to most effectively ensure the long-term interests of the company

The philosophy of business activity and the tools used by the enterprise in the markets of foreign countries in order to meet the needs of foreign buyers in products that are developed or modified, produced and offered taking into account the existing and future requests of foreign buyers, the peculiarities of the environment of foreign markets, the activities of competitors, as well as directed to more effectively ensure the long-term interests of the enterprise

Figure 1 . Defining the essence of international marketing

Source: determined and generated by the author

A significant part of marketing theorists and practitioners are unequivocal that there are no differences between marketing in domestic and foreign markets, because the same approaches and methods are used. International marketing, on the one hand, is based on the principles of national marketing and has a similar structure. On the other hand, international marketing is specific, dealing with foreign trade and currency transactions, foreign and international legislation. Sometimes the differences between countries can be very significant. Companies and enterprises that have started international activities need to learn to navigate in a specific foreign environment. It is important to understand the main motives of the behavior of foreign buyers and, based

on this, to determine the reaction of the target audience to the implementation of the company's marketing policy in the foreign market.

So, you need to define the differences between domestic and international marketing. And although there are no significant differences between them, the specifics of the functioning of foreign markets and the conditions of work on them give international marketing specific features. In particular, the American marketing scientist U. Keegan singles out three aspects that distinguish marketing activities in the domestic market from international ones, namely:

- peculiarities of the foreign marketing environment;
- the process of crossing national borders with a product, price, or any aspect of an advertising campaign, product promotion program, or sales promotion;
- the third feature arises as a result of the fact that the company simultaneously carries out marketing of its goods in more than one national environment [154, p. 41].

Specifics of international marketing:

- ✓ a more complex and time-consuming process of studying foreign markets, their opportunities and requirements compared to the study of the domestic market, as well as related to setting and solving new tasks, setting and achieving new goals;
- ✓ the existence of certain features of the company's entry into foreign markets, which is associated with the presence of non-traditional and higher risks for the company in foreign markets than in the national market;
- ✓ the difference is manifested in the specifics of the impact on the production and sales of products: during the implementation of international marketing, a specific mechanism is created that provides impulses from the foreign market to establish and expand the production of the necessary types of products, the necessary range of products, while when starting its activities on the domestic market, the company sometimes tries sell what is already available or the company already knows the tastes and requirements of consumers in advance;
- ✓ the sphere of activity of international marketing is foreign and international markets, which are distinguished by a special specificity of activity, while internal marketing covers domestic-national market processes known to the enterprise;

✓ a lower scale of coverage of international marketing objects, which is understood as the number of names of products and services, types of products, as well as the number of certain names of goods that are on the relevant market: the number of names of goods that are produced and exported to the international or foreign market, as a rule, it is much smaller compared to the production and sale of a range of goods on the domestic market.

Table 2. Comparison of the concepts of "national marketing - international marketing"

National marketing	International marketing
Formation, maintenance and development of competitive advantages in the "R&D-production-sales-service" system in the conditions of this country	Formation, maintenance and development of competitive advantages in the "R&D-production-sales-service" system based on the use of opportunities of different countries and international cooperation
Finding means of business development and turning them into competitive advantages of the company in the middle of the country	The search for means of business development and their transformation into competitive advantages of the firm in a number of countries and in the context of interstate relations
Marketing develops a strategy for economic growth and development of the company in the middle of the country	Marketing develops a strategy for economic growth and development of the company with the involvement of many countries
Marketing does not take into account the culture of the environment, since the object of management is adapted to it from the very beginning	Thanks to the cultural factor, marketing receives significant opportunities and the development of competitive advantages
Marketing seeks and uses competitive means within the country; limited by the level of development	Marketing seeks and uses competitive advantages through globalization ("global business - service")
Profit opportunities that exceed costs in a given country	Earnings opportunities that exceed costs many times over
Sales market within the given country	Expansion of sales markets outside the country

Source: determined and generated by the author

Considering the specifics of international marketing, it is possible to highlight other features and characteristics that distinguish international marketing from national marketing (Table 2).

The main principle of international marketing is the orientation of the final production results to the real requirements and wishes of foreign consumers, taking into account their social, national, psychological, cultural and other characteristics [155, p. 18]. International marketing is based on taking into account the specifics of

foreign markets; features of international trade; economic, political-legal, sociocultural characteristics of the countries under study. In accordance with these principles, the requirements that must be taken into account by enterprises when entering a foreign market and carrying out international marketing arise:

- The need to consider the influence of national governments on commercial activity. Generally, governments tend to encourage exports and restrict imports to balance their countries' balances of payments. The stability of national currencies and the level of inflation depend on such measures. Accordingly, the enterprise (firm) must carefully monitor the legislation of foreign countries and the reaction of their governments to the activities of foreign enterprises;
- The need to take into account political risks associated with the company's activities in foreign countries. When exporting products or creating joint ventures, the enterprise (firm) risks losing its assets, if political instability in the country can lead to the confiscation of goods, damage to stocks, restrictions on the export of profits, etc.;
- The need to analyze national currency systems, the situation and problems with the conversion of the national currency: if the currency of the country where the enterprise (firm) carries out its commercial activities is unstable and subject to devaluation, the risk of financial losses increases significantly;
- The need to take into account the independence of a foreign state and the possibility of changing its national borders when conducting international marketing activities. National borders affect the competitive situation in the country, transport, customs costs of the enterprise, etc.;
- The need to take into account the diversity of market conditions. The situation in the markets of foreign countries can be quite different: for goods that are in high demand in one country, in another, the demand may be completely absent or quite low, which will make their additional production and sale in this market unprofitable;
- Necessity of mandatory consideration of national, religious traditions; cultural and linguistic features, as well as tastes and habits of consumption of goods (services) in different countries;

- The need to analyze and take into account differences between countries that are manifested in the organization and dynamics of market development, in particular: differences in the organization of the distribution network, traditions of business negotiations, conditions for providing financial resources, loans, etc.;
- The need to meet the requirements of the buyer not only in compliance with the accepted terms of sale of goods in this market, but also of crucial importance is the development and production of such goods that, even after a certain period of time after entering the market, would be distinguished by high competitiveness;
- The need to take into account the existing significant differences between countries in the development of communication tools, since to present their products on foreign markets, enterprises quite widely use new modern computer and telecommunication technologies, which exert a significant influence on international marketing activities;
- The need to apply more significant targeted efforts, more detailed observance of the principles and methods of modern marketing than in the domestic market, since foreign markets make high demands on the products offered on them, their quality, service, advertising, etc.;
- The need for detailed research, study of foreign markets and their opportunities is an important starting point in marketing activity, but it is more complicated and time-consuming than studying the domestic market;
- The need to organize and implement a system of effective monitoring of foreign markets, which have interested the company, for conducting international marketing activities;
- The need for the ability to develop and apply various methods of researching consumer behavior in the foreign market, collecting the necessary information that could correspond to all possible cases;
- The need for creative, flexible use of marketing tools and tools, taking into account the current situation, the forecast of market development, the nature of the goods offered on these foreign markets;

- The need to build and implement a system of rapid response to non-standard and specific requests of foreign buyers, requirements of partners, intermediaries;
- The need to build an appropriate management structure that would allow monitoring and controlling the effectiveness of the measures taken, despite the difficulties associated with differences in reporting forms, features of the "cultural" order in enterprise management.

All of the listed conditions, features and requirements of international marketing significantly complicate the management activities of companies and enterprises, require the involvement of additional financial resources, high qualification and responsibility of executors. This allows us to recognize international marketing as more complex, which covers a large number of factors, compared to national marketing.

#### 10.2 Structure and strategies of the international marketing complex

The marketing complex is one of the fundamental categories of modern marketing. The marketing mix refers to the main marketing tools [138, p. 38]. Scientist McCarthy described them using the "4 P" concept: product, price, place, promotion. McCarthy's model initiated the development of scientific research on marketing as a field of enterprise activity, as well as a separate system of scientific knowledge on business management. This model has been developing, but its finished form is not available at the moment. The definition of McCarthy or the concept of "4 P" was not the only attempt to systematize knowledge in the field of marketing and classify a significant number of factors and factors affecting demand. However, from a significant number of schemes and models proposed in the 1960s, only McCarthy's classification became truly universally accepted.

The American scientist Ph. Kotler defines the marketing complex as "a set of marketing tools that are subject to control - product, price, methods of distribution and promotion of the product - a combination of which the company uses to obtain the desired reaction of the target market" [153, p. 118]. The marketing mix, according to the scientist, includes everything the company can do to influence the demand for its

product. Numerous possibilities need only be divided into four groups - "4 Ps": product, price, place, promotion, which are the main elements of the marketing complex (Figure 2 ). It should be noted that product, price, place and promotion are singled out and formed into a complex primarily because their use has a direct impact on demand and consumer behavior in the market. In addition, these elements can be managed, that is, they are manageable, subject to control, and also indicate the sequence of implementation of the main marketing functions.

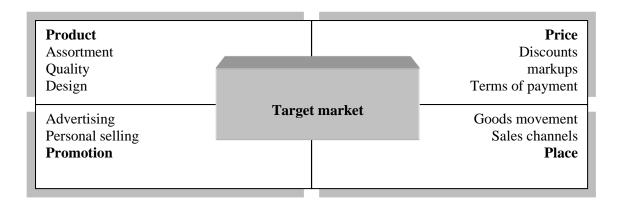


Figure 2. Marketing complex in the "4 P" concept, [153]

Currently, there are other views in the scientific literature regarding the number of components of the marketing complex. In particular, domestic scientists V. Kramarenko and B. Kholod suggests considering the structure of the marketing complex somewhat more broadly - already from five components. They believe that since marketing has become a means of mutual communication of customer needs and created goods that satisfy these needs, its mandatory element should be "people" and their concept is called "5 P" [156, p. 9].

In trade marketing, in addition to the additional "people", "presentation" is used, which means not only the presentation of the product, but also the design of the place of sale. Currently, this additional element refers to merchandising, which combines the entire set of measures to affect the consumer at the point of sale.

In the theory of service marketing, considerable attention is paid to mutual relations, development of networks and interaction - this approach was called "partnership marketing" (relationship marketing). In this case, the additions "4 P" to "7

P" are used to denote participants, physical evidence, process process. Participants include employees of the company and customers who participate in the process of providing the service and, thus, affect its quality, current and future purchases. By physical attributes is meant the environment of the enterprise in the service sector, physical goods and symbols used in the process of communication and production. The process refers to all the procedures, mechanisms, dynamics of activity and interaction during which the production of the service is carried out and contact with the client takes place. Within this approach, not only the seller, but also the buyer is considered as an active market participant; the seller views the buyer as an equal partner, and both parties should benefit from such a relationship.

Scientist I. Riabchyk cites the marketing complex, which consists of seven elements, namely: product, price, packaging, promotion, place, people, personal selling. According to him, the system of mix-marketing is "a set of techniques and methods used by the enterprise to achieve the set goal and solve the relevant problems" [157, p. 12]. All elements of the "7 P" concept have their own subsystems, and their functioning requires the adoption of many strategic and tactical decisions, which depend on the activity of the enterprise in modern conditions.

A number of foreign scientists in their scientific works also cite an expanded marketing complex. Scientists D. Booms and M. Bitner propose to include the following three elements in the traditional marketing mix ("4 P" concept): people, process and physical evidence [138, p. 39].

The evolution of the marketing-mix concept in the direction of its internationalization is presented in Figure 3, where the internationalization of the "4P" concept is considered, taken from the works of the most famous foreign scientists: Jerome McCarthy, Philip Kotler, John Gale and Stanley Palivoda. It should be noted that Stanley Palivoda introduced the most extensive complex of international marketing, which consists of nine elements - the "9 P" concept. For a better understanding of the features of this approach, he reveals individual elements of the "9 P" concept. The author notes that strength is the resource characteristics of the company itself, as well as the influence of internal and external (target) markets mastered and

developed by it. The process involves interaction with competitors and the evolution of forms of foreign economic activity: from export/import operations to foreign direct investments. Precedents, the scientist believes, include political, legal, social and commercial decisions that are beyond the control of the company's management, which, unlike the "4 Ps", are variables that are not subject to control and can affect the development of the company's international activities in future.

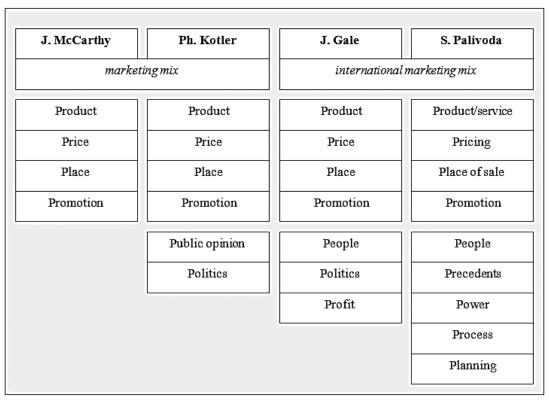


Figure 3. Evolution of the concept of marketing mix, [158, p. 197]

In general, according to scientists, shown in Figure 3 evolution of the concept marketing-mix clearly reflects the course of development of theoretical thought in Western economic literature, which concerns the internationalization of the "4 P" concept. In our opinion, such an expansion of the elements of the international marketing complex is not always appropriate, since the basic principle of the formation of the marketing complex is violated. In addition, additional elements of the international marketing complex cease to be managed by international marketing management tools.

Scientist T. Tsygankova considers the international marketing complex as "a system of tools, methods, techniques, approaches to the product, price, promotion, distribution channels, the use of which is aimed at forming competitive advantages in

the target segment or a certain foreign market" [143, p. 77]. In her opinion, the elements of the international marketing complex are: product, price, promotion and distribution channels, that is, traditional elements of the "4 P" concept. Thus, T. Tsygankova adheres to the traditional point of view regarding the international marketing mix and its elements.

Having considered different approaches to defining the concept of the marketing complex and the number of its elements, we can conclude that the international marketing complex is the main component of international marketing activities. In the most commonly used form, the international marketing mix includes four elements - the "4 P": product, price, place, and promotion. However, in the scientific literature, the list of elements is supplemented by several more so-called "P" elements. As research has shown, in modern economic literature their total number is more than 16 elements. The mentioned elements of the marketing mix both in science and in practice are considered "tools" or "means" of marketing and are necessary for active influence on the target market. We adhere to the views of the majority of scientists and believe that the complex of international marketing in general should include four traditional elements, namely: product, price, place and promotion.

When entering a foreign market, each company decides on the development of an international marketing complex. The need for its detailed development in international activities is due to a number of reasons, in particular: the peculiarities of a foreign country; specifics of activity on foreign markets; consumer requirements and habits; various forms of activity on the foreign market; cultural factors, etc. For the successful functioning of the enterprise in the foreign market, it is necessary to approach the development of the international marketing complex very carefully, while the enterprise must develop the most profitable and effective complex for it. The need to develop a different complex of international marketing determines the need to make a decision not only for the entire marketing complex as a whole, but also separately for each of its elements.

Many foreign and domestic scientists distinguish a standardized and adapted complex of international marketing. The use of each of them leads to certain positive

results. In particular, the implementation of a standardized complex provides the following benefits [159]:

- savings in production and marketing due to savings in funds for the creation and implementation of programs for updating the assortment, conducting advertising campaigns, selling products, etc.;
- the possibility of transferring and using accumulated experience, successful ideas for goods, promotion and distribution in other countries;
- creating a global image around the world;
- ensuring centralized coordination and control over the company's marketing activities in different countries, etc.

When implementing an adapted complex of international marketing, the enterprise receives the following advantages:

- strengthening the competitive position of the enterprise in each foreign market due to more complete adaptation of products, methods of their distribution and promotion to the requirements of local consumers;
- reducing the risk of losing a certain target market thanks to the implementation of an adapted program for its development and obtaining more complete marketing information about it;
- the possibility of expanding the share of each foreign market and obtaining a higher level of profit in comparison with the use of a standardized complex of international marketing, etc.

However, despite the above-mentioned advantages, the standardization strategy has certain unsatisfactory aspects. First, it is "far" from universal acceptability for all goods and enterprises. Standardization is a successful strategy for operating in foreign markets only under certain conditions, namely:

- □ the existence of a market segment of consumers with the same characteristics;
- the availability of communication and distribution infrastructure to reach the enterprise's target customers around the world.

Secondly, the standardization strategy in most cases involves a product orientation

of the enterprise, and not a market or marketing one (on the consumer or competitors) [159, p. 110]. A company that focuses on the product and the costs associated with it may not pay attention to the variety of needs and preferences of consumers in different countries of the world, as well as become vulnerable to competitors in certain foreign markets. In this regard, market orientation, in which the company's attention is focused on consumers and competitors, leads to more effective activities. In addition, there are still a significant number of restrictions and factors that prevent effective implementation of the strategy of standardization of the international marketing complex on foreign markets [159, p. 110]. Factors limiting the implementation of the strategy of standardization of the international marketing complex are shown in Figure 4.

Investigating the possibility of standardization of the international marketing complex, it is possible to distinguish two groups of factors that prevent the successful use of this approach and lead to the need to modify the international marketing complex (Figure 4).

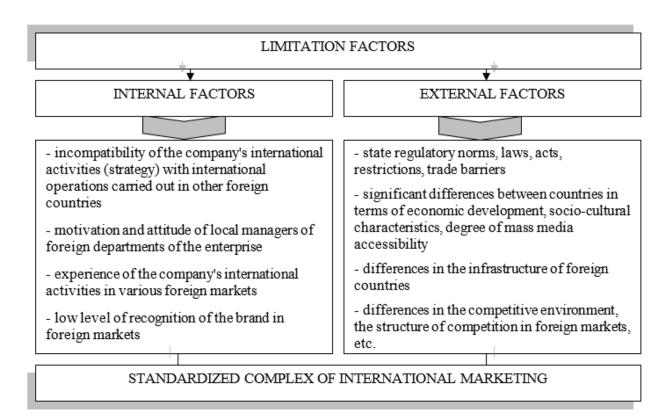


Figure 4. Factors that limit the use of the strategy of standardization of the international marketing complex, [159, p. 110]

The first group are external factors that relate to the peculiarities of the foreign environment, the second group are internal factors that arise from the essence of the company's strategy or the organization of its foreign economic activity. The influence of internal restrictions is that the company's strategy and existing network of foreign economic operations may be incompatible with the standardized complex of international marketing. Such types of foreign economic activity as export, joint business activity, licensing agreements are difficult or impossible to change in a short period of time. In connection with this, certain obstacles (barriers) arise for the implementation of the strategy of standardization of the international marketing complex. Also, the desire of the enterprise itself for standardization may not be acceptable on the part of local managers of foreign departments and branches of companies. In addition, the degree of standardization of international marketing activities should correspond to the experience of the enterprise in the world or foreign market.

The external limitations of the implementation of the strategy of standardization of the international marketing complex include various state regulatory norms, laws that affect the international activity of the enterprise, trade barriers, as well as differences in the marketing infrastructure of foreign countries. The implementation of a standardized marketing complex is impossible if the state regulatory norms differ significantly between countries, especially when the enterprise needs to comply with environmental norms or product safety standards. Accordingly, an adapted complex is necessary when there are significant differences in the features of foreign marketing infrastructure, which may include differences in the availability and accessibility of various mass media, means of advertising and promoting products on the market, determining distribution channels, in the effectiveness of communication and transport systems, etc. Other important external factors that influence the choice of a standardization or adaptation strategy and the development of an international marketing mix are interstate cultural differences and the activities of competitors. In order to function effectively on the foreign market, the enterprise must know and respond to the diversity of cultural features in foreign countries. Therefore, a

standardized approach is possible only when the cultural and other characteristics of the countries are the same or slightly different. The activity of competitors can also limit the possibility of implementing a standardized complex of international marketing: if the adaptation of the marketing program, process and complex of marketing is superior in the practice of competitors in the foreign market, then with the standardization of the complex of international marketing, the marketing activity of the enterprise will be ineffective.

Therefore, the presence of obstacles leads to the impossibility of implementing the strategy of standardization of the international marketing complex. Therefore, most enterprises try to adapt the international marketing complex to the conditions of each foreign market as much as possible, that is, they implement the strategy of adapting the international marketing complex. However, it should be noted that complete standardization and complete adaptation are considered extreme options and are almost never used in the real practical activities of enterprises [146, p. 74].

In our opinion, it is advisable for Ukrainian enterprises to use a combined approach (combination strategy), which combines elements of standardization and adaptation. In other words, some components of the international marketing complex are standardized, and some are adapted to the specifics of each foreign market (Figure 5). In the case of applying the strategy of combining, the basic is the marketing complex, which is implemented in the domestic market or specially developed for use on a global or international scale. Thus, the complex of international marketing will be developed, taking into account the main factors of the marketing environment of foreign countries.

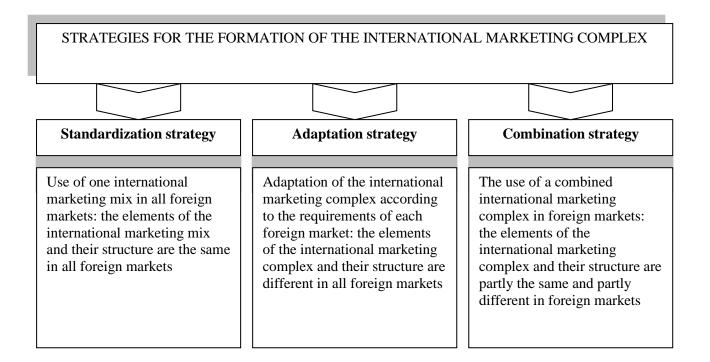


Figure 5. Strategies for the formation of an international marketing complex in foreign markets

When using a combined approach, the company determines the differences between countries and, in accordance with them, makes changes to the structure of the international marketing complex. In this regard, a detailed analysis of the marketing environment is carried out, as a result of which the elements of the international marketing complex that need to be standardized and adapted are determined. Also, for the effective implementation of the international marketing complex, it is necessary to first analyze each element separately, that is, it is necessary to determine the degree of standardization and adaptation for the product, price, distribution and promotion.

Research results show that the needs of consumers in foreign markets are very different and depend on the level of socio-economic development of the country's population and cultural environment. In this regard, Ukrainian enterprises a must develop or select goods for foreign markets, taking into account competitiveness and the possibility of adapting goods to the conditions of the foreign market. When choosing an option for selling a specific product, the company must evaluate its capabilities and take into account the following factors:

- conformity of the consumer properties of the product to the foreign level;
- associations that the product evokes in foreign consumers;
- the volume of consumption and consumer capacity of the foreign market;
- costs for product adaptation to local conditions;
- volume and production of goods for export;
- financial resources that should be allocated for entering the foreign market and others.

When determining the types of goods for the foreign market, the enterprise can use three options for selling goods:

- 1) sell a product on the foreign market that is identical to the product being sold on the national market;
- 2) to sell on the foreign market a product with the same consumer properties as the product supplied to the domestic market, but to create a different image of the product in the minds of consumers;
  - 3) sell a new, specially developed product for the foreign market.

The simplest solution there is standardization of goods. However, this may negatively affect the efficiency of the enterprise and such goods may not be sold for technical, financial and other reasons. The sale of goods on foreign markets without elements of adaptation is attractive for the enterprise, as it does not require additional costs for modification or creation of new types of goods, new properties of goods. But a change in the conjuncture of foreign markets can negatively affect the development prospects of such an enterprise. The production of goods without adaptation to the conditions of foreign markets is limited and refers, first of all, to raw materials. Therefore, in the modern conditions of the development of international marketing, there is an adaptation of goods to the conditions of foreign markets.

Scientists in the field of international marketing interpret the concept of adaptation ambiguously. Ph. Kotler understands by adaptation product changes that correspond to local conditions or needs in foreign markets. The scientist highlights five strategies of product adaptation on the foreign market (Figure 6).

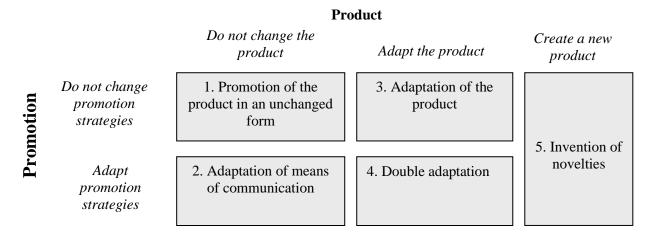


Figure 6. Strategies for product adaptation in foreign markets.

French scientists A. Olivier, A. Dayaan, R. Urse distinguish the following types of adaptation in foreign markets [160, p. 534]:

- depending on the physical characteristics of the product;
- product service features;
- symbolic characteristics of the product;
- adaptation costs, as well as forced and necessary adaptation.

In order to increase the effectiveness of international marketing, we identified the types, forms and areas of product adaptation to the conditions of foreign markets (Figure 7). By the type of adaptation, we propose to understand the general division of means of adaptation, which includes the forced and necessary adaptation of goods on foreign markets. Everyone who exports products to a foreign market must adapt to local norms and rules of trade. Such adaptation is called forced. It includes the enterprise's implementation of safety and hygiene standards, technical and technological standards, and others.

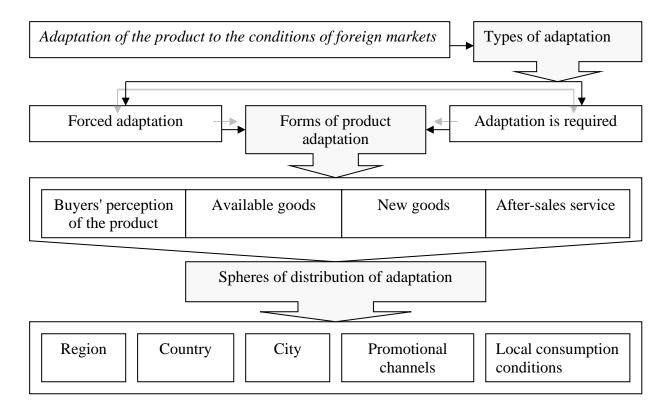


Figure 7. Types, forms and areas of distribution of product adaptation in foreign markets

Source: determined and generated by the author

Another named a type of adaptation is necessary adaptation. It appears as a "law of the market" and must take into account the interests of buyers abroad. This is where the line between a simple exporting enterprise and an enterprise engaged in international marketing passes. The supplier of goods to the foreign market must know the tastes and habits of local buyers, their requirements for the product, the frequency of product consumption, cultural features, characteristics of the climate, natural resources, etc. The use of forced and necessary adaptation in foreign markets can lead to double adaptation of the product. The term "double adaptation" of goods to conditions in foreign markets can have different meanings. F. Kotler believes that double adaptation is a change in the consumer properties of the product and the means used to promote the product on the market.

Product adaptation to foreign market conditions can be carried out in the following forms: 1) change of existing goods; 2) creation of new products; 3) changing the perceptions of buyers abroad about the product; 4) adaptation of after-sales service

to new conditions. Product selection, product adaptation to foreign markets is a complex dynamic process. Adaptation of the product to the conditions of the foreign market should be carried out taking into account economic feasibility or with the lowest financial costs. To reduce the financial costs of enterprises, Fr can produce goods for the domestic market with the maximum degree of adaptation to the foreign market. When developing a product strategy, the company must consider options for adapting products to foreign markets, taking into account existing legislation in the countries concerned. At the stage of creating new products, the requirements of the standards of foreign countries must be laid down. The product is an element of the international marketing complex and plays an important role in determining international marketing strategies for foreign markets.

Price determination is a component of international marketing, which depends on the dynamics of product sales, the level of profits and the profitability of the enterprise. The international pricing policy of the enterprise can be built on the basis of determining the optimal sales prices for each individual product in accordance with the conditions of a specific country. The price strategy chosen by the company can have different consequences, since prices: act as a means of establishing relations between the company and buyers of goods on the foreign market; affect the revenue and income of the enterprise from the sale of goods and determine the structure of production; determine profitability and profitability, in other words, the vital activity of the enterprise; affect the state of the national and international economy.

The price, as an element of the international marketing complex, depends on the customs tariff, which is applied to goods moving across the border of the country of production and a foreign country, and systematized in accordance with the product nomenclature of international activity. Therefore, decision-making in the field of international pricing involves taking into account various influencing factors. They should be based on the following:

- □ the possibility of control over pricing by the state;
- □ cost estimation (cost) based on various price calculation methods;
- forecast of the reaction of buyers (level of demand) to the price of the product;

 prices of competitors and taking into account information about the market as a whole.

The importance of these factors varies depending on the demographic, economic, political, scientific and technical, social and cultural conditions of a foreign country, but their influence on pricing in international activity is quite significant. When setting a price for a product, the company must determine the degree of "freedom" to set the price in a foreign country. In international practice, this degree varies from administrative price determination by the state to completely free pricing based on supply and demand.

Experts of the International Trade Center on cost and price formation in export production offer alternative methods of price determination. The most common among them are: the method of setting the price based on production costs; break-even method; the method of orienting the price to the level of demand for the product; the method of price orientation at the level of competition.

In practice, two pricing strategies are most common in foreign markets: setting unified prices and special market prices. When choosing the first method, the company sets a single price for its product for all foreign markets (standardization strategy). As a result of the implementation of such a policy, the price of products for the population of countries with a low level of economic development may be overestimated compared to countries whose population has higher incomes. Such a situation can lead to a decrease in the competitiveness of products. Setting special market prices for each foreign market (adaptation strategy) has fewer disadvantages, but it opens up the opportunity for intermediaries to buy goods at a lower price in one country and sell them in another at a higher price, which also leads to a decrease in competitiveness [158, p. 34].

In international activities, transfer prices play an important role in determining final prices for goods. Transfer prices are centrally established and regulated prices for intermediate goods exchanged by its structural units [142, p. 279]. The emergence of such prices is associated with the internationalization of business activities, which involves the creation of a special internal market within the company between its

structural departments. Regulation of such a market is carried out by the management of the company with the help of transfer prices. The emergence of transfer pricing was a response to the so-called imperfection of markets where international companies exist. In such markets, there are various tax rates and currency control rules, exchange rate discrepancies are observed, and various government policies are implemented in relation to foreign goods. To eliminate market imperfections, reduce costs and set prices for original goods, an international company creates its own market. Thus, the companies' use of transfer prices in foreign markets creates conditions for a change in the amount of expenses in their interests.

In international marketing, there are various methods, forms and strategies for selling goods on the foreign market. The choice of international strategies and forms of sales activity involves solving the following questions: "How is it more expedient to establish contact with the consumer in the foreign market?" . In order to sell goods on the foreign market, the enterprise has find a method of entering the foreign market, determine the strategy for selling products on the foreign market and choose a method of selling goods on the market . In the foreign and domestic scientific literature on international marketing, there are several strategies (methods, models) of entering the foreign market and two marketing strategies for selling products on the foreign market - the Push strategy and Pull strategy (Figure 8) [136]. The choice of strategy depends on the financial capabilities and goals of the enterprise, the type of products, the competitiveness of products, legal restrictions of a foreign country.

A characteristic feature of the Push strategy is the use of personal selling as the main means of marketing communications. At the international level, the use of the push strategy requires intensive involvement of human resources and is considered an expensive marketing method.

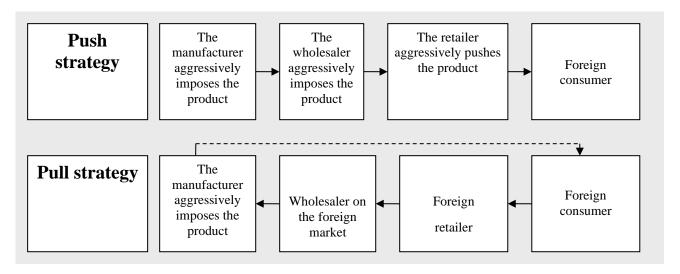


Figure 8. Marketing strategies for selling products on the foreign market, [161, p. 197]

Using a Push strategy is effective and appropriate in cases where:

- ✓ the product is characterized by a high level of complexity;
- ✓ a short distribution channel of goods is used;
- ✓ consumers are poorly informed or unaware of the product;
- ✓ limited access to mass media and advertising media;
- ✓ the company operates on the industrial market.

A characteristic feature of the "pull" strategy is the use of advertising aimed at the final consumer of the product as the main means of marketing communications. The pull strategy is appropriate and effective for companies operating on the international market under the conditions, if:

- ✓ the product is widely used and easy to use;
- ✓ a long product distribution channel is used;
- ✓ high level of influence on the sales channel, distribution;
- ✓ guaranteed access to mass media;
- ✓ using the self -service method when selling goods in the store;
- ✓ the company operates in the consumer market.

In order to make a decision on the use of a push strategy or a pull strategy and the formation of an international marketing complex, a Ukrainian enterprise must first conduct a study of foreign markets, study the conditions of business activity and work on them, analyze the factors that affect activity in the foreign markets.

Since distribution is one of the elements of the international marketing complex, then the enterprise must make a decision regarding the choice between standardization and adaptation strategies. By standardizing the distribution, the enterprise chooses a single strategy for selling products on the foreign market and sells its goods in a single way on all other foreign markets. A company can standardize an international sales strategy if the following conditions are present:

- relatively small enterprise size: small, medium-sized enterprises do not have significant resources necessary for the implementation of joint venture strategies and the opening of their own departments, therefore such enterprises mostly export goods;
- initial development of foreign markets: at the initial stage of development of a foreign market, the enterprise standardizes the sales strategy or exports goods;
- maintenance of a certain degree of control over international activity: the company's desire to maintain the same level of control over the sales process of products in all foreign markets also contributes to the use of a sales standardization strategy;
- availability of a suitable method of distribution: the company can standardize
  the distribution strategy due to the fact that in all foreign markets there is one
  most effective way of selling products;
- there is no sufficiently effective method of distribution of goods in foreign markets, then the enterprise needs to create its own distribution network.

Having considered the conditions that facilitate the implementation of the standardized distribution of goods on the foreign market, it is necessary to note the presence of certain restrictions for the use of this strategy. The ability of the marketing infrastructure in foreign markets can prevent the use of a standardized strategy, in particular: the difference in the availability and availability of distribution channels, retail organizations, the effectiveness of the communication and transport network. The essence of the distribution system and structure is different in each foreign market, each market has its own unique distribution system, which develops and changes quite slowly. Internal national features of the distribution structure are partially explained by

differences in history, traditions, legal framework and economic conditions. Therefore, the company must adapt its sales strategies to the existing structure of the distribution network in each foreign market. Some enterprises carry out a certain number of international sales operations in different countries, in this connection, the use of a standardized distribution system in foreign markets by such enterprises may not be possible. In some cases, such activity may include agreements or cooperation on production, distribution of goods with other enterprises. Even when the foreign production and distribution activity belongs to the enterprise, but the creation of a distribution network requires relations with other organizations (conclusion of an exclusive distribution agreement), such obligations are quite difficult or impossible to change in a short time and they can create significant obstacles to the implementation of the strategy standardization.

The impossibility of using a distribution standardization strategy may be related to the characteristics of the product itself, especially when the product has a short shelf life or requires sales service. Limitations can also include the risk of doing business in a foreign market and legal restrictions. The size and growth rates of the market also influence the choice of the strategy of product distribution in the foreign market. In most cases, small markets are not attractive enough for enterprises, therefore, in order to sell their products in such markets, enterprises implement an export strategy. Sufficiently large markets are considered attractive, therefore enterprises can direct significant resources to further market development, create their own departments, branches or participate in joint business activities. Regulatory acts (prohibition on production, mandatory use of local raw materials) play a significant role in determining the strategy for the sale of products on a specific foreign market, which leads to the modification of the enterprise's distribution system [162].

International communication strategies are aimed at changing the behavior of existing and potential buyers in foreign markets in order to make them purchase. The availability of means of marketing communications allows enterprises to study the requirements of the end consumer and adapt products to them, to solve the task of forming demand and stimulating sales. The company's communication strategy is the

final component of the international marketing complex. The complex of international marketing communications is a system of influence on the external and internal environment of the enterprise in foreign markets, aimed at making the product known and attractive to buyers and forming a desire to buy this product [162]. Means of the complex of international marketing communications are advertising, sales promotion, public relations, direct marketing, personal selling, exhibitions and fairs (Figure 9).

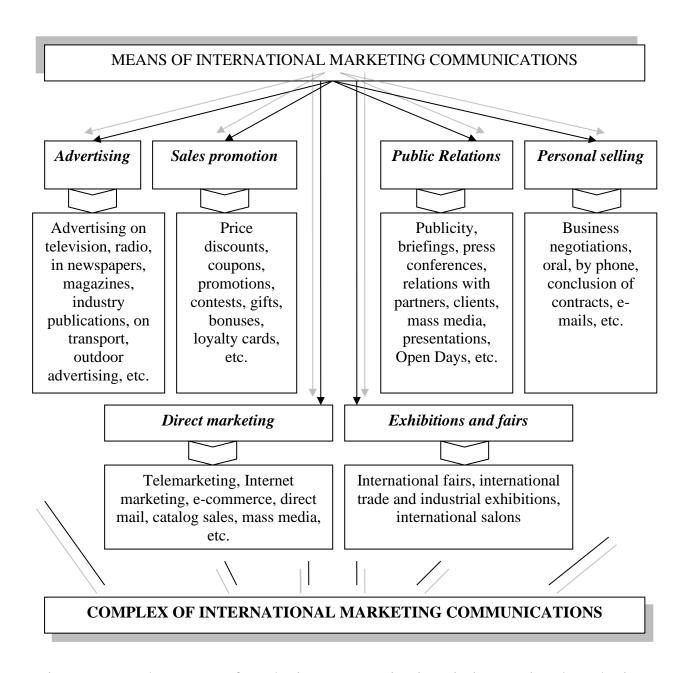


Figure 9. Popular means of marketing communications in international marketing Source: determined and generated by the author

Countries have differences in the ability and effectiveness of using various means of marketing communications. The role and importance of international communications for the successful promotion and sale of goods in foreign markets are also different. In this regard, Ukrainian enterprises need to approach the development and implementation of a communication strategy in each foreign market in detail. One of the important strategic tasks is the decision to use a standardized set of marketing communications in foreign markets or adjustment (adaptation) of the complex of marketing communications to the conditions of foreign countries.

Standardization of international communications involves the use by the company of a single set of communication tools and means for promoting products on the foreign market. The adaptation of international communications consists in the use of various means of product promotion in foreign markets, taking into account their availability, popularity and effectiveness [153]. As research shows, the possibility of implementing the strategy of standardization of the marketing communications complex is limited for enterprises operating in foreign markets (Table 3). In connection with existing restrictions, enterprises should adapt the marketing communications strategy to the specific conditions of each foreign market (adaptation strategy) or adapt separate means of marketing communications to the requirements of the foreign market (combination strategy).

Table 3.

The main limitations of the implementation of a standardized set of international marketing communications

Limitation	Problems for the enterprise
Significant differences between countries regarding economic development, legislative and cultural features, degree of accessibility of mass media	Inefficiency of the used marketing communication tools, lack of reaction from the buyers
Legal restrictions on the use of means of	Impossibility of using certain means of
promotion or a ban on advertising specific	promotion and advertising of certain products
products	(alcohol, medicine, tobacco)
Low level of recognition of the brand in	The need to carry out additional measures to
foreign markets	promote the product to attract buyers

Source: determined by the author

The strategy of marketing communications in foreign markets is formed under the influence of many factors, which can be combined into three groups: external factors of the foreign marketing environment, factors of the enterprise environment, and internal factors of the international environment. The influence of groups of factors on decision-making regarding the international marketing communications complex is shown in Figure 10. The scope of international marketing communication strategy is presented in this figure as a time segment with options for complete standardization and adaptation.

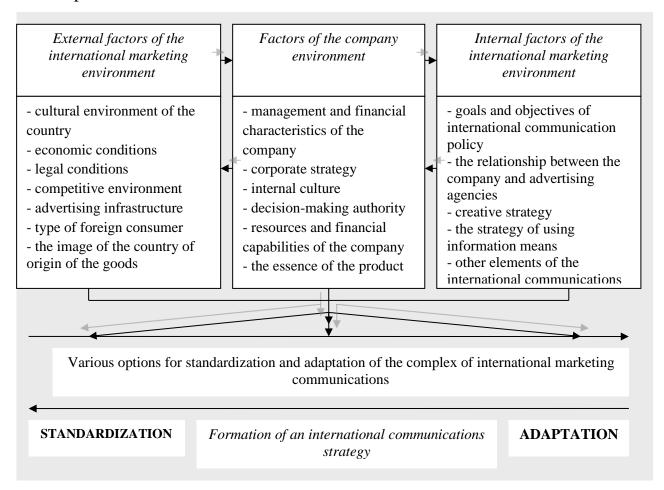


Figure 10. Factors affecting the choice of an international strategy of a complex of marketing communications

The formation of a complex of international marketing communications of the enterprise should be carried out taking into account the differences in the consumer properties of the product and the behavior of consumers. When forming an international communication strategy, one means of promotion is very rarely used . To

each tool marketing communications are characterized by specific techniques and methods. All means and elements are combined by the enterprise to solve strategic and tactical tasks in the foreign market. So, Ukrainian enterprises have effectively to combine various means and marketing communications for successful activity in foreign markets.

#### 10.3 Technologies and processes of brand formation in the foreign market

A brand is a figurative combination of the product itself with a set of its inherent characteristics, associations, and expectations that arise in the consumer. This is a certain trademark, which is associated in the consumer with a specific name, word, expression, symbol or design solution. In other words, the brand is a set of objective and subjective perceptions of the consumer, which are accompanied by the perception of the trademark [163, c. 12-13]. As a result of the conducted research, it was established that the probability of success of the brand of Ukrainian products in foreign markets is quite high. After all, many foreign consumers are loyal to Ukrainian products, they are convinced of the high quality, environmental friendliness and naturalness of Ukrainian products.

In foreign and domestic scientific literature, there are a large number of systems, methods, and technologies of brand formation. However, many scientists adhere to the opinion that creating a brand is an individual process, in each individual case this process is different. Therefore, it is appropriate to consider several of the most well-known schemes and technologies of brand development.

One of the most famous and popular methods of building brands is the Brand Essence method from The Decision Shop. This technique involves:

- development of a brand that not only clearly differs from competitors, but
   also stands out on the market in general;
  - creation of a unique positioning and, if necessary, repositioning of the brand;
- o forming the boundaries of the brand's existence in such a way that in the future, with minimal effort, they can be adjusted;

- provision of a single marketing message in various means of communication;
- guaranteeing the stability of the brand regardless of the time or place of its promotion.

In connection with the difficulty of predicting the attitude of consumers to the brand, supporters of this technique proposed to decompose the brand into components, as a result of which the "brand wheel" was discovered. The "brand wheel" is a way of representing the feelings of consumers in relation to a brand. It uses five levels: attributes, benefits, values, personality and essence of the brand (Figure 11).

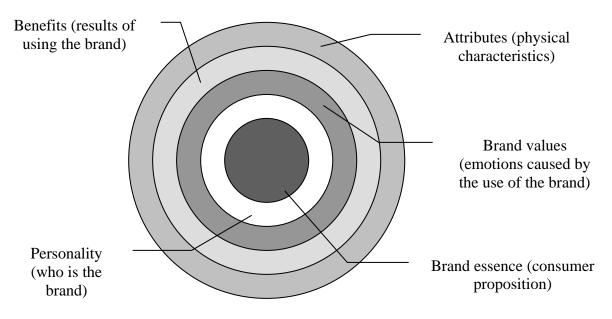


Figure 11. Brand components or "brand wheel", [164, p. 220]

There is a difference between what the manufacturer puts into his brand and what the buyer thinks about it. The only way to find out is to do some research and gather first-hand information. For this, companies need to develop a set of "brand statements", which should fully describe all possible emotions that the brand can evoke in the consumer's mind. This is the essence of this method of brand development. In this regard, about 80-150 statements are formulated that fully describe the new brand and several competitor brands. Specialists from the marketing department of the company producing the new brand, specialists from the agency (if involved in the process of creating a new brand), and several active consumers participate in the creation of such statements. Next, an in-depth interview is conducted with consumers of the brand (200-

600 respondents). Each respondent is offered a two-part questionnaire: the first part gives an idea of the consumer's qualitative attitude towards the market and brands, and the second part - about the consumer's quantitative attitude towards the brand. After the analysis and preparation of the report, a plan is developed for the development of the new brand so that it reaches a unique position in a short period of time.

Another popular and successful method of brand development is the Brand Dynamics method of the Millward Brown company (Figure 12). The authors of this methodology believe that any good, successful brand must go from weak relationships with consumers (low promotion costs) to strong (high promotion costs) [165]. According to this method, the brand must overcome five "steps":

- presence: does the consumer know anything about this brand;
- □ relevance: does the brand offer the consumer something really necessary;
- performance: can the brand fulfill the promise;
- advantage: is this brand better than competitors' brands;
- □ relatedness: can a given brand be compared to another brand.

In the process of moving to the top of the pyramid, the brand gradually enters more complex levels of interaction with consumers.

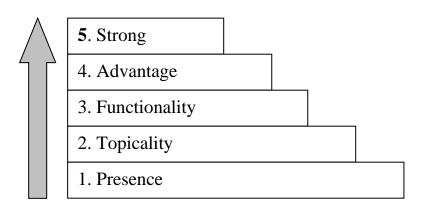


Figure 12. Brand Dynamics pyramid, [164, p. 220]

According to the popular Brand Asset Valuator methodology for evaluating and building brands, developed by the Young&Rubicam company, any properly built brand must go through four stages of formation:

1) difference is the basis for the consumer's choice of the product;

- 2) relevance is the foundation of brand building. Only in a situation where the consumer believes that this product is appropriate, the brand has a chance of success;
- 3) respect is the result of the brand's efforts, which lead to the admiration of the brand and the attitude of consumers towards it with respect. Respect shows the level of fulfillment of the brand's promise to the consumer: if the brand stops fulfilling the obligations assumed, the degree of respect for it on the part of the consumer decreases;
- 4) knowledge the result of all the manufacturer's marketing actions regarding brand development. By knowledge, the author of this system means such an attitude towards the brand, which is based on the consumer's complete understanding of the functions performed by the product, its purpose.

The first two characteristics of the brand (distinctiveness and relevance) determine the indicator of "Brand power", the other two (respect and knowledge) - the "Position of the brand" in the market. A high level of indicators of "brand strength" and "brand position" indicate the leadership of the brand in the market (Figure 13). If the brand is different from competitors, has high relevance, but does not have the required level of respect and knowledge, then such a brand has not fully realized its potential.

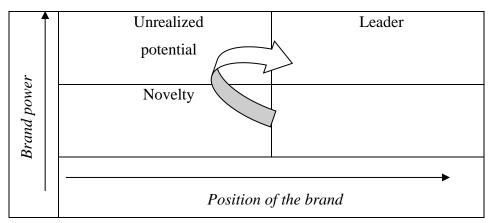


Figure 13. A growing brand, [164, p. 221]

If a brand begins to lose its distinctiveness and relevance, then such a brand is called a "blurred" or "degrading" brand. In this case, consumers do not distinguish the brand from competing products, do not want to consume this brand, stop admiring this brand. As a result, the brand loses respect, knowledge and turns into something "not focused, blurred" (Figure 14).

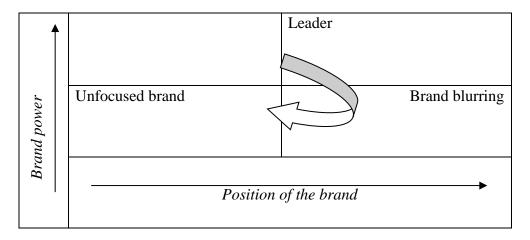


Figure 14. "Degrading" brand, [164, p. 222]

Another well-known and popular brand development system belongs to the American marketing economist Rosser Reeves. He proposed the theory of the unique selling proposition. A unique selling proposition is a motivating idea that is unique to a specific brand and that should remain in the consumer's mind. According to the author, the main thing when creating a brand is not the characteristics of the product, but the idea that should be remembered by the consumer and stimulate the consumer to purchase the product in the future. The name of this system includes three words, each word has its own explanation:

- □ unique − characteristic only of this brand; can no longer be repeated; distinguishes this brand from other brands;
- commercial the brand must be sold; must be related to consumers' desire to buy this brand; should encourage action and be attractive; should interest consumers so that consumers refuse to buy goods of other brands;
- offer should be clear, very attractive for consumers; consumers must clearly see and understand exactly what advantages this brand offers them.

The theory of a unique selling proposition is almost completely consistent with most modern branding systems, although it was very popular in the 70s and 80s of the last century. In order to make the most of a unique selling proposition, you need to do your research. As a result of such research, it is necessary to determine the uniqueness

of the brand, which will cause the desire to buy this brand. Then you need to show this uniqueness in a clear and understandable offer to the buyer.

According to domestic scientists, in order to become a brand, a trademark must become popular on the market and have the trust of consumers. According to this statement, scientists distinguish several stages in the process of brand formation (Figure 15). The scheme presented shows that a brand is an entity that develops over time, from a trademark as a concept consisting of the following elements: brand name, sign, style, slogan to a set of functional and emotional elements clearly perceived by buyers, unified with the product itself and the method his idea. This is precisely the fundamental difference between a brand and a trademark, which has "a designation capable of distinguishing, respectively, the goods and services of some legal entities and individuals from homogeneous goods and services of other legal entities or individuals." The process of brand development is continuous, even after the brand begins to independently "work" on the market and bring income to the enterprise. The formed brand is characterized by: "brand development index" and "brand loyalty index" in the target audience of buyers. These are subjective, measurable concepts, the results of which are the value assessment of the brand (brand value).

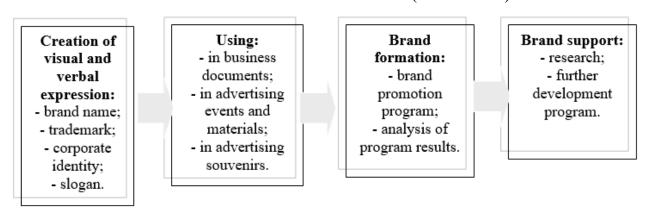


Figure 15. Brand development process, [164, p. 223]

Creating a brand is a necessary, financially costly (expensive), creative and complex business that requires deep professional knowledge, experience and qualifications. Creating a brand must be approached in stages and flexibly. After solving simple tasks, you need to move on to more complex tasks. When forming

brands of Ukrainian products in foreign markets, enterprises can follow the sequence shown in Figure 16.

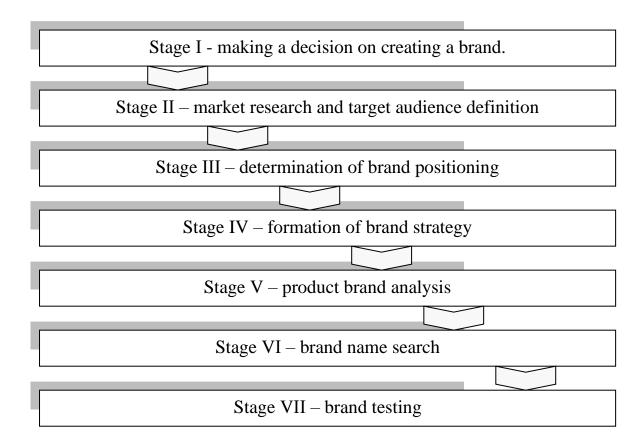


Figure 16. The process of formation of the Ukrainian brand in foreign markets

Let's consider the process of brand formation in more detail. Stage I - making a decision on creating a brand. Ukrainian enterprises must make a decision about creating a brand on the foreign market. From the moment such a decision is made, all further work on the formation of the Ukrainian brand on the foreign market begins.

Stage II – market research and definition of the target segment. Such research should include studying the behavior of consumers (existing and potential) in the foreign market and the market situation as a whole. When studying foreign consumers, it is necessary to investigate the process of making a decision to purchase products and to study all external and internal factors that affect this process. To do this, it is necessary to collect and analyze the following information: socio-demographic data about foreign consumers, their culture, traditions, habits, personal values and lifestyle, their activities, personal characteristics, emotions, motives, desires, needs, aspirations, resources, knowledge, tastes and requirements of foreign consumers, levels of interest

in various types of products, expectations and benefits from the product, methods of consumption, etc. The results of such a study will enable Ukrainian exporting producers to answer the question: "For whom is the brand created?", that is, to determine the target segments in the foreign market and subsequently to form the brand.

The research of the market situation should include the collection and analysis of information about competitors in the foreign market, the study of existing product brands, well-known brands, the determination of consumer loyalty, affection and attitude towards various brands of domestic, Ukrainian and foreign manufacturers, the identification of the reasons for the consumption of products of well-known brands, associations, which evoke existing brands among consumers in the foreign market. The results of such a study will help Ukrainian enterprises to learn about the positioning of various brands on the foreign market and correctly position their brand.

Stage III — brand positioning. This stage involves finding a "place" for the Ukrainian brand in the foreign market and in the minds of consumers (target audience). Positioning determines the nature of brand perception by consumers of the target segment. Brand position is the place that the brand will occupy in the minds of buyers in relation to products (brands) of competitors. Brand positioning is the strategic level of the brand, the general direction of formation and development of the Ukrainian brand on the foreign market. It is necessary to find answers to the following questions: for what purpose is the brand needed, why is the brand created, what place in the consumer's mind should the brand occupy, what benefit will the consumer receive from the brand, from which competing brands on the foreign market should the brand protect the Ukrainian manufacturer, etc. At the same time, it is also important to identify strengths and weaknesses, opportunities and threats from competitors in this industry. To position the brand, it is necessary to determine:

• the position that the Ukrainian enterprise currently occupies in the foreign market. In other words, the attitude of foreign consumers towards the Ukrainian brand;

- the position that the company wants to take. At the same time, it is necessary to set realistic goals, focus on the target audience and a free niche in the minds of foreign consumers;
- which competitor (or which brand) the Ukrainian enterprise wants to surpass. It is more expedient to start competition not with market leaders, but with less powerful brands and their manufacturers. At the same time, it is necessary to determine the advantages of Ukrainian products and their differences from the products of the main competitors;
  - resources needed to promote the Ukrainian brand;
- it is necessary to make sure that the Ukrainian exporting enterprise will be able to maintain the existing or chosen position on the foreign market for a long time. Having developed a strategy, you need to constantly follow it, gradually improve it, and constantly develop new measures to maintain contact with consumers in the target foreign market.

Stage IV – formation of brand strategy. Ukrainian exporting companies need to develop a strategic program for creating brand values. There are three main components of a brand: brand essence, brand promise and personality. Brand essence is an "eternal" quality that a brand should possess. Brand promise is the most important component and part of brand development. Each brand must promise consumers special advantages and benefits, which must be functional or emotional in nature. The benefits must be very important to the target customers and different from the benefits of competitors. The third component of the brand is its individuality, which should be bright, based on consumer expectations and consumer perception of the brand. We note that strong brands have personality attributes: bright individuality, character; strong brands are reliable, attractive, unique, relevant; strong brands inspire trust in consumers and mean something important to consumers; strong brands always stand out in the market, consumers always know about brands.

Stage V – trademark analysis. A trademark is associated with a product and conveys information to the consumer about this product, its consumer properties and characteristics. A trademark gives an opportunity to introduce new products to the

market, influences intermediaries, exporters, wholesalers and retailers. It is necessary to analyze the perception of the Ukrainian trademark on the foreign market (if the product is already sold on the foreign market) and determine its properties: attractiveness, ease of recognition among the trademarks of competing products, communicativeness in the field of positioning.

Stage VI – search for a brand name. The name of the brand is important because it can be associated with the country of the product manufacturer, with the name of the manufacturer, exporter or intermediary structures. The name of the brand should be easily remembered by the foreign consumer. The brand name should make a positive first impression on the foreign consumer.

Searching and defining a brand name for Ukrainian products requires justification, semantic, phonetic and legal analysis of the name. The brand of Ukrainian products must be created for the foreign market, in this regard, a linguistic analysis is also necessary regarding the negative associations of the brand name in a foreign language and regarding the culture of a foreign country. The name of the Ukrainian brand in the foreign market should evoke positive associations and emotions in foreign consumers, be sonorous, pleasant to the ears, easy to pronounce and remember, express the meaning and quality of the main characteristics and consumer properties of the products.

Stage VII – brand testing. Before bringing the Ukrainian brand to the foreign market, it is necessary to evaluate the attitude of consumers to various variants of the brand name, image, design, packaging, etc. In this regard, testing is carried out, the level of effectiveness of brand communications, the perception of its properties and characteristics by the target audience is checked, brand associations and emotions that it evokes in the target audience, the advantages of the Ukrainian brand compared to competitors' brands are determined. Such testing is not mandatory, but it is necessary: you need to make sure that the brand is not similar to a brand already on the market; there will be no conflict situation with other manufacturing enterprises; the brand evokes associations that have been established and planned; the brand possesses the necessary values, expresses the necessary content and conveys the necessary

characteristics to the consumer; the brand name does not mislead consumers and there will be no need to change the brand name.

The popularity of the Ukrainian brand on the foreign market cannot be created only with the help of a complex of international marketing communications. The main resources of the brand are the trust of consumers, the values and advantages of the brand that should be important to foreign consumers, the positive associations and emotions that the brand should evoke in foreign consumers. A strong Ukrainian brand on the foreign market will allow Ukrainian enterprises to receive additional income, protect them in competition and in the process of working with partners, identify enterprises and their products among competitors' products, facilitate the entry of Ukrainian manufacturers into the market or new market segments with new products, provide opportunities for the development of various categories of products, will provide an emotional connection with the foreign consumer and facilitate the process of choosing a product on the market by a foreign consumer.

To form a strong Ukrainian brand on the foreign market, the following conditions must be met:

- availability of high-quality products: it is precisely such products that foreign consumers need and therefore will be in significant demand among foreign consumers. High-quality products will bring high profits to Ukrainian enterprises;
- the emotional and informational component of the Ukrainian brand: without it, the existence of a full-fledged trademark of Ukrainian products and the creation of a brand on the foreign market is not possible, even if the trademark is or is very well-known;
- appropriate price: the price is closely related to the value of the brand itself, therefore the price of Ukrainian products should be neither high nor low, it should correspond to the brand. In other words, the price should be rational and appropriate to the quality of the product;
- effective sales policy: realization and sale of products is an important component of every enterprise's activity. Ukrainian enterprises can establish their own

distribution system on the foreign market so that the final foreign consumer is always satisfied;

product promotion: this is the most powerful resource of branding, because the personality of the brand, its recognition refers to the process of product promotion and therefore depends significantly on it.

A successful brand is an identifiable product reinforced in such a way that the consumer experiences special, unique added values that best meet his needs. The prerequisite for a brand's success is its ability to maintain these added values in a fierce competition.

Ukrainian enterprises should keep in mind that creating a brand is a long-term investment. During the first years, the formation of a brand requires large investments in production, advertising activities, development in general, however, in the long run, a properly created brand turns into a "legend", brings popularity to the enterprise and significant profits, provides new opportunities for further development. The brand is created gradually: customer loyalty and commitment to the brand is formed, the level of recognition of the product among competitors' products increases, the brand image is strengthened, and the brand image is finally established. Along with this, the "life" of the brand lasts as long as the product remains competitive. When the product begins to lose its competitiveness, and the brand "gets old", it is necessary to create and launch new brands (sub-brands) on the market.

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11. Study of PR activities of Ukrainian companies on the internet

In the fields of human activity, public relations (PR) have acquired significant

importance. Each industry personally determines the importance of this method for

itself. To a greater or lesser extent, it is used almost everywhere: in politics, business,

charity, etc. There are many concepts of Public Relations, the most common of which

are:

PR is a communicative activity aimed at the formation and maintenance of

harmonious and friendly relations between the institution and the public, taking into

account purposeful, operative, truthful and sufficient information.

PR is a special science and art of managing social information under conditions of

non-price competition [166]:

• created to set policy and support open two-way communication between services

and the public;

• in the form of positive information and explanatory materials, active actions and

assessments of relevant public reactions;

• based exclusively on truth, knowledge and transparency;

• to achieve understanding, agreement, social partnership and by creating favorable

conditions.

Public relations is the management of the entire set of communicative processes

with the achievement of understanding and support.

Public relations - a system of communication with the public, involves multiple

activities to improve relations between the organization (firm) and the public, between

those who initiate business contact with it both internally and externally.

Public relations is a system of information-analytical and procedural-technological

actions that involve the creation and dissemination of messages aimed at harmonizing

relationships within a project, and even between project participants and its external

environment in order to ensure the success of this project.

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It is very important to clearly distinguish between PR and propaganda. Goebbels wrote about propaganda that it is "an instrument of politics, a means of social control. Persuasion is not part of the task of propaganda, its function is to attract supporters and keep them in submission. The task of propaganda, given the right channels, depends on reaching out to all kinds of human activity, in order to change people's habitat and make them adopt the relevant opinion.

The goal of PR is to achieve agreement; the purpose of propaganda is to create a movement. PR strives to achieve an honest dialogue, propaganda strives for everything. PR methods understand complete openness; propaganda necessarily hides facts. PR seeks understanding; propaganda - to attract supporters."

There are similarities and differences between PR and propaganda (Table 1)

Table 1. Similarities and differences between PR and propaganda [166]

	PR	Propaganda
Goal	Reaching an agreement	Creating a movement of supporters
Task	Ensuring equal dialogue	Ensuring one's own priority in the
		dialogue
Methods	There is information openness	Concealment of facts and
		disinformation are assumed if
		necessary
Aspiration	Understanding	Increase in the number of supporters

The term "public relations" includes:

- righthar everything that can improve mutual understanding between the organization and those with whom this organization contacts both internally and externally.
  - recommendations on creating a "public person" of the organization.
- reasures designed to identify and eliminate rumors or other sources of misunderstanding.
- reasures created to expand the sphere of influence of the organization by means of appropriate propaganda, advertising, exhibitions, videos and film screenings.
  - > any actions created to improve contacts between people or organizations.

According to Ukrainian authors, the structure of PR is generally divided into internal relations of the speaker and external communications:

- 1) Internal relations:
- ✓ image of the leader.
- ✓ image of the organization/team, including business style.
- ✓ creation of corporate culture.
- ✓ team: creativity, work, everyday life a system of interactions.
- ✓ personnel issues.
- ✓ improvement of management and technologies.
- ✓ conflict prevention.
- ✓ history of life and traditions.
- 2) External communications:
- ✓ maintaining constant contacts with partners.
- ✓ communication with mass media.
- ✓ connection with society and government institutions.
- ✓ international relations.
- ✓ advertising.
- ✓ preparation for crisis situations and elimination of crises.

In general, Public Relations performs three main functions.

- 1) Control of the opinion and behavioral skills of the community in order to satisfy the needs and interests, first of all, of the organization on whose behalf the PR actions are conducted. This function is often criticized because the organization views the public as its victim. Such a situation resembles in many ways the manipulation of people's consciousness and behavior.
- 2) Responsiveness to the public, that is, the organization takes into account the events, problems, or behavior of others and responds to them accordingly. In other words, the organization seeks to please the community, considering those on whom its fate depends, as masters.
- 3) Achieving mutually beneficial relationships between all public groups associated with the organization by promoting close interaction with it (including employees, customers, suppliers, production personnel, etc.). It is this function that is the foundation of the trade-off model and is considered the most useful, since the target

groups of the public are considered here as partners of the organization with which it interacts.

In a broad sense, PR is part of the communication practice of a political entity, firm (organization), designed to contribute to the achievement of their strategic goal. This activity should be continuous, planned, focus not only on existing, but also on future partners, use socio-psychological methods of influence.

There are major differences between advertising and PR in the agricultural sector. Advertising is a tactical promotion tool designed to solve specific operational promotion tasks during the life cycle of a product to the consumer market. Advertising affects society and the consumer audience from the outside.

"Public relations" (PR) is a strategic tool of promotion, used in the field of agar business to form and maintain harmony between the concept of the company and its goods or services with positioning on the consumer market in particular and in society as a whole. It acts on society and the consumer audience from the inside, relying on public opinion in general and on the positioning of the company and its goods (services) by the consumer audience in particular. A public relations specialist acts as an adviser-leader and helps to translate the organization's own goals and intentions into a policy language that is understandable and acceptable to the public. From these definitions, it means that advertising is a tool of external influence, and PR is a tool of internal influence on the consumer audience.

Therefore, PR is a special technology and methods aimed at providing a positive or negative attitude to a phenomenon, company or personality in the environment of people, business, politics, art. An important feature of properly organized PR is that this work is aimed not so much at immediate results, but at achieving long-term benefits.

PR advertising is constantly developing, new types and directions of PR activity appear. The following types of PR can be considered the main ones (Fig. 1):

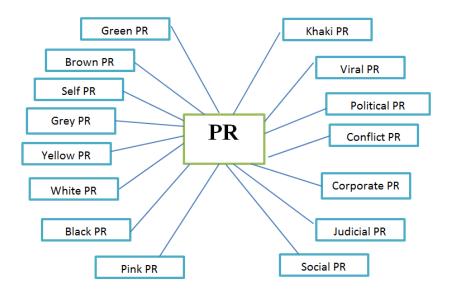


Figure. 1 Main types of PR advertising

- white PR by Sam Black the art of understanding, informational openness, provision of indisputable information reasons;
- black PR use of "black technologies" (deceit, falsification) to denigrate, destroy a competing company, group, etc., spread offensive or economically dangerous statements on its behalf, etc.;
- pink PR based on the technology of myths and legends, designed to satisfy people's need to hide under a "cover of illusions";
  - yellow PR use of scandals, sensationalism, outrage and other yellow journalism;
- gray PR advertising (positive or negative) that hides its sources and does not contain direct lies aimed at the recipient's subconscious;
  - self-promotion "promoting" oneself, often anonymously;
  - brown PR something akin to neo-fascist and fascist propaganda;
- Khaki PR information influence on the enemy during military operations, current propaganda work with military personnel, mass media and the population;
- green PR socially responsible PR based on corporate responsibility in the field of environmental protection;
- viral PR the term "viral" in this context means autonomous distribution. Based on the needs of people to share interesting information with their circle of friends and acquaintances;

- political PR is a specialized activity of political subjects aimed at effective management of their public communication and increasing political competitiveness by attracting public support;
- social PR is an activity aimed at the formation, support and development of the necessary relations, the formation of positive models of behavior;
- conflict PR work in the field of conflict of interests: competition, conflicts over property, confrontation between business and politics;
- judicial PR management of communication processes (informational interaction) throughout the entire legal dispute, conflict, with the aim of influencing the outcome or securing the reputation of the client and his business from being negatively affected;
- corporate PR one of the key areas of modern management, corporate communications, is responsible for the company's external relations, as a rule, includes relations with the mass media (Media Relations), interaction with public organizations, the population of the territory, the Internet community.

In order to create and maintain a positive public opinion about himself, a PR specialist working in the agricultural sector provides the following materials to the press:

- backgrounder information of a current, effective nature;
- press-release is a message containing important news or useful information for a wide audience;
- media-kit (media set/set/package). The press kit contains several types of materials, press release, background, biography, photo;
  - the feature is an article whose purpose is not so much to inform as to entertain;
- the case history is often used to tell about the favorable use of the company's service by the consumer;
- a fact sheet is a short document that compactly reflects the profile of an organization, an official, or an event.

There are a large number of public relations tools, the choice and use of which depends on the specific goals of the organization. To influence public opinion, they use

activities and events of a very different nature: fairs, charity evenings, sales, sports events, concerts, exhibitions, presentations, conventions, scandals and rumors.

Broadcasting and public speaking are an effective means of influencing public opinion. The conditions that determine the effectiveness of PR messages are: orientation to the social and psychological characteristics of the receiving audience, clarity, simplicity, brevity and persuasiveness of the text.

Compiling texts for mass media requires compliance with special requirements:

- 1. Influence the number of people who will be affected by the message is taken into account.
- 2. Proximity this criterion indicates that connection with local issues or events tends to increase news value.
- 3. Timeliness a PR specialist should compose messages in such a way that they deserve to be news.
- 4. Popularity or unpopularity many people are interested in famous personalities. Journalists and their readers or listeners are interested in the personal lives of politicians, businessmen, cultural and sports figures.
- 5. A novelty is unusual, extravagant, something that goes against the norms, amazing.
- 6. Conflict strikes, disputes, wars, crimes conflict situations often reveal hidden problems.

In working with mass media, such types of text messages as press release, background, author's article, review article and others are used.

Photographs and audiovisual PR tools are used in advertising, to illustrate reports, brochures, staff training, and in archives. Yes, video films allow you to show objects located at a geographical distance. With the help of a video posted on the company's website, you can conduct a virtual tour.

One of the most important components of communication with the public is a speech in front of an audience. The main advantages of presenting material through public speaking are the following:

- 1. This is a persuasive form of communication, as it represents direct contact with the audience.
  - 2. Public speaking helps to "personalize" the organization.
  - 3. Provide an opportunity for dialogic communication with the public.
  - 4. Demonstrate the openness of the organization.
  - 5. Increase the prestige of the speaker and his organization.

Public speeches before the media are most often organized in the form of briefings and press conferences.

Unfortunately, most Ukrainian firms implement the principles of publicity only under the pressure of external factors, such as growing competition or the search for investors. PR functions are often reduced to maintaining a certain level of awareness about the firm or disseminating information in the event of a business problem or crisis. Due to the low level of qualification of PR managers, there is a lack of connection between the company's business strategy and what it informs the market about. According to the survey, 81% of business owners, 89% of financial directors and only 49% of general directors believe in the prospects of publicity. Moreover, in Ukraine, the level of information openness is traditionally low, even in those areas of business whose success on the market is directly related to information openness [171-174]. In the table 2 shows the models of building a company's PR.

Table 2. Models of building a PR company [171]

Model	Characteristic
Craft model	A series of impulsive one-time actions, during which the audience is considered as an object of manipulation, various means of pressure are used, mainly with the involvement of the mass media. Objective characteristics of both the business and the product are ignored.
Seller model	There is an awareness of the need for systematic work with the mass media, but the latter is reduced to sending out press releases, and PR is interpreted mainly as feeding journalists "close to the body"

#### Continuation of table 2

Symmetric model	A balance of interests of the company and its audience is			
	created, PR is considered as a function of top management,			
	the appropriate structural subdivision is organized,			
	systematic work is carried out to promote the image and			
	reputation of the company and its first persons, a PR			
	strategy for behavior in crisis conditions is developed.			

One of the most difficult questions facing marketers is how to determine the effectiveness of marketing communications. Depending on the target orientations, organizations of marketing communications distinguish between economic efficiency - expanding the area of market presence and increasing the volume of sales, and communicative efficiency - the psychological impact of individual means of communication on human consciousness.

The problem of evaluating PR is relevant today, but it is necessary to distinguish the following concepts as "performance measurement" and "performance evaluation". The author believes that the object of performance measurement is the determination of short-term results of PR activity, and the evaluation of long-term results.

Measuring the effectiveness of PR technologies shows whether they were able to achieve communication goals, but they are not able to measure the value of these PR relationships for an organization or society. It is possible, for example, that a public relations program may be based on poor strategic understanding and change the perceptions, attitudes or behavior of public groups that will have little impact on the organization. It is also true that if PR specialists are strategic consultants of the company's management, then it is also necessary to measure the effect of the result on the management of the company, as well as on society. Modern evaluation methods also consider only the short-term results of PR activities and do not concern long-term mechanisms of relations between the organization and the public.

Many global trends (limited resources, constant pressure on marketing budgets, increased control over the use of funds) are relevant for Ukraine. But the problem is that increased control is not always accompanied by the awareness of the need for

research costs, which make up 2-10% of the total cost of the project.

Evaluation of PR activity can take place using various methods of evaluation of messages and behavior of respondents, which are used to study the components of the program of integrated marketing communications. One such method involves considering the public relations element relative to the company's public relations objectives. Often the goal of a specific campaign is to increase awareness of a company or product name. The evaluation includes the development of an awareness index before the start of the campaign. Then, after the public relations event, awareness is measured a second time to determine if awareness has increased. For example, this type of information is valuable in the film industry: when celebrities make personal appearances and visits to talk about screenings in order to reinforce the informational message, awareness should be raised.

In other situations, the goal of a public relations campaign is to build a positive impression of a company as a result of a bad news release or other negative event. Again, image should be measured before and after the public relations campaign. The goal is to see if the image has changed and, if so, to what extent. This approach is complex and time-consuming. It may take time for the public relations campaign itself to have its full impact. However, many firms are interested in knowing how their public relations work.

Ukrainian enterprises began to develop communication activities on the Internet, as evidenced by the data of the All-Ukrainian Advertising Coalition report on the volume of the Ukrainian advertising market, which shows the structure of Ukrainian companies' spending on various types of advertising channels (Table 3).

Table 3 The structure of the advertising market by media channels\*

	2020	2021	2022	Changes 2021 to 2020, %	Changes 2022 to 2021, %
TV commercials, everything	12 175	13 642	2 604	12	- 81
Direct advertising	10 593	11 854	2 370	12	-80

Continuation of table 3

			1		T
Sponsorship	1 582	1 788	234	13	-87
Advertising in the press, that's all	1 466	1 599	342	9.05	-79
National press	866	960	221	10.8	-77
including Sponsorship	215	243	56	13	-77
Regional press	243	268	51	10.25	-81
Specialized press	357	371	70	4	-81
OOH Media, everything	866	4 098	1 756	19	-57
Outdoor advertising	2 433	3 092	1 363	18	-56
Transport advertising	351	397	90	23	-77
DOOH	291	518	273	21	-47
Indoor advertising	85	90	30	30	-67
Radio advertising, that's all	20	855	333	27	-61
National	6 980	605	240	13	-60
Regional	24 517	80	33	78	-59
Sponsorship	85	170	60	6	-65
Advertising in cinemas	20	26	2	30	-92
Digital (Internet) Media advertising	6 980	12 833	7 190	55	-42
Total advertising media market	24 517	33 053	12 227	26.7	-63

<sup>\*</sup>Systematized by the author based on [167]

Advertisers have proven themselves in the effectiveness of outdoor advertising (Out Of Home Media), despite quarantine measures, during which the number of vehicles on the roads even increases compared to the same period without quarantine. What was reflected in the increase in the volume of placement of advertisers, which according to the results of 2021 amounted to 27%.

The following categories grew most actively: computer equipment,

communication, medicine, food products, and trade. Rapid growth continued in the Digital component of the outdoor advertising market - both inventory in all regional centers of Ukraine, and customers who began to regularly use these media in their advertising campaigns - especially from the categories of real estate, entertainment, motor vehicles. The Digital outdoor advertising market grew by 78% in 2021 compared to 2020. In 2022, the inventory situation in Ukrainian cities will remain stable, and the most noticeable thing will be the continued development of Digital inventory. The UN Media market volume forecast for 2022 is 4 billion 769 million hryvnias, which means a growth of 16% in 2022, while the volume of Digital OOH will grow to 712 million hryvnias, or 37% compared to 2021.

Advertising in cinemas, of course, does not play an important role in the advertising media split, but nevertheless appears as a separate position in all global analytical and statistical data of advertising markets. 2021 showed growth of a "planned" 30%, and a modest forecast for 2022 looks like 35% growth, although many market operators are much more positive about their advertising prospects.

The online market will continue to show robust growth of at least 34% in 2022, and actual growth between 2020 and 2021 is expected to be 48%, due both to the continued dominance of global players and low entry thresholds, the development of Programmatic, and, in part, the post-Covid adaptive revival of the industry and relocation of budgets from traditional offline media. Growth in 2022 will be driven primarily by video and search advertising, where the main drivers of growth today and will be next year are global players (Google, Facebook and likely to strengthen the position of TikTok). The share of audio advertising was 0.3% of the volume of Internet media. Experts also draw attention to the fact that the August update of data from VRK took place before the results of the market assessment for the first half of 2021 from the IAB, so the updated data of the results of 2021, based on the actual results of the first half, the forecast for 2022 is also built in accordance with the updated data. The expected growth of the influencer marketing market will be at least 40% in 2022, and the experts of the SMM committee at the IAB plan to add an estimate of volumes in the social network marketing category to the next forecast, and the Performance

committee will test the methodology for evaluating the SEO services market. Note that there is still no generally accepted methodology for evaluating the search market on the market, and therefore, when evaluating this segment, the growth factors and turnover dynamics of the pool of agencies participating in the market evaluation from the IAB come in handy.

In 2021, we have growth in all categories of marketing services, a total increase of 12%. The pent-up demand, which has been building up despite quarantine restrictions and lockdowns, has come into play and has grown rapidly this year. The biggest growth in Event marketing and sponsorship by 25%. Companies held hybrid and online events, and the summer season saw major events and festivals. Trade and consumer projects increased by 10% and 15%, respectively. Such programs continue to help maximize the attention of consumers on social networks and at points of sale.

Hopefully, the positive trend will continue in 2023, due to the growth in consumer demand, which is observed all over the world. The market has already adapted to the new reality, so MAMI experts predict an increase in volumes by category, and overall growth of the marketing services market by 12%.

Table 4

Development of the market of marketing services\*

		Results of			
	Results of	2021,	Results of	Changes	Changes
	2020, million	million	2022, million	2021 to	2022 to
Marketing services	hryvnias	hryvnias	hryvnias	2020, %	2021, %
Total market size	5 299	5 959	6 672	12	12
Including:					
Trade marketing,					
Trade promotion	2 161	2 377	2 614	10	10
Loyalty marketing					
(Mailing, DB					
management,					
Contact-Center)	1 066	1 119	1 175	5	5
Consumer marketing	1 270	1 460	1 679	15	15
Consumer marketing	1 2/0	1 400	1079	13	13
Event Marketing and					
Sponsorship	802	1 003	1 204	20	20

<sup>\*</sup>Systematized by the author based on [ 167]

This confirms that the Internet is an effective communication channel, as investment in Internet communication activities is increasing worldwide. Thus, in most countries the costs of communication by means of television are lower than in Ukraine, but the costs of communication on the Internet are higher.

Communication activity on the Internet is quite promising for advertisers, both in view of the growth of the number of Internet users and changes in their purchasing behavior, and from the point of view of minimizing costs.

Since the Internet is the main source of information for potential consumers of tablet computers on the basis of which the consumer makes a purchase decision, accordingly, effective communication activities of enterprises on the Internet can be the key to success in the tablet computer market.

However, most companies, especially domestic ones, use the Internet similarly to traditional communication channels, that is, using the same model of information delivery as in conventional mass media, placing information about the company, products and brands with the help of websites, banner and video advertisements on the Internet. At a time when enterprises should interact with consumers online, involve them in the process of communication activities. Not taking into account the specified features, researchers in the field of Internet marketing transfer a complex of marketing communications from traditional mass media to the Internet network, without endowing them with new functions. Thus, scientists note that the company's website is one of the main elements of the Internet marketing system and requires significant attention from the company's marketing department.

Marketers-practitioners of domestic companies adhere to a similar opinion. According to the survey, 62% of enterprises use Internet capabilities such as maintaining their own website, half place information about the enterprise in directories, and a third use online advertising (Figure 2).

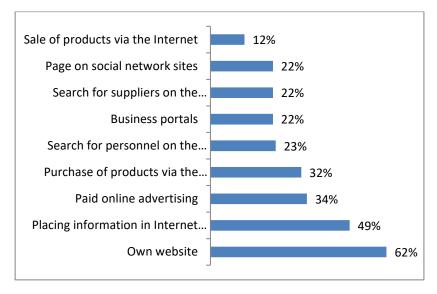


Figure 2. Use of the Internet by domestic enterprises [175-177]

However, certain actions in marketing communications reflect the functions of presenting information similarly to traditional mass media, while the specific features of communications on the Internet, described above, require the involvement of users in the communication process.

This is related to the specifics of the behavior of consumers in the network, which consists in the fact that the Internet becomes not only a source of information, but an environment for consumers, in which social connections, economic relations and other functions of the life of potential users are formed.

That is, the main function of the Internet for users is transformed from information search to an environment of social interaction. This is facilitated by the features of the Internet media space, namely its interactivity, constant presence and activity of participants in this environment. Enterprises should understand that the formation of public opinion, including the image of enterprises, images of brands and goods, on the Internet takes place in the process of interaction of the participants of the environment, and if the company is not engaged in communication activities, the formation of these images occurs under the influence of external factors. It is for this reason that consumers should be involved in the company's communication activities.

In addition, another reason for the importance of involving consumers in the process of communication activities is that subjects operate on the Internet

continuously, in real time, accordingly, changes in the information environment occur constantly and it is quite difficult for enterprises to independently manage the information flow regarding its products and brands. In this case, the use of modern marketing technologies, such as crowd technologies, provides an opportunity to influence and shape the desired information space by involving consumers in the communication process.

Social media are becoming an effective platform for interacting with consumers. Based on the data of foreign studies on the use of social media in the marketing communication activities of companies, it can be observed that the percentage of those who use social media to implement effective communications on the Internet increases every year. Moreover, it is social networks that are growing at the highest rates

Western companies understand that social networks have significant potential in terms of communication activities on the Internet. They also give social networks the function of consumer awareness of a product or brand and as a supplement to the main advertising campaign. Thus, company managers themselves noted that one of the main advantages that social networks provide to an enterprise is the strengthening of the influence of a marketing campaign (85%), promotion in social networks leads to an increase in traffic and conveying to the consumer the main benefits of the product (Fig.3).

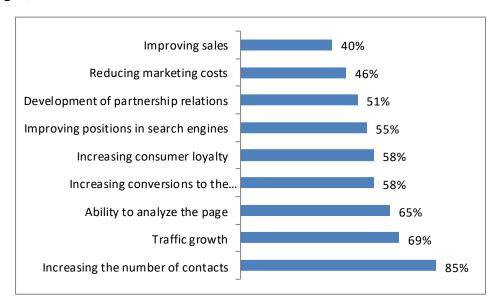


Figure 3. The main benefits of PR activities in social networks [175-177]

However, half are already considering social opportunities from the point of view of developing partnerships, including with consumers. It is interesting that 92% of marketers of foreign enterprises consider social media as a rather important component of business development.

For comparison, let's consider the results of a survey of Ukrainian company managers, how exactly they consider the goals of using corporate pages in social networks.

A third of Ukrainian enterprises are considering the possibility of selling goods using social networks, and only 20% are considering the possibility of establishing communication with consumers on social networks. That is, the domestic market has not yet fully realized the potential of social networks in marketing communication activities on the Internet.

Therefore, it can be concluded that foreign enterprises consider social networks and the opportunities they open as quite promising components of the success of marketing activities as a whole. At the same time, domestic enterprises have not yet fully realized the feasibility of using social media and the latest Internet technologies in marketing communication activities and do not consider the opportunities they open up for business. Accordingly, the level of Internet use by both consumers and companies in Ukraine and Western Europe is significantly different (Table 5).

Table 5
Comparative table of the use of Internet technologies in the countries of Western
Europe, the USA and Ukraine \*

Comparative	Western Europe and the USA	Ukraine
characteristic		
Internet penetration	High. Covers all age and	Average. The young audience
rate	social groups.	and the urban population
		predominate.
Purposes of using	Searching for content, making	Searching for content, the trend
the Internet by	purchases in equal proportion	towards increased online
consumers		shopping
Internet access point	Personal computers,	Smartphones and desktop
	smartphones and tablets. Use	computers predominate
	several devices at the same	
	time	

#### Continuation of table 5

Level of penetration	High. Facebook, Twitter,	Average. Local networks		
of social networks	LinkdIn networks dominate	prevail		
Dynamics of the	Positive. It increases due to	Positive. Increases due to all		
Internet advertising	social networks	Internet marketing tools		
market				
Reasons for market	Understanding the needs of	The relative cheapness of the		
growth	consumers, changes in their	Internet compared to traditional		
	purchasing behavior	communication channels		
Activity of	High They use a significant	average They use the Internet		
companies on the	number of tools for working	mainly for internal company		
Internet	with consumers	communication, searching for		
		information, but do not		
		communicate with consumers		
Content in social	High quality content,	Mainly low-quality content due		
networks	dialogue with the consumer.	to unprofessional contractors.		
	Realized by professional	Work in social networks		
	contractors	independently		

<sup>\*</sup>Systematized by the author based on [167]

That is, most Ukrainian enterprises do not fully use the possibilities of the Internet in communication activities due to insufficient work experience, make significant mistakes when working with new tools, and due to a lack of financial resources, they are often unable to finance the work of qualified specialists and perform it independently.

However, even professional Internet marketing communications agencies do not realize the full potential of the communication capabilities of the Internet and social media. Managers of Ukrainian companies are convinced that it is enough to have a site on the network that will perform the necessary communication functions on the Internet.

It is possible to implement effective marketing communication activities on the Internet thanks to the use of crowd technologies. They are aimed at attracting the effect of social interaction of community members in the communication activities of enterprises. Thanks to crowd technologies, companies can involve users of online communities to spread the desired communication. The main purpose of using crowd technologies in working with communities is to create the desired context of the

message, in which further communication will be perceived by the consumer in accordance with the requirements of the enterprise.

Accordingly, communication activities are aimed at working with communities on the Internet and are based on the following principles:

- 1. Multi-vector and non-linearity of communication influence;
- 2. Information asymmetry;
- 3. Heterogeneity of the communication space;
- 4. Key principles of social psychology;
- 5. Application of modern crowd technologies;
- 6. Compliance with the principle of optimal management;
- 7. Taking into account the synergistic impact both on the part of the enterprise and on the part of community participants.

Thus, to increase the level of effectiveness of the communication process on the Internet, it is proposed to use a two-level model of communication influence, which makes it possible to involve participants of network communities in the communication process of the enterprise, by creating the desired context of communications, which strengthens the effect of the commercial marketing communication of the enterprise.

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12. Prerequisites for the formation of the land market in farms

12.1 Main directions of development of the farm land market

The Law of Ukraine "On Farming" reflects the legal framework of the farm in terms of land use. However, the right to sell or otherwise alienate a land plot, lease it, pledge it, or inherit it cannot be fully realized without the opening of the land market. The draft law 2178-10, which introduces the land market, contains a number of provisions that are also relevant for farmers, in particular: from July 1, 2021, the moratorium on the sale of agricultural land is lifted; from July 1, 2021 to January 1, 2024, there will be a restriction on the purchase of land - no more than 100 hectares per person, and from 2024 the restriction will be up to 10 thousand hectares per person; until January 1, 2024, only individuals will have the right to purchase land. It is important to note that the tenant's preemptive right to purchase and the minimum price is not less than the normative monetary value by 2030 [186, 187].

Farms that own land plots provided to them for farming are obliged by law to ensure the use of land plots for their intended purpose; comply with the requirements of environmental protection legislation; not to violate the rights of owners of adjacent land plots and land users; prevent the reduction of soil fertility and preserve other useful properties of land and a number of obligations to provide information, comply with sanitary and environmental requirements, and rules of good neighborl

In Ukraine, small farms own 35845 land plots of up to 500 hectares with a total area of 488 thousand hectares, lease 21213 plots of 374 thousand hectares, use 1129 plots of 28 thousand hectares, and 582 plots of 4 thousand hectares under emphyteusis agreements [189].

In 2018, farms used 11.3% of agricultural land (23.5% of agricultural enterprises). According to statistical data, in 2020, 26.7 thousand farms were engaged in business activities in the country, their number decreased by 5264, or 13.7%, between 2000 and

2020. At the same time, the area of land use more than doubled - from 2157.6 to 4877.8 thousand hectares. Significant changes also occurred in 2018-2020 (Table 1).

Table 1.

# The distribution of farms that carried out agricultural activities, by the size of agricultural land as of November 1

	2018				2020					
The size of the but	Number of farms		Area of agricultural land		Averag e area	Number of farms		Area of agricultural land		Average area
lands	Id.	%	thousand hectares	%	FH, ha	Id.	%	thousand hectares	%	FH, ha
Farms that had agricultural land	3044 1	91,8	4707,2	100,0	154,6	26691	83,8	4817,8	100	180,5
including area, ha										
up to 3.0 hectares	1342	4,0	2,8	0,1	2,1	816	2,5	1,8	0,0	2,0
3,1-5,0	1430	4,3	6,1	0,1	4,3	985	3,1	4,2	0,1	4,3
5,1-10,0	2301	6,9	18,1	0,4	7,9	1729	5,4	13,6	0,3	7,9
10,1-20,0	3498	10,6	54,4	1,2	15,6	2797	8,8	43,7	0,9	15,6
20,1-50,0	10432	31,5	394,8	8,3	37,8	8795	27,6	332,4	6,9	37,8
50,1-100,0	4160	12,6	298,4	6,3	71,7	3947	12,4	282,5	5,9	72,3
Up to 100 hectares in total	23163	69,8	774,6	16,5	33,4	19069	59.8	678,2	14,1	35,6
100,1-500,0	5111	15,4	1193,3	25,4	233,5	5369	16,9	1258,3	26,1	234,4
500,1-1000,0	1216	3,7	855,6	18,2	703,6	1262	4,0	897,7	18,6	782,6
1000,1-2000,0	670	2,0	925,1	19,7	1380,7	690	2,2	951,3	19,8	1378,7
2000,1-3000,0	167	0,5	406,9	8,6	2436,5	171	0,5	411,1	8,5	2404,1
3000,1-4000,0	49	0,1	165,7	3,5	3381,6	65	0,2	219,2	4,6	3372,3
more than 4000.0	65	0,2	386,0	8,2	5938,5	65	0,2	402,0	8,3	6184,6
More than 100 hectares in total	7278	22,0	3932,6	83,5	540,3	7622	24,0	4139,6	85,9	5431,1
Farms with no agricultural land	2723	8,2	X	х	X	5160	16,2	х	Х	X
Total number of farms	33164	100,0	4707,2	100,0	141,9	31851	100,0	4817,8	100,0	151,3

Based on this, it can be concluded that the opening of the land market will lead to significant structural changes in the forms of ownership and land use of farms.

In 2018, the area of agricultural land per farm was 141.9 hectares, which is 2.5 times more than in 2000. Thus, Ukraine is experiencing a constant consolidation of farms and an increase in land use.

The total number of farms decreased by 973 units (2.9%) compared to 2017. In our opinion, the reduction in the number of farms is due to their bankruptcy, mergers with more successful business entities, and the acquisition of their land resources and

assets by large agricultural companies. Over the year, the number of farms that did not have land decreased from 3368 (9.9% of the total) to 2227 (8.2%).

The land masses of most farms remain less than 100 hectares - 23163 farms, or 69.8% of their total number, used 774.6 thousand hectares of land resources (only 16.5%), with an average of 33.4 hectares of agricultural land per farm. Although the situation improved somewhat in 2020, such small farms have limited opportunities to implement modern technologies, scientifically sound crop rotations, new technical solutions, and investment projects. They can achieve efficiency in closed ground farming, perennial crops, vegetable growing, and livestock farming.

It is important to note that for small and medium-sized farms, the main task is to:

- find their "niche" in agriculture, where the private property factor is significant and size is not crucial - labor-intensive types of production (small livestock products such as lamb, goat milk, honey), fruits and berries, vegetables, pig meat and all types of environmentally friendly products, green tourism, etc.

In contrast, large farms, whose land use exceeded 1000 hectares, account for 991 entities in total (3.1% of the total), with an average farm area of 1980.8 hectares. They own 1983.7 thousand hectares, which is 41.2% of the total area of farmland. Thus, over the period of development of farming, farms of different sizes have been formed, which are significantly polarized - from 1 hectare to several thousand hectares of land.

Farmers prefer crop production, while livestock production remains unattractive due to the unprofitability of most products. The share of crop production in the structure of gross output in 2018-2021 is about 94%, while livestock production is only 6%. The main value indicators of land use efficiency are gross output per 100 hectares of agricultural land. A comparative analysis of the efficiency of land use by farms and agricultural enterprises in general shows that farmers use land less efficiently (Table 2).

Table 2 shows that farms used land resources 1,1 to 1,3 times worse than agricultural enterprises during the analyzed period. Thus, while enterprises produced UAH 2324.2 thousand of gross output per 100 hectares of agricultural land in 2021, farms produced UAH 1873.5 thousand, or 24.1% less, during the same period.

Table 2.

## Gross agricultural production per 100 hectares of agricultural land, UAH thousand

	Years							2021 to
Indicators.	2000	2005	2010	2015	2016	2017	2021	2000,%
Enterprises	170,3	309,6	451,0	642,0	699,5	704,1	2324,2	1634,8
FA	144,8	223,4	278,9	435,3	498,0	474,7	1873.5	1293,9
Households	1490,0	773,1	642,4	677,7	697,3	504,2	1558,0	104,6

Table 3 summarizes the main directions for improving the efficiency of land use in farms.

Stimulating the development of farming is an extremely important task that will have an effect in many dimensions and will allow us to better prepare for the opening of the land market in the future.

The main reasons for the low efficiency of farms include the lack of a coherent and consistent state policy aimed at supporting farms that have land plots with a total area of no more than 100 hectares under cultivation, ownership and use; low opportunities to attract financial resources and investments for the operation and development of farms; and the inability to attract land resources for mortgage lending.

Table 3

Directions for improving the efficiency of land use in farms

Directions for improving the efficiency of land use in farms						
The main factors	Content of the events					
	- taking into account regional production conditions in the farming culture;					
Natural and	- introduction of adaptive crop cultivation technologies;					
climatic	- the use of biological potential natural fertility					
	of agricultural land					
	- rationalization of technological methods of soil cultivation;					
	- Implementation of a scientifically based crop rotation system;					
	- use of new crops, development of vegetable growing, horticulture, and viticulture,					
Technology. which provide a higher output per hectare of land;						
	- development of animal husbandry and production of higher value-added products;					
	- high-yielding varieties and hybrids;					
	- increasing the level of mechanization of production processes, optimizing the					
	timing of technological operations;					
	- an effective system of plant and animal protection;					
	- implementation of resource-saving technologies;					
	- Intensification of production, increase in yields and more products per hectare					

#### Continuation of table 3

	- optimization and combination of the system of agricultural machinery and equipment in accordance with the size of agricultural land and specialization;					
Material and	-Availability of production facilities for production ,					
technical	auxiliary and service processes;					
	- supplying production with fertilizers, seeds, plant protection products, fuel and					
	lubricants in crop production;					
	- optimization of processes supply feed supply processes,					
	veterinary and energy resources in livestock production					
	- improving the specialization and structure of production and market orientation of					
	farms;					
Organizational	- flexibility and adaptability of farmers to the price situation and market needs;					
and economic	- increasing the size of agricultural land by leasing and buying land;					
	- Improving the organizational and managerial skills of farmers through advanced					
	training and advisory services;					
	- material and moral incentives for employees;					
	- cooperation of farms in the production, transportation, storage, sale and processing					
	of products					
	- Self-employment and improved living standards for farm family members;					
Social.	- Increasing employment and incomes in rural areas;					
	- developing a sense of ownership and responsibility for family, employees, and					
	business results;					
	- participation in solving social problems in the village, including the use of					
	community land resources;					
	- continuous improvement of the professional level, qualifications and competence					
	of the farmer					
	- optimization of the structure of agricultural land;					
Environmental	- biologization of production, production of environmentally friendly products;					
	- land protection from pollution, optimal					
	application of fertilizers and pesticide application;					
	- soil protection technologies					

Stimulating the development of farming is an extremely important task that will have an effect in many dimensions and will allow us to better prepare for the opening of the land market in the future.

The Government has adopted a resolution defining the areas of state support for the agricultural sector in 2020 under the program 1201150 "Financial Support for Agricultural Producers".

It provides UAH 4.2 billion for the following five areas (Fig. 1).

The problem is that today the issue of supporting farmers in the land market has no legal basis. The mechanism of providing loans to farmers on preferential terms for the purchase of agricultural land is being actively discussed. Demand for loans will depend on the size of the loan rate and the terms of its provision.

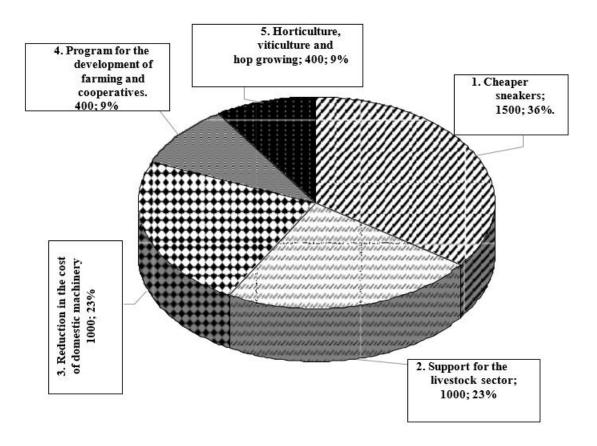


Figure 1. Areas of state support for the agro-industrial complex in 2020 under the program 1201150 "Financial support for agricultural producers", UAH million

The main problem of a small farmer who cultivates up to 500 hectares of land is the lack of credit history and collateral, so banks actually refuse to work with them. On the other hand, farmers will be at a competitive disadvantage. The cost of loans will be at 5-6 percent, while large agricultural holdings can get them from EU banks with a zero interest rate.

The implementation of the developed set of organizational, economic, technical, technological, social, natural and environmental measures will contribute to the growth of efficiency and efficiency of farms (Fig. 2).

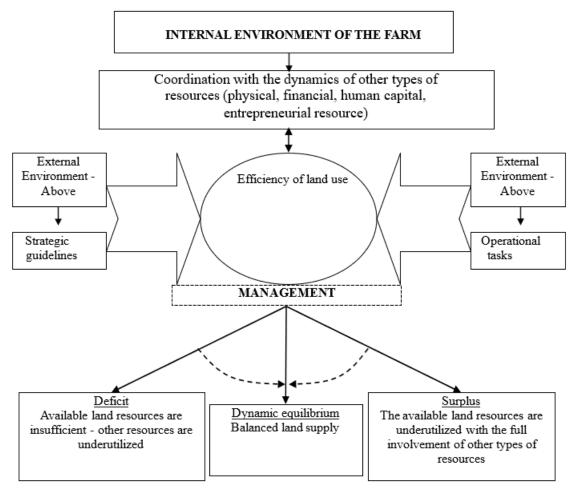


Figure 2. Model of land management of a farm

The role of state support and legal regulation in the formation of the land market is growing, as farms do not have sufficient funds, collateral and experience to compete with large enterprises in the context of privatization processes.

Prospects for further research on marketing support for the development of the land market will be related to identifying the level of technical support and capitalization in farms and its impact on the efficiency of land use.

#### 12.2 Marketing support for the functioning of farms

Market transformations in Ukraine's economy have led to the formation of a multi-faceted system of state ownership in the agricultural sector, where farms have developed alongside state-owned, private, leased enterprises, business associations, and production cooperatives. The functioning of such enterprises in market conditions objectively requires strategic orientation and prospects for adaptation to current

changes in both the internal and external competitive environment, gaining advantages in the production of high-quality, affordable goods, and therefore, studying, operational analysis and application of marketing support.

Theoretical research and practice of agricultural enterprises confirm the extreme importance of marketing support. Agricultural enterprises have already begun to apply elements of marketing planning in their activities, and gradually these elements have acquired the features of systematic, comprehensive and reasonable. Marketing is the basis for a better organization of production, strengthening the competitiveness of the business entity in the market, and forming its image in the socio-economic environment.

The transformations that took place during the agrarian reform have led to the need to expand the range of research on marketing activities in the agro-industrial complex. The scientific literature highlights the theoretical aspects of marketing activities, and the concepts of "marketing", "marketing activity", and "market" are considered in detail.

Despite the achievements of agricultural scientists, there is still no clear understanding of the mechanism by which agricultural producers can survive in an environment where the state is gradually withdrawing from such functions as procurement and marketing of agricultural products. In this case, the most effective way would be for commodity producers themselves to create tools that would facilitate the organization of marketing activities at the enterprise, which would significantly increase the efficiency of production. That is why the relevance of the research topic is undeniable.

Today, agricultural production and Ukraine's agro-industrial complex as a whole are in the center of public attention, as the processes observed in this sector cause great concern among the Ukrainian population and exacerbate social tensions.

The modern agricultural sector faces complex production relations and difficulties in the system of land ownership relations in the process of agricultural production, distribution, exchange and use.

Ukraine's economic development is taking place in a depressed state in most sectors of the national economy, including agriculture. Increased competition, deepening structural imbalances in production and demand, and the constant need of market players to find solutions aimed at reducing risks make it necessary to develop and implement effective strategies for the development of the agricultural sector and the formation of its production and commercial potential.

In the system of market economic relations, agriculture is gradually adapting to the business environment due to a number of specific features of the industry, including agrobiological factors, low elasticity of demand, seasonality of production, which requires the search for effective tools for flexible adaptation of the enterprise's capabilities to market requirements. It is the introduction of the marketing approach into the practical activities of agricultural producers that will ensure more rapid adaptation of enterprises to the market environment and ensure their competitiveness and sustainable development.

Foreign experience and domestic practice show that marketing is an important component of agricultural enterprises' activities in their market orientation, which provides wider opportunities for their development. However, the introduction and application of the marketing concept among Ukrainian producers is very slow. Therefore, the issue of developing marketing activities in the current economic environment is extremely relevant, and with Ukraine's accession to the WTO, it is one of the top priorities.

The refusal to combine the mechanisms of state regulation of the market with its self-regulating action in the absence of civilized market relations in Ukraine has led to a significant imbalance in the agricultural market. The problem is that the formation and functioning of market institutions in the country is not supported by an adequate regulatory framework. With Ukraine's accession to the WTO, the development of the agricultural sector of the economy should follow an innovative path, with increased state support for the functioning of the agro-industrial complex and the social sphere of rural areas through "green box" measures, improvement of legislation and the regulatory framework for the development of the agricultural sector, which stem from

WTO requirements and EU directives. The lack of modern agricultural market infrastructure is considered by domestic and foreign experts to be one of the main reasons for the low efficiency of Ukrainian agricultural production.

In the agricultural sector of the economy, the basis of modern small and mediumsized businesses is made up of farms, whose operating practices indicate that they do not require large expenditures and ensure high capital turnover and guarantee profit if possible within the acceptable risk.

They should be viewed not as an alternative to large-scale production, but as an objectively necessary complement to it, which will allow for a fuller disclosure and utilization of the potential of agriculture. From this point of view, the functioning of farms creates preconditions for increasing the efficiency of the agrarian economy, expanding the search for rational forms and methods of using natural and economic resources of agricultural production.

The need for the existence and further effective development of farms is related to the fact that they ensure the replenishment of the volume and range of agricultural products; rational use of material and labor resources; saving of investments in agriculture; growth of efficiency and productivity of land use; reduction of losses of agricultural products; replenishment of the local budget, etc. A farm is defined as a complex form of territorial organization of agro-industrial production, a specific type of rural settlement that organically and compactly combines land and a farmstead with industrial, commercial and residential buildings, machinery and equipment. Its purpose in the first 10-15 years of its formation was to provide food for the family, develop local food markets, and form a middle class in rural areas. In a narrow sense, a farm is a production unit (enterprise) of a rural type, the purpose of which is to make a profit and perform social functions.

The development of farming in Ukraine faces the following challenges:

- lack of necessary equity capital;
- lack of material and technical base due to weak financial support and insufficient credit support;

- imbalance in the parity of prices for industrial and agricultural products, crop and livestock products;
- the imperfect taxation system encourages farmers to barter and conceal part of their production;
  - the psychology of peasants towards private farming is not sufficiently formed;
  - low level of organization of farmers' cooperatives and associations;
- imperfect legal protection of farmers (peasants) from the bureaucratic apparatus of the state and collective agricultural enterprises.

In the methodology of studying farms, the assessment of their economic efficiency is of particular importance, where the main criterion is profitability (as added value per unit of resources - 1 hectare, 1 employee, 1 UAH of production costs). In general, the economic efficiency of production is determined by the ratio of the results obtained to the costs of inputs and labor. In relatively small farms, the priority factor of their productivity, efficiency and sustainability is always the factor of high motivation of the owners to run the farm efficiently.

Speaking about the efficiency of production in farms, it should be noted that it is somewhat different from the efficiency of production of agricultural enterprises and other organizational forms. Since farms are based on the labor of their owners, the criteria for efficiency are primarily the total amount of sales revenue and gross income, while for other organizational forms and agricultural enterprises the criteria are profitability and profit. To assess the level of efficiency of a farm, the result obtained by it is compared with the costs or resources used. The profitability of a farm is determined by the level of profitability, which shows the amount of profit per 1 UAH of production costs.

The specificity of agriculture determines a set of factors for achieving high efficiency, among which land is of particular importance as the main means of production, and in livestock production - productive livestock. Therefore, the assessment of the useful effect in agricultural production, and for the farmer - profitability, always refers to and correlates with the land area or productive livestock. The economic efficiency of agricultural production means obtaining the maximum

amount of output from 1 hectare of land, from one head of livestock, with the least labor and money spent on the production of a unit of output. Production efficiency also reflects the quality of products and their ability to meet certain consumer needs, which requires additional costs of live and embodied labor. Increasing economic efficiency ensures the growth of farm incomes and is the basis for expanding and improving production. In this sense, economic efficiency fully applies to farms that operate to maximize their economic results and minimize costs to achieve a certain result: reducing the cost of sales, increasing the number of farms that operate profitably. In a market economy, a commodity producer, such as a farmer, works to make a profit. If production does not provide an average rate of return that is prevailing in the relevant industry or market, it loses its meaning.

Farming in Ukraine, as in other countries, is heterogeneous in terms of land area, number of employees, and volume of products sold.

Marketing as a theoretical concept allows agro-industrial entities to better adapt to the conditions of a market economy, because marketing activity is inherently a clear organizational form of modern commodity production with appropriate content and is of great importance for improving agro-industrial production. We believe that this activity will help to unite the efforts of agricultural producers, processing industry and trade enterprises not only at the stage of product sales, but also at the stage of determining the nature and scale of its production, ways to use the production capacities of enterprises profitably, and determining mutually beneficial conditions for product promotion, taking into account the maximum satisfaction of the needs of end consumers.

Marketing related to agricultural products is much more complex than other types of marketing. This complexity is due to the variety of methods and ways of its implementation. The use of a variety of such methods is explained by the large number and variety of products produced, their targeting and importance for the end consumer.

Marketing as a tool of market activity ensures the optimal speed of promotion of agricultural products, which correlates the most favorable rates of their sale and turnover with minimal costs for stock storage, as well as the ability to fully satisfy

consumer demand. Thus, marketing acts as an accelerator of the processes taking place in the production-exchange-consumption system.

Almost any activity in the field of marketing involves searching for and analyzing information about the market, products, consumers, intermediaries, suppliers and competitors. The profession of a marketer requires that you constantly monitor new trends in your own and adjacent markets, as well as dynamic processes in this area of activity.

In agricultural enterprises, mainly large ones, marketing departments are beginning to be created, which work by inertia on an intuitive basis. Farmers' interest in marketing is also growing, as they realize that, compared to most commodities, agricultural products are characterized by increased bulkiness (grain, roughage, etc.) and a tendency to spoil quickly (meat, milk, vegetables, fruits). Large volumes of products affect the marketing functions related to physical manipulation. Bulky products take up a lot of space and require appropriate premises and conditions. Consequently, in relation to their value, they are much more expensive to transport and store.

In addition, the volume of farm output varies from year to year, determining the reaction of farmers to prices, government measures, and, in addition, the quantity and quality of products. Changes in output depending on these factors affect the agromarketing process. Under these conditions, the way out for a farmer is to sell his products quickly.

Due to rapid spoilage, urgent deliveries and certain storage conditions are required (temperature conditions for vegetables and fruits, cooling of milk, freezing of meat). All of this incurs additional costs, distracts from core production, and leads to higher product prices.

Changes in farmers' agricultural output, in turn, are of great importance for food marketing firms that specialize in the production of certain types of food products. For example, a sharp decline in the harvest of wheat will affect flour mills and bakeries, but will not affect processors of food raw materials (sugar beets, sunflower) or wineries. Changes in the supply of products from farms have a significant impact on

purchase prices, storage needs, and utilization of processing facilities owned by food marketing firms. The desire to reduce the risk and uncertainty caused by fluctuations in farm supply is leading to closer contractual ties between marketing agencies and farms, and more active market participation by farmers.

In recent years, the seasonality in the supply of fresh produce grown in Ukraine and abroad has been significantly reduced. This is due to the transportation function of food marketing. The expansion of export opportunities for intermediaries leads to a deepening of the specialization of rural enterprises. This specialization lengthens the food marketing chain and increases the importance of its transportation function.

Farms spend about 90% of their income on chemicals, seeds, labor, inputs, land, and other inputs in the course of their production activities. The successful development of agriculture leads to increased purchases of these goods outside the farms. This leads to an increase in the importance of the sector of the economy that supplies these inputs to agriculture. The increased dependence of agriculture on external inputs has made their economic well-being dependent on the non-agricultural sector of the economy.

In agriculture, there are many contradictions when the interests of one farmer diverge from those of a certain group of other farms. This applies primarily to the process of price formation. For example, prices for some products are quite high on the market, and this ensures high profits for the farm. It is logical for the farm to increase the output of these products. But if all farmers want to expand the production of this product, market prices and, consequently, profits per unit of this product will decrease.

On the other hand, the problem with agromarketing is the very small gap between the selling price and the cost of production, which is due to competition in agriculture.

Undoubtedly, the implementation of integrated marketing by an agricultural enterprise is a complex task. At the same time, it is necessary to use a systematic approach to marketing support for the functioning of agricultural enterprises, since the absence of at least one of the elements of the aggregate may lead to a loss of opportunities or failure to solve the tasks.

Ukraine's food market is filled with agricultural products mainly at the expense of domestic production, but in recent years there has been a trend toward increased imports of food products, which, due to low purchase prices, is detrimental to domestic producers.

At the current stage, the farm's management adheres to the production and sales philosophy of business, but in accordance with market requirements, it is necessary to move to a marketing business philosophy (Table 6.1).

A characteristic feature of agricultural sales in a market environment is the small capacity of the primary agricultural market, i.e., the supply of products by producers directly to processing companies. The formal creation of a large number of infrastructure formations did not affect the profitability of agricultural producers' sales.

The various departments and services that ensure the company's products enter the market have an impact on it; they are not stratified, but are concentrated under the head of a manager who is responsible for market operations, coordination and integration of sales, information and research, advertising and sales promotion, and the company's product range planning and market activities.

Marketing is considered not as one of the elements of enterprise management, but as its main function, which determines the content of all production and economic activities of the enterprise.

It is proposed to improve the process of selling products and increase profits by creating their own network of marketing cooperatives and marketing groups in agribusiness. This applies to enterprises that are not able to maintain a marketing service.

By increasing the volume of products sold, manufacturers can strengthen their market positions. In many markets, it is profitable to sell large quantities of products. But more importantly, a marketing group can reduce the distance between the market and the individual producer. In some cases, the marketing group guarantees its members the security of investing in the processing of agricultural products, which allows them to increase the price of the final product.

At the first stage, the development and use of marketing tools implies a transition from tactical to strategic steps, i.e., the expansion and deepening of the analytical function of marketing at the enterprise. The intensification of sales activities does not guarantee full adaptation to the impact of environmental factors and does not ensure favorable market positioning.

The majority of producers sell their products directly within the district in which the farm is located (about 70% of farms). Slightly more than a quarter of the production is exported to other districts (26%) and only 5% is sold in other regions. Farms that are better equipped with their own vehicles have wider markets.

Farmers tend to believe that there is no acute problem in expanding markets for agricultural products. However, the absence of large batches of marketable products for sale to other regions of the country is one of the reasons for this attitude. At the same time, we dare say that in many cases, farmers do not yet fully realize all the benefits of expanding markets and sales channels. This could result in less dependence on a limited number of buyers and the possibility of obtaining a more favorable price.

Farms should establish connections with consumers by using "direct marketing" activities. This requires thorough market research and consumer behavior prior to the start of agricultural production. Unfortunately, most farm owners in Ukraine produce their products and then look for a market, which is too risky. As a result, it has become commonplace for the Ukrainian agricultural market to experience a "wave-like" supply of agricultural products over the years, resulting in overproduction of one type of product, which causes a drop in the price of that product, and underproduction of another type, which leads to unsatisfied demand and unreasonable increases in the selling price.

The design of distribution channels is based on various factors that take into account customer and organizational strategic characteristics, as well as the state of the external environment. An important element of the system is the integration of distribution channel strategies with marketing tools: advertising, pricing, and sales strategies.

An important aspect of ensuring competitiveness is the development of marketing, since the farmer's activity begins long before the production of products and continues after their sale. The main areas of marketing use are continuous study of the state of consumer demand satisfaction; flexible response of production to information; change in the mechanism of interaction between production and trading operations, the role of wholesale fairs, auctions; knowledge of market conditions and active use of information in the process of forming a production program.

Experience in implementing marketing in agricultural

The use of marketing in enterprises, especially in farms, is small, but there are already a number of enterprises, including farms, that have already begun to implement the concept of marketing based on the following principles:

- focusing on long-term goals in close cooperation with the overall strategy of the farm;
- adaptation of the agricultural enterprise to the impact of the environment through a system of continuous monitoring of the environment;
  - accounting in the company's activities and agromarketing control.

Thus, improving the efficiency of farms requires improving the process of selling products and increasing profits by joining a network of marketing cooperatives and marketing groups in agribusiness. They are created to reduce sales costs, achieve economies of scale, and strengthen their positions in trade operations.

Farms should establish links with consumers by using "direct marketing" activities. This requires careful market research and consumer behavior prior to the start of agricultural production.

The system of marketing support for the activities of agricultural enterprises should include: organizational structures of marketing management, information support for the process of making and justifying management decisions, formation of a system of agromarketing research, strategic and tactical planning.

Conclusions. The management of land resources of a farm cannot be considered in isolation from other components of the farm.

These components include elements of the external environment that adjust the direction of land use and influence the ability to achieve the desired results. The internal environment of the farm is formed in the interaction of various production and financial factors.

The complexity of management lies in the fact that not only the production but also all subsystems of the farm's functioning, especially the logistics one, are subject to a radical revision. However, it is through the implementation of these measures that land management (elimination of the stripes, separation of remote fields outside the main array), optimization of land use and achievement of maximum management efficiency are possible.

Despite the insufficient level of material and technical support, Ukrainian farms have demonstrated a relatively stable improvement in production performance in recent years. At the same time, farms have certain inherent features that should be taken into account when managing the land resources of this category of agricultural formations. In the case of changes in land use parameters, attention should be paid not only to the production but also to all subsystems of the farm's functioning. At present, there are obstacles not only of an economic but also of a legislative nature that significantly complicate the process of land management.

Therefore, improving land use indicators in Ukrainian farms should combine measures to justify the rational size of land areas, as well as effective management of property rights to agricultural land plots.

Farms grow institutionally if new resources, including land, are attracted, staff qualifications are improved, etc. Institutionalization, on the one hand, stimulates the entrepreneurial activity of farms, their economic growth on the basis of structural and innovative reproduction of production potential, the establishment and functioning of farming as a socio-economic system, and on the other hand, it helps to overcome contradictions between the economy and agricultural producers.

In Table 4, the institutional environment for the development of farms is assessed using SWOT analysis in terms of institutions and institutions that have a direct impact on farm performance.

The results of the SWOT analysis suggest that the gaps in the institutional environment for farm development can only be filled through a radical transformation of land ownership as part of a change in agrarian relations in general.

of farm development

Table 4
SWOT matrix for assessing the institutional environment

	Strengths	Weaknesses
	Mental attachment of farmers to land cultivation, which ensures continuity of agricultural production	Poor investment attractiveness (interest) in farming activities
Internal environment	The liquidity of the elements of production potential assets (including land) secured by private land ownership	Institutional traps caused by the lack of The current state regulation of farming activities
ternal en	Rapid diversification of farming activities and rationalization of production no potential of farms	Low level of social responsibility of farmers for the impact on social and environmental not environment
Int	Readiness to generate innovative changes in the reproduction of the production potential of farms	Uncompetitiveness of small batches of agricultural products
	Opportunities	Threats
ent	Enhancing the development of farming as a strategic of the agricultural sector	Growth of the financial crisis
External environment	The interest of civil society organizations in the process of reproduction of productive capacity al of farms	Inefficient financing of state programs for the development and support of farmers' farms
	Focus of agricultural policy on global integration processes, which promotes exports farm products	Focusing market infrastructure on large agricultural producers productions
Environmental protection through greening production		High level of transaction costs in agribusiness and the conservative way of thinking of representatives of certain institutions

This, in turn, will create real, rather than formal, producers with ownership of the means of production and the products they produce.

Thus, the institutional environment for the development of farms has been assessed using SWOT analysis in terms of institutions and institutions that have a direct impact on the performance of farming.

Conclusion. The institution of farming is the social, economic, and demographic basis for the development of Ukrainian rural areas. The problems of farming as an institution still exist outside the theory and methodology of research on the

development of farms in Ukraine. Therefore, the institutional environment should ensure the formation of new rules of the game for the development of market relations in which farms are participants. The system of interaction between institutions, one of which is farming, should be open and able to adapt to changing environmental conditions and market conditions.

The main obstacle to the formation of an institutional model for the development of farms is the so-called merger of political and economic institutions, which has led to the emergence of transformational rents and the predominance of large agricultural business. If enterprises of different organizational and legal forms in agriculture operate in unequal socio-economic or legal conditions, this leads to the subordination of the economic interest of one entity to another. In such a situation, farms, as structures that have less production potential in physical terms than large agricultural enterprises, lose their desire to achieve significant economic results, which leads to a delay in the process of farming development.

The instruments of the institutional component of the development of family commodity production in rural areas should include: regulation of the reproduction process by all levels of government, market (opportunistic) regulation, infrastructural support, self-development and self-regulation of the reproduction process of production potential by farms, and promotion of the reproduction of production potential by public organizations.

For reference: In Ukraine, as in most highly developed countries, the agricultural sector is dominated by the family form of management. This is evidenced by the fact that almost 75% of farms in our country are based on the work of one family, about 25% are based on two or three families, and only a small number are based on more than three families.

Features of work: Compared to individual farms, farms have much larger plots of land; a high level of labor mechanization; adhere to production technology requirements; apply innovations and modern technologies; have established links with banks, insurance companies, and other business entities; have better information support; and have a higher level of employee qualifications and education.

Farming is a very risky business, and much of it depends not on humans, but on the weather, the market, and his majesty, chance. However, a well-organized farm can be very profitable.

Requirements for individual traits. A farmer must possess such traits as high efficiency, physical strength and endurance, and the ability to work even in adverse weather conditions (for example, in an open field in bad weather). Of course, he or she needs knowledge and skills related to the specifics of the agricultural products he or she is engaged in.

Professional training requirements. A true farmer cannot do without knowledge of crop production, dendrology, beekeeping, poultry, and livestock, depending on the direction of the farm. Experience with agricultural machinery is also required. Regardless of the level of the farm, special knowledge of the basics of agricultural technology, animal husbandry, veterinary medicine, sanitation; methods of processing agricultural products; safety rules for working with agricultural machinery and equipment, peculiarities of working with pesticides, fertilizers, herbicides used in agriculture, etc. is required.

Nature of work. The work of a farmer is classified as medium-duty physical labor. Both women and men of all ages can work as farmers. The farmer organizes and performs a wide range of labor operations, as he or she has to operate machine and tractor units, perform repair, locksmithing, welding, construction work, engage in breeding, harvesting, processing, preserving livestock, harvesting fodder, fighting crop pests, and providing veterinary care to animals.

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