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DEVELOPMENT OF MARKETING AT AGRICULTURAL AND PROCESSING ENTERPRISES

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FOREWORD

Ukraine's agricultural sector has effectively integrated into the global food system and plays an important role in improving the socio-economic situation and ensuring the food security of the country and global food markets.

Ukraine has enormous potential for the development of agriculture. Agriculture is a sector of Ukraine's national economy that is strategically important, ensures Ukraine's food independence, and, no less importantly, provides jobs for a significant share of the rural population. Agriculture accounts for more than 50% of the population's consumption fund and is one of the leading sectors of the economy in the commodity structure of exports, ranking second, and has also maintained a positive foreign trade balance for many years. Ukraine has the largest area of agricultural land in Europe, with approximately 41 million hectares of land, of which 32.5 million hectares are used for growing agricultural crops. Fertile soils and a temperate climate give Ukrainian producers strong competitive advantages. Currently, Ukraine is a global leader in the export market for sunflower oil and grains. In recent years, the country has produced around 40-50 million tonnes of grain per year and has restored its status as the largest supplier of grain to global markets. Attention should also be paid to the development of farms, as there are a number of problems in this area: lagging behind current trends in the introduction of innovative agricultural technologies (new technologies and technical equipment are inaccessible to most farmers due to their high cost); lack of start-up capital on the basis of which efficient production could be established. This problem can be addressed by providing farmers with preferential loans at reduced interest rates. At the same time, it is necessary to provide guarantees for the sale of agricultural products at favourable prices and to create conditions under which farms will be able to modernise their technical base. The main strategic directions for the development of agriculture in Ukraine should be: improvement of the regulatory and legislative framework that would ensure the stable development of agriculture; production of organic, safe, and environmentally friendly agricultural products; establishment of market prices for products that would ensure the

profitability of their production for the majority of producers; implementation of the achievements of scientific and technological progress and innovations; involvement of young people in agriculture; provision of decent remuneration for labour in agriculture; and others.

Domestic agricultural production is capable of almost fully meeting consumers' food needs. In 2021, according to the State Statistics Service, most food products sold by retail trade enterprises were produced in Ukraine, including: more than 92 percent of meat and meat products, bakery products and flour confectionery products; more than 85 percent of edible oils and fats, and non-alcoholic beverages; more than 73 percent of sugar confectionery products and tobacco products; and more than 67 percent of processed fruits and vegetables and alcoholic beverages.

Ukraine is one of the key guarantors of food security globally, accounting for 27.8 percent of global sunflower oil production in the 2022/23 marketing year, 4 percent of barley production, 2.7 percent of wheat production, 2 percent of maize production, and 0.8 percent of sugar production, as well as 40.3 percent of global sunflower oil exports, 15 percent of maize exports, 8.4 percent of barley exports, 7.9 percent of wheat exports, and 1.1 percent of sugar exports. Given that, according to the UN, around 9 percent of the world's population is undernourished, Ukraine's contribution was quite significant.

The production and export of raw commodities (grain and oilseed crops and vegetable oil) should not be reduced, as they are highly competitive products and important sources of foreign currency earnings. At the same time, some producers need support to expand their product range through intensive processing and to increase the diversity of high value-added products. Globally, the market for grain processing products amounts to billions of US dollars, and consumption of such products is continuously growing. In particular, the production and export of high value-added maize processing products (starch, glucose, fructose, lysine, glutamic acid, citric acid, etc.) is advisable. Particular attention should be paid to the production of high value-added products that Ukraine imports in significant quantities.

On its path towards European integration, Ukraine has made progress in certain areas of agricultural production, processing and food production, control over product safety and quality (food products, animal by-products, organic products), implementation of sanitary and phytosanitary measures, as well as in the implementation of financial and budgetary policy, primarily through the harmonisation of legislation, improvement of state support programmes, and introduction of the State Agrarian Register.

The development of organic production is one of the priority areas of the medium-term "green transformation" of agriculture. Organic production can play an important role in adapting to climate change and mitigating its consequences, as well as in preserving biodiversity.

In the EU "Farm to Fork" Strategy and the EU Biodiversity Strategy, the European Commission set a target that at least 25 percent of agricultural land should be under organic production. The target is planned to be achieved primarily by providing financial support to farmers who engage in organic production or plan to do so.

The research results presented in the monograph were 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 in the agricultural sector of Ukraine's economy,” state registration number 0125U002310.

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1. Marketing pricing as a tool of enhancing the competitiveness of wineries

1.1 The Essence and Role of Pricing in Enterprise Activities

In the conditions of a dynamic market environment and growing competition, pricing becomes one of the key marketing tools that directly influence the competitiveness of enterprises. The ability of a company to correctly set and flexibly adjust prices determines not only the volume of sales and profitability but also the long-term sustainability of its position in the market.

The relevance of studying marketing pricing is explained by globalization, changing consumer behavior, and the increasing role of value perception in customer decision-making. Today, price is not only a financial indicator but also a strategic instrument of positioning, brand image formation, and market expansion. The effectiveness of pricing policy directly affects a company’s ability to withstand competitive pressure and achieve stable development.

Today, the fact that the price of a product determines its success or failure does not need proof. However, this was not always the case. The importance of pricing has been underestimated for many years. Studies conducted in the 1950s showed that most firms either mechanically set prices based on costs or followed the pricing of competitors. Only a few practitioners who conducted research in 1964 recognized the importance of pricing in the company's activities. Until the mid-1970s, pricing was mainly reduced to calculating costs and adding to them a calculated profit margin. This cost-based pricing method takes into account consumer demand in the second place. If consumers did not buy the product at the set price, the company reduced it to see if consumers were willing to buy the product at the new price.

Soon, the perceptions of business leaders about the importance of pricing changed, and as early as 1984, research showed that management considered pricing to be the most important problem facing the company. Instead of the cost method, a

more demand-oriented policy began to be used, in which companies set prices to achieve certain goals.

The value of the price increased even more in the 1990s. This was due, firstly, to the deep economic recessions in the early 80s and in the 90s (reduction in consumer purchasing power and, as a result, increased consumer price sensitivity). Consumers began to buy unbranded goods or private labels, and it was therefore, price became an important tool for manufacturers seeking to achieve competitive advantage. The second reason for the increasing importance of price was foreign competition (the availability of cheaper foreign goods). The third factor in the increasing importance of price was the fragmentation of many markets into segments that required different price levels. Companies that offered a single brand to the mass market lost out compared to firms that offered expensive and cheap products to various market segments. Finally, the role of price has increased due to the deregulation of the economy by the state. The privatization of many state-owned sectors of the economy has led to fierce price competition (in particular, airlines, telephone companies, banking).

That is why today, realizing the importance of pricing, leading companies in the world have paid attention to developing and improving their pricing policy in order to achieve their goals and increase profitability. In addition, views on cost accounting techniques have changed, many companies conduct market research to better understand consumer motivations, and study the activities of competitors.

The complexity of pricing lies in the fact that price is a conjunctural category. It is influenced by a complex of political, economic, psychological and social factors. Today the price may be determined based on costs, and tomorrow its level may depend mainly on the psychology and behavior of buyers.

The price should correspond to the quality of the product as determined by consumers. If the price is too high, consumers will understand that they are not getting value for their money. If the price is too low, consumers will question the quality of the product, as they will understand that in most cases a lower price means a lower level of quality.

How to find the optimal price? The answer to this question is provided by knowledge and understanding of the essence of pricing policy, the ability to manage it and use it for each type of product produced by the enterprise.

Marketing pricing policy is the art of price management and pricing, the art of setting prices for goods (services) and varying them depending on the position of the goods in the market so that the set goals are achieved.

Marketing pricing policy is implemented through marketing pricing strategies and is based on certain methods of marketing pricing, therefore it should be considered only in the context of the company's overall policy.

Being only one of the components of marketing tools, the price of the product performs an exceptionally important function, which is to obtain sales revenue. It is on prices that the achieved commercial results depend, and a correctly chosen pricing policy has a long-term and decisive impact on both competitiveness and the ability of goods, and on the production and sales activities of the enterprise. In addition, the price is a factor that is of great importance for consumers of goods. It contributes to the establishment of certain relationships between the enterprise and buyers and helps to create a certain image of it, which can affect its further development. And finally, the price is the most powerful weapon in the fight against competitors in the market [1].

The formation of the pricing policy of the enterprise is a key element of its marketing strategy, because it is the price that acts as an important indicator of the competitiveness of products in the market. It not only determines the level of income of the enterprise, but also shapes the perception of the product by consumers, affects its positioning and the overall image of the manufacturer. In modern conditions of globalization and high competition, pricing is a complex multifactorial process that depends on both the internal capabilities of the enterprise and the external conditions of its functioning.

Internal factors include those that directly depend on the activities of the enterprise and determine its price flexibility.

- Cost of production. The basis of any price is the cost of production and sales. Reducing costs allows you to form competitive prices without reducing profitability.
- Financial condition of the enterprise. If the enterprise has stable financial resources, it can apply an aggressive discount policy or invest in the creation of new products, thereby strengthening competitive advantages.
- Product quality and uniqueness. Products with a high level of quality or added value allow for premium prices to be set, targeting less elastic demand.
- Enterprise goals. The choice of pricing policy depends on whether the enterprise is focused on maximizing profits, conquering the market, or maintaining long-term positions.
- Assortment policy. A large assortment creates opportunities for price differentiation depending on consumer segments [2].

Table 1

Internal pricing factors

Factor	**The essence of influence**	**Consequences for the enterprise**
Cost	Costs of production and sales of products	Sets the minimum price limit
Financial condition	Availability of own resources and profitability	Ability to maneuver prices
Product quality	Level of compliance with consumer expectations	Allows you to set premium prices
Enterprise goals	Profit, market or survival orientation	Choosing a pricing strategy
Assortment	Width and depth of the product line	Using price differentiation

Source: created based on the source [2,3]

External factors are formed outside the enterprise, and the enterprise must take them into account in its strategy, but cannot directly control them.

- Supply and demand. High demand with limited supply creates opportunities for prices to rise, while a surplus of goods forces them to fall.

- Level of competition. The more competitors in the market, the greater the pressure on the company to optimize prices.
- Price elasticity of demand. If consumers are sensitive to price changes, the company should refrain from making significant price increases.
- Government regulation. Tax policy, customs duties, and antitrust restrictions can change a company's approach to pricing.
- Socio-economic factors. Inflation, income levels, and consumer solvency directly affect the effectiveness of pricing policy.
- Behavioral factors. Consumers often make decisions not only based on rational analysis of price, but also due to the influence of psychology, fashion, and the prestige of the product [3].

Table 2

External factors

Factor	**Characteristic**	**Example of influence**
Supply and demand	The relationship between available goods and the need for them	Increased demand → increased prices
Competition	Number and strategy of competitors	Dumping competitors forces them to lower prices
Elasticity of demand	Buyers' sensitivity to price changes	Price increase by 5% → sales decrease by 10%
Government regulation	Laws and taxes affecting the market	The introduction of excise duty increases the final price
Economic situation	Inflation, exchange rate, income level	Hryvnia devaluation raises import prices
Socio-psychological factors	Traditions, fashion, prestige	High demand for branded products

Source: created based on the source [3,4]

Pricing policy directly determines the level of competitiveness of products. If a company does not take into account changes in consumer incomes or the pricing behavior of competitors, it risks losing market positions. On the other hand, flexible pricing, focused on demand and market specifics, allows not only to retain customers, but also to expand their circle.

Table 3

Types of pricing policy

Type of pricing policy	**Characteristic**	**Consequences for competitiveness**
High prices (premium)	Focus on quality and image	Increasing prestige, decreasing market size
Low prices	Market penetration strategy	Growing market share but declining profitability
Flexible pricing	Using the system of discounts and promotions	Customer retention, increasing loyalty
Stable prices	Minimal fluctuations	Building trust, but risk of losing profits in inflation

Source: created based on the source [3,4]

Therefore, an effective pricing policy should be based on a comprehensive consideration of the internal capabilities of the enterprise and external market conditions. It is the combination of these factors that ensures not only financial stability, but also forms long-term competitive advantages in the market.

The formation of a pricing strategy is one of the key components of an enterprise's marketing policy. The choice of a pricing method depends on the nature of the market, the level of competition, the characteristics of the product and the goals of the enterprise. A competent assessment of the pricing strategy allows not only to determine the optimal price, but also to ensure sustainable competitive advantages in the market [4].

In the scientific literature, three main groups of pricing methods are distinguished:

1. Expense-oriented (cost-oriented).
2. Market (demand and competition-oriented).
3. Parametric and combined (taking into account a complex of factors).

1. Expenditure methods

These methods are based on calculating the cost price and adding a certain markup (margin). Their main advantage is simplicity, but the disadvantage is that they do not take into account demand and competitive conditions.

Table 4

Expenditure pricing methods

Method	Essence	Advantages	Disadvantages
Cost + profit method	A certain markup is added to the costs	Simplicity, predictability	Ignoring demand and competition
Break-even method	The price is set at a level that covers costs.	Ensuring minimum profitability	Does not take into account market dynamics
Target profit method	Target income level orientation	Clear planning of financial results	Dependence on forecast accuracy

Source: created based on [1]

2. Market methods

This approach focuses on consumer and competitor behavior. The main methods of pricing are demand-based and competitive.

Table 5

Market methods

Method	Essence	Application examples
Demand-driven method	Determining the price taking into account the elasticity of demand	Consumer goods
Value perception method	The price is formed based on the value that the buyer places on the product.	Branded goods, premium segment
Competition-oriented method	Setting prices relative to competitors (above, below, or at the same level)	Highly competitive markets

Source: created based on [1]

3. Parametric and combined methods

This group includes methods that simultaneously take into account costs, demand, and the competitive environment. They are more complex to use, but provide flexibility in pricing policy.

Table 6

Parametric and combined methods

Method	**Features**	**Advantages**
Parametric	Focuses on the ratio of price and quality parameters	Takes into account the consumer properties of the product
Economic value method	The price is determined based on the cost savings the consumer makes when using the product.	Creates strong competitive advantages
Mixed method	Combination of cost and market approaches	Flexibility and versatility

Source: created based on [1]

4. Methods for evaluating pricing strategies

After forming a strategy, it is important to evaluate its effectiveness. For this purpose, the following are used:

- Financial indicators: profitability level, marginal profit, achievement of target financial results.
- Marketing indicators: market share growth, increased consumer loyalty, elasticity of demand.
- Comprehensive assessment: a combination of financial and market criteria allows you to identify the real impact of pricing strategy on competitiveness.

Table 7

Methods for evaluating pricing strategies

Evaluation criterion	**Indicators**	**Business value**
Financial	Profit, marginal revenue, profitability	Allows you to assess the economic feasibility of the strategy
Marketing	Market share, sales volume, customer satisfaction	Reflects efficiency from a market perspective
Integral	Combination of financial and market indicators	Allows you to take into account the complex effect

Source: created based on [4]

So, in marketing practice, various pricing methods are used, which can be grouped into cost, market and combined. Each of them has its own advantages and disadvantages, so to achieve maximum effect, enterprises often combine approaches. An important stage is to assess the effectiveness of the selected pricing strategy using financial and marketing indicators, which allows for flexibility and adaptability in a competitive environment.

1.2 The Role of Marketing Pricing in Enhancing Enterprise Competitiveness

In the modern market economy, an enterprise's pricing policy ceases to be purely a technical calculation of cost recovery and turns into a key strategic tool for managing competitiveness. Long-term competitiveness of a business entity is determined by its ability not only to create customer value but also to capture it effectively through price, while maintaining target audience loyalty and sustainable profitability. Under changing conditions in the external environment, digitalization of markets, and transformation of consumer behavior, traditional approaches to pricing lose their effectiveness, yielding to holistic marketing concepts [5].

From a fundamental perspective, marketing pricing is a set of measures

regarding the formation of prices, price discounts, payment terms, and offer differentiation, developed taking into account demand, competitors' actions, and consumer-perceived product value to achieve strategic goals of the enterprise [6]. Unlike a purely accounting approach, marketing pricing does not focus on the producer's internal cost structure, but rather on the external market environment and the psychology of price perception by consumers [7].

A significant limitation of classical cost-plus pricing (Cost-Plus Pricing) is the emergence of a methodological vicious circle [7]. When using this method, the price is calculated by adding the desired profit margin to the average total cost per unit:

$$P = ATC + \text{Margin} = \frac{FC}{Q} + VC_{unit} + \text{Margin}$$

Since the volume of production and sales (Q) directly depends on the price level (P) through demand elasticity, determining the unit cost before setting the price is theoretically incorrect [8]. In a declining market, decreasing sales volumes lead to an increase in fixed costs per unit, which under the cost-plus approach forces the enterprise to raise the price, provoking a further drop in demand. Conversely, in a growing market, this approach leads to underpricing and loss of potential profit.

No less risky is orientation exclusively toward market share. The desire to increase physical sales volume by undercutting prices without considering value positioning leads to price wars, brand erosion, and destruction of industry profitability. Ensuring high competitiveness requires transitioning to marketing pricing based on the integration of value-based, market-oriented, and cost-based approaches [9].

Table 8

Key approaches to marketing pricing

Pricing Paradigm	**Primary Focus**	**Methodological Basis**	**Impact on Competitiveness**	**Key Strategic Risks**
Cost-Plus Pricing	Internal costs and profit benchmarks	Cost calculation + fixed margin	Passive; price does not reflect the market value of the product	Loss of market share during downturns; foregone profit during upturns
Share-Driven Pricing	Physical market share and competitors	Setting prices below competitors to capture market share	Aggressive but short-term; erodes brand pricing power	Triggering destructive price wars; reducing overall industry profitability
Value-Based Pricing	Customer-perceived value and willingness-to-pay	Assessment of economic and psychological value for the segment	Sustainable long-term; forms unique price positioning	High requirements for marketing analytics and value communication
AI-Powered Dynamic Pricing	Dynamic market conditions and Big Data algorithms	Automatic real-time price adjustment via ML algorithms	Maximum flexibility and rapid response to demand shifts	Risk of consumer rejection due to perceived price unfairness

Source: created based on [7, 9, 10]

An effective pricing policy is an element of strategic management that determines approaches to setting prices and discounts considering internal goals of the business entity and external environment constraints. It serves as a balancer of supply and demand and as the primary lever for monetizing the enterprise's competitive advantages [7].

Building sustainable competitive advantages based on marketing pricing involves the use of a value-based pricing approach (Value-Based Pricing). The foundation of this approach is the concept of the "value cascade" (Value Cascade) developed by T. Nagle and G. Müller, which involves the sequential implementation

of five interconnected levels of pricing management: value creation, value communication, price structure design, pricing policy formulation, and setting the price level itself [10].

The central element of value-based pricing is calculating the economic value to customer. It consists of reference value (the price of the best alternative available to the buyer) and differentiation value (the monetary equivalent of the unique features of the enterprise's product) [11]:

$$EVC = \text{Reference Value} + \text{Positive Differentiation Value} - \text{Negative Differentiation Valu}$$

Differentiation value can be economic (reduction of operating costs, increase in productivity) or psychological/emotional (brand prestige, risk reduction, aesthetic satisfaction). The strategic goal of marketing pricing is to determine the limit of willingness-to-pay and expand it through marketing communications [11].

In business practice, market positioning is implemented through a system of core pricing strategies. Price skimming (Price Skimming) involves setting an initially high price on a novel or highly differentiated product to attract the least price-sensitive market segments. It allows the company to quickly recover research and development costs and establish prestige positioning, requiring high entry barriers and patent protection. In contrast, penetration pricing consists of setting a relatively low initial price to rapidly gain a significant market share, achieve economies of scale, and create barriers for potential competitors. The effectiveness of this strategy critically depends on high price elasticity of demand and the company's ability to significantly reduce unit costs as output expands. In cases where price is not the main tool of competition, neutral pricing is applied, where the company aligns with general market prices or industry leaders, shifting competition to non-price factors: quality, service, innovation, and brand marketing [11].

Along with base strategies, enterprises employ specialized pricing tactics and offer adaptation mechanisms. Following the price leader tactic involves real-time

correlation of price lists with the moves of the dominant market player [6]. Linked pricing mechanisms consist of establishing relatively low prices for the core product while maintaining high margins on mandatory complementary supplies or services. A differentiated system of price discounts (functional, quantity, seasonal, dealer) serves as an effective tool for boosting sales and optimizing cash flows. Finally, psychological pricing tools, including odd-even pricing and framing effects, reduce subjective customer price sensitivity without actually lowering margins [10].

Applying behavioral economics tools makes it possible to influence subjective value perception, shifting the demand curve to the right without changing objective product specifications. This drives growth in the enterprise's pricing power as the ability to raise prices without losing market share [11].

Digitalization of economic processes, e-commerce expansion, and the proliferation of Big Data analytics technologies have caused a paradigmatic shift in marketing pricing. Traditional static price lists are being replaced by dynamic algorithmic models that allow real-time price adjustments based on changing market conditions [10].

Dynamic pricing in the digital economy functions as an automated adaptation process based on continuous monitoring of multiple factors: current demand levels, inventory stocks, competitor activity, time of day, customer geography, and behavioral profiles. Dynamic pricing is most widely adopted in hospitality, aviation, ridesharing, logistics, and e-commerce (such as Amazon, Media Markt, Bolt, Airbnb). Implementing these models optimizes enterprise revenues through maximum extraction of consumer surplus [5].

The modern spectrum of dynamic pricing models spans five key methodological directions. Demand-based dynamic pricing enables flexible price increases during spikes in buying interest and price cuts during downturns to maintain inventory turnover. Time-based dynamic pricing adjusts prices according to the hour, day of the week, or seasonality, smoothing operational peaks. Event-based dynamic pricing ties offers to external triggers such as holidays, sports events, or weather anomalies. Personalized dynamic pricing analyzes digital footprints to generate individualized

price offers. Finally, the most advanced approach is AI-powered dynamic pricing (AI-powered Dynamic Pricing), where self-learning machine learning algorithms identify complex multi-factor dependencies and proactively model demand price elasticity [11].

Table 9

Types of dynamic pricing strategies

Dynamic Pricing Strategy	**Data Inputs**	**Implementation Mechanism**	**Strategic Effect on Competitiveness**
Demand-based	Query frequency, conversion rate, stock levels	Algorithmic adjustment of price coefficient based on demand	Revenue maximization during peak demand; inventory optimization
Time-based	Time of day, day of week, seasonal schedule	Automatic discounts or surcharges by time intervals	Smoothing operational workload, minimizing downtime[5]
Event-based	Event calendar, weather data, news triggers	Local price adjustments tied to events driving demand	Rapid capture of short-term market opportunities
Personalized	Purchase history, behavioral logs, cookies	Generation of individual price offers and promo codes	Increasing conversion and customer Lifetime Value
AI-powered	Big Data, competitor prices, trends	Machine learning and predictive econometric models	Proactive price response, automatic profit optimization

Source: created based on [5,10].

In domestic business practice, adopting dynamic pricing becomes particularly important under macroeconomic instability, inflationary fluctuations, and military-economic challenges. Dynamic algorithms enable companies to quickly pass exchange rate shifts or rising logistics costs into final prices, minimizing time lags and preventing loss capital accumulation [5].

At the same time, implementing dynamic pricing requires balancing economic

efficiency with business ethics. Opaque or overly aggressive price changes can trigger a perception of price unfairness among buyers, threatening the enterprise's reputational capital.

Ensuring competitiveness based on marketing pricing requires establishing a comprehensive organizational capability for strategic pricing within the firm. Pricing policy must not be viewed in isolation from other marketing mix elements. The highest synergistic effect is achieved when price acts as a harmonious extension of product positioning and communication systems.

The fundamental basis of strategic price management is the pricing optimization triangle, which defines operational maneuverability bounds through integrating three dimensions: customer value, internal cost structure, and competitive market conditions [7].

Customer value forms the absolute upper bound, above which purchases become impossible due to a lack of economic or psychological sense for the buyer. The company's cost structure defines the lower bound, below which sales generate operating losses and erode capital. The competitive environment sets the range of real price maneuvering within these bounds, where the company's final positioning depends on industry competition intensity, availability of substitutes, and unique value proposition strength [8].

Strategic pricing capability requires cross-functional coordination within the organization. Finance, sales, and marketing departments must operate in a unified information space. A common mistake is delegating pricing functions solely to the sales team, whose incentives are typically aligned with gross sales volume, leading to unjustified discounting and margin erosion.

An essential aspect of strategic price management is strict compliance with legal and ethical constraints. Business practice demands the rejection of destructive price manipulation formats, among which predatory pricing (aimed at market monopolization by temporarily selling below cost), deceptive pricing (misleading customers regarding discounts via inflated base prices), and unjustified price discrimination across homogenous buyer groups present significant dangers [12].

Establishing a transparent, ethical, and analytically grounded pricing policy enables the firm to build a resilient pricing position, minimize customer price sensitivity, and ensure high long-term return on capital.

So, marketing pricing is a fundamental element of an enterprise's competitiveness management system. Transitioning from traditional cost-driven models to strategic value-based and digital adaptive approaches enables business entities to transform price from a passive metric into an active lever for shaping market demand and monetizing competitive advantages.

The analysis of theoretical and methodological foundations revealed that cost-plus pricing suffers from systemic methodological flaws due to improper allocation of fixed costs without accounting for demand elasticity. Conversely, value-based pricing focuses the enterprise on identifying and expanding willingness-to-pay based on assessing economic and psychological differentiation value.

In the digital era, the core direction of pricing model evolution is implementing dynamic pricing based on artificial intelligence algorithms and Big Data analytics. Utilizing demand-based, time-based, and personalized pricing models allows enterprises to maximize operating profit and provides high organizational adaptability during macroeconomic instability and price shocks.

Ensuring long-term competitiveness requires building internal strategic pricing capabilities, cross-functional coordination between financial and marketing departments, and adhering to ethical and legal boundaries in market rivalry. The synergistic effect of pricing policy is achieved when price levels are fully aligned with product positioning, distribution channels, and marketing communications.

1.3 Market and Pricing Policy Analysis of Ukrainian Wine Manufacturers

The domestic winemaking industry is in a state of deep structural adaptation, driven by a combination of macroeconomic pressure, war risks, and active harmonization of national legislation with European Union standards. Analysis of raw material dynamics indicates a significant drop in grape processing volumes. During the

2024 harvest season, Ukrainian enterprises processed 31,963 tons of grapes into wine materials, representing a 36.5% decrease compared to 2023. This reduction in raw materials caused a 38.1% decline in wine material production — falling from 3.861 million dal in 2023 to 2.391 million dal in 2024. This trend continues a systemic decrease in vineyard area, which shrank by 20.9% in 2022 and 23.9% in 2023, despite a brief recovery of 6.6% in 2024 [13].

Ukraine's foreign trade balance in wine products reflects high dependence of domestic consumption on foreign supplies, creating a persistent trade deficit. Ukraine's total foreign trade turnover for 12 months of 2025 reached $125.1 billion (imports — $84.8 billion, exports — $40.3 billion), where imports of still and sparkling wines occupy a noticeable share in consumer goods (table 8) [14].

The regulatory environment is undergoing a systemic transformation. The entry into force on January 1, 2026, of Law of Ukraine No. 3928-IX "On Grapes, Wine, and Viticulture Products" repeals outdated Law No. 2662 and implements unified EU rules for cultivation, production, labeling, and quality control. The new regulatory framework introduces a Viticulture and Wine Register, ensuring product traceability from vineyard to retail point. The legislation provides a transition period until July 1, 2028, to gradually phase out hybrid varieties (specifically the "Isabella" variety) and regulate the circulation of fortified wines.

Law No. 3928-IX significantly simplifies conditions for small (craft) producers, stimulating ekotourism and local winemaking. At the same time, the document regulates the protection of geographical indications and prohibits using popular European names such as "Champagne", "Cognac", "Porto", "Xeres", and "Cahors" for domestic products. Furthermore, the abolition of the term "table wine" in Law No. 3928-IX with its criteria transferred to Law No. 3817 allows single tax payers (Individual Entrepreneurs in Groups 1–3) to engage in retail sales of corresponding wine categories without needing a separate license for excise trade [16, 17, 18].

Table 10

Trade balance indicators of Ukrainian wine products

Indicator / Period	2022	2023	2024	2025 (11 months)
Import volume (USD million)	117.85	180.14	203.89	198.86
Geographical structure of imports (%)	Italy (37.4%), France (14.5%), Spain (13.3%)	Italy (40.2%), France (14.7%), Spain (13.3%)	Italy (42.4%), France (16.1%), Spain (13.2%)	Italy (42.5%), France (16.7%), Spain (12.8%)
Export volume (USD / EUR million)	$8.50+	$8.84	$11.23	$8.9
Main export markets (%)	Romania, Moldova	Romania, Moldova	Romania, Moldova	Romania (42.6%), USA (9.8%), Moldova (9.2%)

Source: [14,15].

The fiscal regime is governed by the Tax Code of Ukraine. The base excise tax rate on intermediate products and fermented beverages with alcohol strength from 1.2% to 22% is UAH 12.23 per 1 liter. In retail trade, a fixed retail excise tax of 5% applies, calculated from the final shelf price [19].

The structure of the Ukrainian wine market is multi-component and classified by beverage types, price ranges, raw material origin, and consumer segments.

In the portfolio structure, still wines hold the lion's share of consumption (over 70%), where a steady transition from sweet and semi-sweet mass-market categories to dry varietal and blended wines is observed. Sparkling and carbonated wines form about 20–25% of the market, covering both classic aged positions (Champenoise method) as well as Charmat and PET-NAT categories. Special and fortified wines occupy up to 8% of the market, currently undergoing rebranding due to the legislative prohibition of outdated names [13].

Distribution of products by price category demonstrates a clear division into mass-market and premium-craft segments.

Table 11

Distribution of products by price category

Price Segment	Value Range (UAH / 0.75 L)	Product Characteristics & Positioning
Economy	Up to 200	Ordinary table wines, dominance of semi-sweet positions, basic packaging, high price sensitivity
Mainstream	200 – 400	Varietal still and sparkling wines, lees aging, high and stable quality
Premium / Craft	400 – 800	Oak-aged wines, terroir focus, small batches, indigenous varieties, wines with GI
Super-Premium / Icon	Over 800	Collector wines, amphora releases, author blends, limited aged series

Source: created based on the analysis of retail chains

Market analysis by raw material origin reveals the coexistence of two strategic directions. The first direction relies on international grape varieties (Cabernet Sauvignon, Merlot, Chardonnay, Sauvignon Blanc, Pinot Noir, Pinot Grigio), forming the core of the mass assortment and easily recognized by broad consumer groups. The second direction relies on local and indigenous varieties, serving as the primary tool for differentiation and premium added-value creation:

— Odesa Black (Odeskyi Chornyi): Red variety of Ukrainian breeding (Tairov Institute of Viticulture and Winemaking), positioned as the calling card of Ukrainian red winemaking due to its intense dark color, tannic structure, and notes of prune and spices.

— Telti-Kuruk: A unique white indigenous variety with a mineral profile, notes of white acacia, quince, and citrus.

— Cserszegi (Chersegi): A specific Transcarpathian variety (hybrid of Traminer Pink and Irsai Oliver), exclusively cultivated and bottled in Ukraine by

Chateau Chizay.

— Sukholymanske White: A local variety for light fresh wines [25].

The competitive landscape of Ukrainian winemaking is characterized by a clear division between large industrial holdings controlling mass distribution channels and a dynamic craft segment focusing on HoReCa, specialized retail, and direct-to-consumer sales.

According to Ukrainian Business Award 2025 evaluations, leading positions in the two corresponding segments are distributed as follows (table 12).

Table 12

Positions of Ukrainian winery enterprises according to Ukrainian Business Award 2025 evaluations

Player Category	UBA Rating Score (%)	Production Scale & Key Features
Industrial Leader	100.0%	Full cycle, own vineyard base, Wine Culture Center (>50k tourists/year)
Regional Leader (Transcarpathia)	47.6%	Own vineyards, exclusive Cserszegi variety, strong enotourism
Industrial Scale	31.3%	Focus on mass segment, national supermarket coverage
Industrial Scale	30.7%	Focus on low price tier, system retail presence
Craft Leader	100.0% (Craft)	Biodynamic winemaking, 6,173 website visits/month
Boutique / Craft	92.6% (Craft)	30,000 bottles/year, 72 international awards
Boutique / Craft	87.2% (Craft)	20,000 bottles/year, 43 awards, premium art positioning
Craft / Innovative	82.8% (Craft)	Amphora wines, experimental series, international exports
Craft	N/A	35,000 bottles/year, 19 years of history, Bessarabian terroir
Craft	N/A	35,000 bottles/year, 27 awards

Source: [20]

The competitive advantage of mass producing rests on unit cost minimization through production scale and stable presence in national supermarket chains. Meanwhile, craft enterprises build their strategy on obtaining prestigious international awards, developing direct digital sales channels, and maintaining active social media communications [26].

Monitoring retail prices across key sales channels (Silpo supermarket chain, Rozetka marketplace, official online stores) demonstrates clear price tiering based on product line and production technology.

Table 13

Comparative Price Analysis of Producers

Category & Varietal Composition	Volume (L)	Base Retail Price (UAH)	Promo Price / Discount (UAH)
Merlot / Cabernet / Saperavi	0.75	249.00 – 259.00	199.00 – 204.00 (-18%..-21%)
Chardonnay / Sauvignon Blanc	0.75	384.00 – 389.00	329.00 – 339.00 (-13%..-15%)
Cabernet / Saperavi	0.75	799.00 – 879.00	699.00
Saperavi / Telti-Kuruk	0.75	859.00 – 879.00	748.00 – 788.00
Sparkling (Brut / Semi-Sweet)	0.75	249.00	199.00 – 209.00 (-16%..-20%)
Sparkling Brut	0.75	434.00	359.00 – 399.00
Red / White / Amphora	0.75	585.00 – 650.00	Fixed DTC price
Chardonnay Reserve	0.75	910.00	Fixed DTC price
Sukholymanske	0.75	357.00	Fixed DTC price
Riesling	0.75	451.00	Fixed DTC price
Aged Red	0.75	825.00	Fixed DTC price
Odesa Black	0.75	450.00	Fixed price

Source: created based on the analysis of retail chains.

Systematization of pricing data indicates that leading industrial brands utilize an expanded portfolio matrix covering segments from 189 UAH to 879 UAH per bottle.

In contrast, craft producers almost entirely leave the economy segment and focus their offer in the 450–900 UAH range, which corresponds to small-batch production costs and premium positioning.

The pricing strategies of Ukrainian winemaking enterprises rely on three core methodological approaches. The Cost-Plus method dominates among mass producers [24]. Price is calculated by summing manufacturing cost (raw materials, packaging, electricity, imported components), logistics costs, fixed excise (12.23 UAH/L), and target profit margin.

The Value-Based Pricing method dominates among craft winemakers (Beykush, Biologist, Big Wines, Kolonist). Price is determined by variety exclusivity, international ratings, organoleptic uniqueness, and the producer's media capital [27]. The Competitive Pricing method is applied when entering retail chains, where domestic wines compete with imported offerings from Italy, Spain, and Chile in the 200–350 UAH range.

Promotional policy in retail is characterized by high discount depth. In retail chains like "Silpo" and "Rozetka", promo discounts during campaigns range from 11% to 26%. This demonstrates high promo dependency among mass consumers.

Calculation of retail price and tax liabilities is performed based on cleared net bases in accordance with tax legislation requirements [14]:

$$\text{Retail Excise } (5\%) = \frac{\text{Retail Price incl. VAT}}{105} \times 5$$

$$\text{VAT } (20\%) = \frac{\text{Retail Price incl. VAT} - \text{Retail Excise}}{120} \times 20$$

Distributor markup in the domestic market ranges from 15% to 25%, retail markup reaches 25% to 40% over wholesale price excluding VAT, while in the HoReCa segment markups range between 100% and 200%. Responding to cost increases (glass bottles, energy resources, currency fluctuations), producers narrow discount depths or rotate SKUs by introducing new positions in higher price tiers.

Consumer behavior dynamics show a gradual evolution of wine culture in

Ukraine. Demand is shifting away from sweet and semi-sweet mass-market wines toward dry varietal positions. Consumers demonstrate higher awareness regarding production technologies, organoleptic properties, and food pairings.

In parallel, interest in domestic indigenous varieties are growing. Consumers show willingness to pay a premium price for wines made from Odesa Black and Telti-Kuruk, perceiving them as authentic products with high cultural and gastronomic value [23].

At the same time, price sensitivity remains a critical factor in the mass segment (< 200 UAH), where any upward price shift leads to demand switching toward substitute products or basic imports. In the segment above 400 UAH, price sensitivity is significantly lower, while reputational factors, wine critic scores, and international contest successes play a decisive role [26].

Ukrainian winemakers' channel strategy combines traditional retail, specialized distribution chains, HoReCa, and e-commerce.

National supermarket chains (Silpo, ATB, Novus, Metro) serve as the main channel for mass producers, delivering over 65% of physical sales volume. Specialized retail and online marketplaces act as the main platform for mainstream and premium segments, providing rich product cards, ratings, and recommendations.

Direct-to-Consumer channels via official websites are primarily developed by craft wineries [27]. This channel allows producers to retain full margins, avoid retail price dumping, and collect target audience data. The HoReCa segment builds brand prestige and introduces consumers to premium releases.

1.4 Ways to strengthen market positions and enhance competitiveness of wineries

A systemic analysis of the Ukrainian wine market allows for key conclusions and actionable recommendations to enhance the competitiveness of domestic enterprises.

The industry is adapting to the regulatory requirements of Law No. 3928-IX.

Despite a reduction in raw material processing volumes in 2024, product quality levels are rising, as evidenced by international recognition. Key remaining challenges include a high share of imports in value terms and the necessity of complete rebranding for SKUs with outdated geographical names.

To strengthen market positions, enterprises are recommended to implement the following measures:

1. Institutional and technological adaptation to EU standards

– Implementation of electronic record-keeping and mandatory registration in the Viticulture and Winemaking Register in accordance with Law No. 3928-IX, effective January 1, 2026. This guarantees quality control based on the "vine-to-glass" principle and paves the way for official recognition in European markets.

– Utilizing a 15-year transition period to gradually grub up outdated hybrid varieties (specifically "Isabella") and implement modern technologies for partial or full wine dealcoholization, aligning with the global trend toward healthy lifestyles (Zero-Proof / Low-ABV).

– Completion of rebranding and the phasing out of protected European terms ("Champagne," "Cognac," "Porto," "Xeres," "Cahors"), alongside the registration of domestic geographical indications (e.g., Zakarpattia, Prydunaiska Bessarabia) to capitalize on local terroir.

2. Assortment and Branding Optimization

– Complete rebranding of fortified and sparkling wines, eliminating protected European terms ("Champagne", "Cognac", "Cahors", "Xeres") in favor of proprietary trademarks and registered Geographical Indications.

– Scale production of wines made from local and indigenous varieties (Odesa Black, Telti-Kuruk, Cserszegi), which display lower price elasticity of demand and create a unique value proposition. Indigenous and local wines are perceived as authentic, premium products, enabling producers to maintain a price range of UAH 450–1100 per bottle and achieve higher profit margins.

– Developing a product portfolio based on unique Ukrainian-bred varieties—Odeskyi Chornyi and Sukholymanskyi Bilyi—as well as unique terroir-

specific autochthonous varieties (Telti-Kuruk) and regional varieties (Cserszegi).

3. Distribution and Enotourism Expansion

– Expand direct to consumer sales share (via proprietary web stores and wine clubs), allowing wineries to retain up to 30–40% in distributor/retail margins.

– Developing comprehensive tourism infrastructure at wineries, following the successful models of the SHABO Wine Culture Center (over 50,000 visitors annually) and Chateau Chizay (tours, tasting rooms, the Chizay Winemaker Museum, and WineTourism.com certification).

– Using tasting tours, on-site product releases, and wine marathons as tools to attract first-time consumers, turn visitors into loyal brand ambassadors, and generate high direct sales at the location.

4. Expanding export potential under the "Wines of Ukraine" umbrella brand

– Scaling up presence at key global trade fairs (notably ProWein in Düsseldorf) as part of the "Wines of Ukraine" national stand, which serves as the most effective tool for finding importers and distributors [22].

– Leveraging high achievements at the Decanter World Wine Awards (where Ukrainian producers won 73 medals), Mundus Vini, and the Berliner Wine Trophy in marketing communications to strengthen positions in priority export markets: Romania (42.6% of exports), the USA (9.8%), and Moldova (9.2%).

5. Pricing Policy Refinement.

Industrial producers are advised to introduce differentiated pricing by developing exclusive SKUs for distinct retail chains to protect core brand positioning from heavy promo dependence.

Craft wineries should maintain current pricing, justifying prices by highlighting international awards (Decanter, Mundus Vini) and limited production batches. The pricing strategy should take into account the specifics of demand for craft wines, the solvency of the target audience, the dynamics of the competitive environment and sales channels.

An important element is the integration of the pricing strategy into the overall promotion system. It is the price in combination with high-quality communication that

creates an image of the “value” of the product in the consumer’s mind. For craft wineries the “value pricing” strategy is relevant, when the emphasis is not so much on reducing the price as on demonstrating to the consumer why it is justified: unique grape varieties, local origin, craft approach to production. Thus, the consumer perceives wine not just as a commodity, but as a cultural product with its own history.

In addition, the pricing strategy should be flexible and take into account different sales channels. For the HoReCa segment, it is advisable to apply individual conditions, discounts depending on the volume of purchases, as well as the formation of exclusive wine positions available only in restaurants or wine bars. This allows companies not only to increase sales, but also to increase the prestige of the brand. At the same time, for online channels, the strategy of special offers is relevant - tasting sets or subscriptions for regular wine delivery.

Thus pricing strategy of craft wineries should be developed as a comprehensive solution integrated into the company's marketing system. Its main task is not so much to set the optimal price level as to form the value of the product in the eyes of the consumer. Only with this approach the company will be able to ensure not only current profitability, but also long-term competitive advantages in the craft wine market.

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2. Foundations of the formation and development of social infrastructure within the socio-economic space

2.1 Social Infrastructure in the System of Social Development

The principal vector of the country's further progressive and dynamic development is the socialization of the economic system, with the fullest possible consideration of the needs and interests of the population and its incentives for productive labor activity, based on the realization and comprehensive development of human potential. The priority of social objectives arises from the objective need to create conditions not only for dynamic development but also for the intensification of integration into the global economic space. The conceptual foundations of the contemporary social development of the country and its regions should include: prioritizing innovation to ensure expanded reproduction; developing various forms of ownership and expanding opportunities for financing social projects; creating financial and economic prerequisites for reducing poverty and strengthening the social protection of vulnerable population groups; and further developing civil society [34].

The principal objective of the country's social development is to improve the population's quality of life by strengthening its potential, increasing real incomes, expanding productive employment, and raising well-being. Social infrastructure constitutes the foundation of social development.

The term "infrastructure" consists of the Latin words "infra," meaning under, below, or beneath, and "structure," meaning construction or building; originally, it was associated with construction and denoted a base or foundation.

In economic literature, the concept of "infrastructure" appeared in the late 1940s in the works of the American economist P. Rosenstein-Rodan, who defined infrastructure as a set of conditions that facilitate the development of private enterprise in the principal sectors of the economy and satisfy the needs of the population [37]. The comprehensive nature of infrastructure was identified, consisting in its integration, on the basis of functional unity, of various sectors, enterprises, and forms of labor activity, thereby facilitating the development of the productive and non-productive

spheres and meeting the needs of the entire population. Various interpretations of social infrastructure exist, but two principal approaches to defining its essence are generally distinguished: the material-object (sectoral) approach and the functional approach. Whereas the former is characterized by the view that the general conditions supporting the life of the population are created by a combination of material elements belonging to various sectors of social infrastructure, the latter assigns a significant role to understanding the provision of social services as the ultimate outcome of the functioning of social infrastructure.

Social infrastructure is often understood as a combination of sectors and subsectors of the national economy and types of activity whose functional purpose within the system of social reproduction is the production and provision of services and spiritual goods for the population. An acceptable position is that social infrastructure comprises the totality of material facilities that provide the general conditions for effective human activity in all spheres of social life.

A number of scholars regard social infrastructure as a complex of enterprises, facilities, and institutions that provide the necessary material, cultural, and everyday living conditions for the population within a particular territory, namely: housing stock; institutions of science, culture, and the arts; general and vocational education; healthcare and social security institutions; trade and public utility enterprises; sports and recreational facilities; and passenger transport. Social infrastructure is understood as a complex of facilities that create the general conditions for the functioning of social production and the life of the population, as well as for the physical and intellectual development of a socially active individual [29].

Summarizing the various interpretations, it may be concluded that social infrastructure characterizes the relationships (direct and reciprocal) between the material environment and the social subject (an individual, group, class, or society). Social infrastructure represents a stable combination of material elements with which the social subject interacts and which create conditions for the rational organization of all principal types of activity: labor, socio-political, cultural, and family and household activities. Social infrastructure provides services for the purpose of effective social

reproduction. It is considered an independent higher-order system that integrates particular sectors (systems) having a single common objective - to support the life of the population and create conditions for socio-economic development - and that are interconnected through corresponding relationships of varying complexity and degrees of mutual influence. Thus, social infrastructure is not only an element of the productive forces but also a bearer of particular relations of production.

The scale and composition of social infrastructure facilities differ depending on the level of territorial and administrative division - region (oblast), district (large, medium, or small), or city - as well as on the social, economic, demographic, natural and climatic, and other characteristics of a particular territorial and spatial entity.

At the regional level, social infrastructure is understood as a combination of territorial functional systems, each comprising sectors, industries, and activities that create the general conditions for the development of material production, population settlement, and normal living conditions. A region's social infrastructure is a multilevel, multifunctional economic subcomplex with a distinct territorial character and specific features [30]. The development of social infrastructure makes it possible to establish a foundation for supporting the socio-economic rights and guarantees of the population, helps ensure and maintain the accessibility of social services, and promotes the closest possible alignment of objective needs with the region's resource capacities.

By performing functions aimed at meeting social needs, social infrastructure, together with material production, forms the macrostructure of social reproduction and ensures social development. It encompasses activities serving personal consumption, organizes the consumption of goods created through material production, and produces its own goods and services, being divided into an integrated subsystem of a socio-cultural and material and household nature. Among its functions, the most significant are: creating conditions for optimizing demographic processes; reproducing the labor force; using resource potential effectively; improving and preserving public health; addressing housing problems; and improving quality of life and levels of well-being.

Social infrastructure is of both economic and social significance for the

development of society. In economic terms, it is necessary for the reproduction of the labor force and for increasing the labor productivity of people engaged in production. Its social role is determined by the fact that the service sector raises the population's standard of living and contributes to the comprehensive and harmonious development of the individual.

With regard to the content and classification of social infrastructure, the following may be distinguished: levels of organization (social infrastructure of the country, region, city, and enterprise); its forms (linear and point-based); the satisfaction of needs (daily and potential needs); and types of activity (labor, socio-political activity, education and science, healthcare, and environmental protection).

The range of services may be classified according to various criteria: the degree to which needs are covered; sectoral affiliation; the method of providing social services; the role of services within the service sphere; intended use; the comprehensiveness of service provision; the place where services are provided; the regularity of their provision; and so forth [35].

The target functions of social infrastructure may be defined as follows: optimization of demographic processes; reproduction of a labor force whose quality corresponds to the needs and level of development of production; and effective utilization of labor-resource potential. The outcomes of the activities of social infrastructure facilities are services directed toward meeting essential human needs, generally maintaining normal living conditions, and preserving health.

2.2 Prerequisites and Factors in the Formation and Development of Social Infrastructure

The development of social infrastructure is a dynamic process characterized by both quantitative and, particularly, qualitative changes under the influence of shifts in orientation and structural changes in the regulatory impact of certain factors. Structural shifts in social infrastructure are changes in the proportions between its sectors (subsystems) in spatial and temporal terms, occurring under the influence of exogenous

and endogenous factors and producing a multiplier effect owing to the interdependence of its elements. Their main groups can be classified according to the following criteria: speed of change, hierarchy, direction, reversibility, and scale. The factors of structural change include endogenous factors (natural and financial resources, the labor market, market conditions, and the purchasing power of the population) and exogenous factors (world prices for major resources, state monetary policy, and the political situation). The factors of transformation processes also include endogenous factors (investment, institutional changes, innovative development, and the level of technological development) and exogenous factors (changes associated with globalization, international integration, transnational networks, international market conditions, and market organization).

A factor is understood as a set of arguments (causes) that determine the specific features of the development of particular economic processes in a given region. Factors determine the quantitative and qualitative characteristics of types of economic activity, influence their scale and directions, determine social priorities, and serve as a specific instrument for addressing socioeconomic objectives. Factors are the driving forces that determine the development, type, and dynamics of social infrastructure within a country and its regions.

It should be noted that the most significant factors determining and influencing the choice of a direction for further positive dynamics and transformation of social infrastructure are the degree of development of the market mechanism, market conditions, investment, and globalization. These factors are interrelated, while their priority depends on the period and purpose of the study and on the sphere in which they are identified and applied. In general, the system of factors governing the formation and development of social infrastructure and the influence of the external and internal environments may be classified into the following groups: international, economic, sociodemographic, state and political, scientific and technological, resource-related, market-related, and conjunctural factors. It should be taken into account that the functioning of a region's social infrastructure as a complex production system is influenced by various factors, the extent of whose influence depends on the nature of

the use of natural resource potential, the condition of the material and technical base, the level of development of scientific and technological potential, and the availability and quality of infrastructure facilities, among other considerations. Accordingly, structuring these factors makes it possible to identify the nature of the principal problems in the functioning of the infrastructure sector, determine the determinants of its development, and identify the conditions that enable the formation of new and the development of existing competitive advantages of a region, taking into account regional characteristics of the organization of infrastructure production, the functional-component structure and proportions of infrastructure subsectors, and strategic priorities for regional development.

The important role of factors influencing the direction and pace of development of regional social infrastructure in the country and its regions is manifested in the substantiation of priority directions for establishing a management mechanism appropriate to the specific features of a market economy. Depending on the objectives, factors may be classified as objective and subjective, controllable and uncontrollable, significant and insignificant, and external and internal. Under conditions of increasing regional autonomy, internal factors and parameters acquire the greatest importance in ensuring the development of social infrastructure, since they characterize the potential and dynamic possibilities for economic changes in social infrastructure.

In general, the factors characterizing the market aspects of the functioning of regional social infrastructure can be systematized into four integrated groups, each of which may be expressed through a set of quantitative and qualitative parameters: economic, sociodemographic, production-related, and organizational and managerial [30].

The group of economic factors characterizes the market aspects of the functioning of social infrastructure. Their influence may be expressed through such criteria as: the level of supply of social services (for example, the volume, structure, and dynamics of supply, supply elasticity, etc.); the level of demand for social infrastructure services (both overall and broken down by individual types of services and consumers; demand elasticity and dynamics, etc.); the proportionality of the

regional market for infrastructure services (the ratio of supply to demand; market distribution among service providers; the structure of providers by form of ownership; intraregional structure, etc.); macroeconomic trends in the development of the market for infrastructure goods and services (growth rates; directions and parameters of production, sales, investment, profits, etc.); market stability and cyclicality (coefficients of variation in sales and prices over time and across economic and geographical space; seasonality parameters, etc.); commercial risk associated with activities in the infrastructure services market (for example, investment risk, risk in making marketing decisions, risk of random market fluctuations, etc.); market size and the degree of monopolization and competition (the number of enterprises in local social infrastructure services markets, their distribution by ownership, organizational form, and specialization; the level of privatization; market division, that is, the grouping of providers according to their market shares, etc.). Economic factors are closely related to the factors determining the location of production and service provision.

The group of sociodemographic factors essentially characterizes the severity of the social situation in a region. The impact of this group of factors on social stability may be expressed through criteria comprising a set of social standards that define requirements for particular components of regional social infrastructure and are established differentially depending on the nature of the sector. Population distribution and concentration attract social-sector activities. This is particularly evident in cities, whose existence today is impossible without the formation of social infrastructure adequate to their development. At the same time, the urban social sector serves not only the inhabitants of the settlements in which it is located but, very often, the populations of other cities and districts. In some cases, social infrastructure has acted as a city-forming factor. Alongside population settlement patterns, the demographic factor plays a significant role in terms of the system of demographic indicators, particularly the population's sex and age composition, national and religious composition, and social and occupational structure, since each sex and age group and each social and occupational category has priority needs for different social services.

The group of production factors characterizes the condition of the material and

technical base of the sectors of regional social infrastructure. The influence of this group may be expressed through indicators such as the degree of physical depreciation of fixed production assets (differentiated by elements of social infrastructure), the renewal rate of fixed production assets, investment in the fixed capital of social infrastructure, sources of investment, etc.

The group of organizational and managerial factors characterizes the effectiveness of management of the social infrastructure system, that is, the ability to achieve the maximum possible results at minimum cost. The influence of this group of factors may be expressed through the following quantitative parameters: the number of managerial personnel (differentiated by components of social infrastructure); the time required to implement management decisions; the compliance of management functions with standards of manageability; and the number of employees with specialized management training.

Thus, the formation and use of the infrastructure potential of the country and its regions are influenced by numerous factors, including: natural resource factors (the level of provision of social infrastructure resources); human factors (which, in turn, are divided into demographic factors, determined by population dynamics and structure, and social factors, characterized by trends in the functioning of the labor market and regional employment, etc.); production factors (determined by the availability and structure of the fixed capital of infrastructure subsystems, the level of technological equipment in production, and the competitiveness of products); innovation factors (characterized by the level of innovation in regional production, the development of the research base, the results of research and development and their implementation in regional practice); financial factors (determined by the profitability or loss-making performance of economic entities in the region's social infrastructure and the revenues of local budgets available to meet the needs of territorial communities); and investment factors (characterized by the overall level of investment activity in infrastructure potential and the investment climate in the territory).

For ease of research, this set of factors should be systematized and grouped as follows: factors influencing the formation of a region's infrastructure potential; factors

influencing the restoration of social infrastructure potential; factors ensuring the maintenance of the infrastructure potential of a region's productive forces; factors influencing the renewal of potential; factors influencing the efficiency of the use of social infrastructure potential; and factors contributing to the expansion of the infrastructure system of the country and its regions.

Within this set of factors, it is possible to distinguish those that can be eliminated or localized in the current and strategic periods and fall directly within the sphere of management, as well as those whose management timeframe extends beyond the implementation of strategic programs and which are reflected only indirectly in conceptual approaches to social infrastructure development. Activities should be guided by the first group of factors while taking into account the possibilities for influencing the second group.

Ukraine's course toward integration into the pan-European space requires explicit consideration of the principal priorities, trends, and determining factors of pan-European spatial development, above all globalization and the geoeconomic factor. Development policy and decision-making concerning social and regional development are based on consideration of the complex interaction between various areas of infrastructure activity and seek to achieve comprehensive progress.

Globalization, as a central direction of development, reveals a new quality of the process of internationalization. It generates both new opportunities and contradictions and is a determining factor influencing the regional development of social space. The direct basis of globalization is the formation of a global market for goods, services, technologies, capital, and labor, enabling each business entity to find the most advantageous suppliers and buyers anywhere in the world and to organize cooperation on the basis of an assessment of the competitive advantages of all regions.

Geopolitical factors are among the principal factors in the development of socioeconomic space. Contemporary regional policy is increasingly becoming a means of pursuing the geoeconomic interests of individual states and supranational entities. The new geoeconomic dimension of spatial development processes completely reconfigures their institutional structure, changes perceptions of development

priorities, and leads to the creation of new instruments for the development of social space.

Consideration and appropriate use of the conditions and factors that influence and determine the scale, dynamics, and directions of social development and the main areas of social infrastructure will ensure their effective functioning within the national socioeconomic space.

2.3 Regularities and Principles of the Establishment and Functioning of Social Infrastructure

The development of nature and society is characterized by diverse and stable relationships and dependencies that reflect the action of various forces. The most general and essential interdependencies and interrelationships are expressed through laws. Laws reflect cause-and-effect relationships, that is, relationships in which the connection between cause and effect is unambiguous, while the interaction of various forces leads to a probable outcome, particularly under the operation of social laws, including economic laws.

Economic laws reflect the most general and stable relationships in the sphere of production relations, in the course of socially useful activity. These are necessary and persistent dependencies between economic phenomena in the processes of production, distribution, exchange and consumption of material goods and services. Reflecting objective reality, such general economic laws exert a major influence on the development of productive forces, including social productive forces. Among them are the laws of the social division of labour; economy of time; value; sustainable development of productive forces; the social division of labour and increasing labour productivity; sustainable development of productive forces; territorial division of labour; coordination of interests; scientific organization of management; regionalization and globalization; and increasing information saturation.

As a result of the interaction of the laws of social development over a particular period, objective regularities of development, spatial distribution and activity emerge, with their own specific manifestations in a given field of activity. These regularities

reflect the most general relationships between productive forces and territory, as well as independent, objectively existing and necessary interrelationships and interdependencies in the functioning and location of enterprises and industries and in the development of rational linkages between them.

Social development in general, and the development of social infrastructure in particular, are based on a range of regularities through which objectively operating laws of social development manifest themselves. It is precisely through the interaction of the laws of social development during a particular period that objective regularities of spatial distribution and activity emerge, each with specific features of manifestation in a particular sphere of social activity.

Among the general regularities, as manifestations of economic laws and reflections of stable relationships and interdependencies between forces and phenomena, the most influential are: the most efficient development and spatial distribution of productive forces; integrated development and spatial distribution of productive forces, including social productive forces; territorial division of labour; territorial concentration of production; openness of the spatial development of socio-economic systems; correspondence of production relations to the nature and level of development of productive forces; correspondence between supply and demand; structural stability of social space as an integral formation; the fundamental multiplicity (alternativeness) of pathways for the development of social systems; the unlimited nature of spatial and temporal development; dynamism of development; and social orientation. Reliance on these regularities makes it possible, through the concentration of material, labour and financial resources, to manage various flows within a given territory, implement necessary measures of different kinds, optimize relationships within social structures, formulate effective financial-production and industrial-investment policies, and improve the territorial structure and organization of social infrastructure.

Both social development and the development of social infrastructure are based on continuously operating, comprehensive regularities of the development and spatial distribution of productive forces. These constitute manifestations of a general

economic law or laws under specific conditions and reflect stable cause-and-effect relationships and dependencies between interacting forces within social systems. They provide a necessary foundation for addressing practical tasks (Fig. 1).

The principal regularities include:

- economically efficient development and location of the principal social infrastructure facilities, which derives from the law of economizing social labour and regulates costs and the reduction of territorial imbalances between areas of production and service provision and areas of product consumption. According to this regularity, the relationship between economic sectors and territory is such that the greatest possible effect is achieved at the lowest possible cost of locating and developing a facility. This regularity is implemented through the principle of locating production close to sources of raw materials and areas of consumption;

- integrated development and location of the productive forces of social infrastructure, which derives from the economic law of the social division of labour and is manifested in the specialization of regional economies. This regularity corresponds to the most important requirement of economic activity: achieving the highest results at the lowest cost. Its main features are the fullest possible utilization of resources, a rational sectoral and functional structure of the economy, and close interconnections and balance among all components of the infrastructure economy;

- the regularity of territorial concentration of production reflects the objective tendency for production to be concentrated within a limited area and is manifested in cost savings arising from agglomeration effects. Territorial concentration makes it possible to establish intersectoral auxiliary production facilities and shared treatment facilities, to develop an integrated production infrastructure, and to form clustered patterns of settlement. This process is most clearly manifested in the formation of production entities such as centres, hubs, agglomerations, clusters, strategic alliances, technology parks, and technopolises;

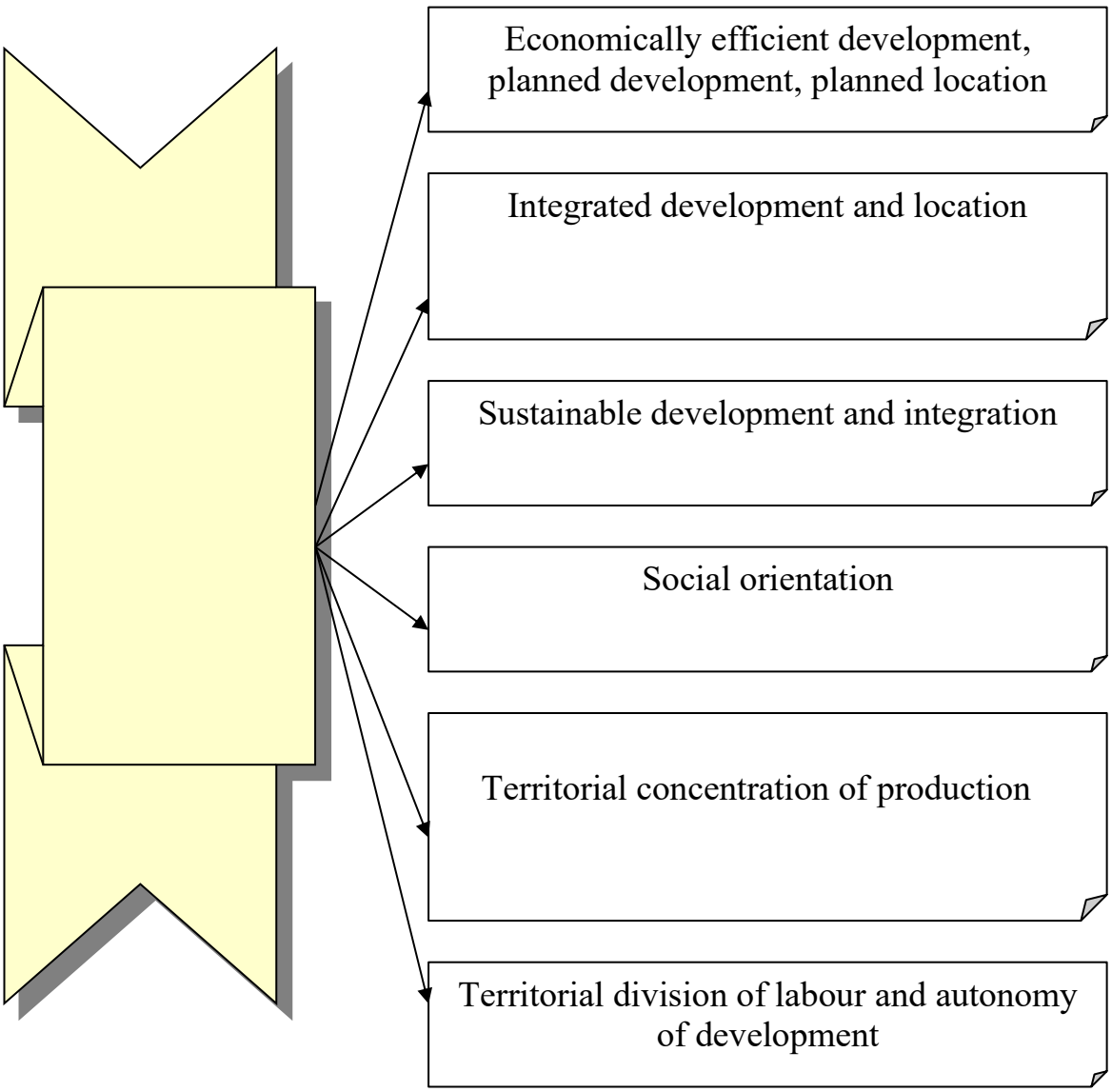


Fig. 1. Regularities of the Formation and Development of Social Infrastructure

- the regularity of the territorial division of labour reflects the process whereby territories specialize in producing particular types of goods or services on the basis of developed interregional exchange. The location of productive forces with due consideration of the territorial division of labour and regional specialization reduces the costs of production or service provision and leads to greater production efficiency;

- the regularity of the social orientation of social infrastructure utilization is determined by the operation of a number of economic laws, including the law of correspondence between relations of production and the level of development of productive forces, regarded as the fundamental economic law of any society, the law of increasing labour productivity, the law of economizing time, and others. The state

ensures the social orientation of the economy and, consequently, subordinates the utilization of infrastructure potential to human interests and needs. This regularity is implemented by taking account of the population's interests in increasingly comprehensive satisfaction of individual and collective needs, raising the level of socioeconomic development of a territory, giving priority to resolving social problems, and ensuring the constitutional rights of all citizens, including the right to a decent life;

- the regularity of sustainable development of infrastructure potential is determined by the requirements of a set of economic laws, including the law of correspondence between relations of production and the level of development of productive forces, the law of economizing time, the laws of accumulation and population, and others. It determines the strategic direction for utilizing social infrastructure potential in order to achieve a balance among the economic, social, and environmental components of a regional system. The central idea of sustainable development lies in the unity of two interrelated processes: first, reducing and strictly economizing on resource consumption, preserving and reproducing infrastructure resource potential and the human living environment; and second, ensuring an increase in the well-being of the population of all regions. This requirement becomes attainable under conditions of dynamic scientific and technological progress, the widespread application of its results, and observance of sufficient and reasonable limits of consumption by the population.

The regularity of sustainable development of infrastructure productive forces plays the most significant role, since it determines the strategic direction for achieving the socioeconomic development of regions on the basis of existing infrastructure resource potential. The fundamental provision of sustainable development is the strengthening of the social component, the assurance of rational use of natural resources, the reproduction of the resource base, and the restructuring of a region's infrastructure complex in response to new economic and social conditions.

Consideration should also be given to the regularities of globalization and regionalization, which have recently been accelerating.

Thus, under conditions of developing and strengthening market relations,

certain regularities emerge in the formation and utilization of social infrastructure as a result of the interaction between nature and societal development. Understanding the regularities governing the development and utilization of infrastructure potential is dictated by the practical needs of society. Any region can function successfully only if there is thorough knowledge of the available infrastructure resources, their economic valuation, and the factors influencing their formation and utilization. Understanding the regularities in the formation and utilization of social infrastructure potential is of considerable importance when preparing regional programmes aimed at improving a region's socioeconomic conditions and forecasting the development of individual sectors and intersectoral complexes with due regard to unresolved problems.

Knowledge and practical application of laws and regularities in economic activity make it possible to utilize the resource potential of regions and optimize economic activity at various hierarchical levels. The implementation of laws and regularities requires the development of certain rules for their application in different spheres of economic activity, namely, principles. Principles are concisely formulated, scientifically substantiated propositions, that is, rules of economic activity to be followed by economic actors at a particular stage of historical development. Economic laws and regularities are implemented through principles.

In its development, social infrastructure is subject to economic laws, whose manifestation over time takes the form of regularities in the spatial and temporal development and functioning of the components of social infrastructure, on the basis of which principles are formulated. Therefore, identifying and distinguishing the principles that must be considered and followed plays an important role in ensuring the effective development of social infrastructure and substantiating priority areas for the functioning of its principal sectors. These principles are an integral element in developing the paradigm and strategic directions of its activities.

In a market economy, principles constitute fundamental scientific propositions that guide activity and may be regarded as methods of economic management. They are guiding provisions, fundamental ideas and rules of action developed through human practice as a result of understanding objective laws and regularities. A principle

represents purposeful action aimed at identifying objective regularities in the development of productive forces, taking various factors into account.

The substantiation of a system of principles in a particular sphere of activity depends on the objectives set, its specific features and the overall direction of socio-economic policy. The principal vector of the country's socio-economic development is the effective realization of its human and creative potential in the context of dynamic, advanced development and social stability. Education, intellect, professional experience and social mobility are recognized as the main components of national wealth and the principal resources for further development.

The priority accorded to social infrastructure under conditions of globalization and integration into the world economic market requires both consideration of general economic principles and formulation of principles specific to social development (Fig. 2).

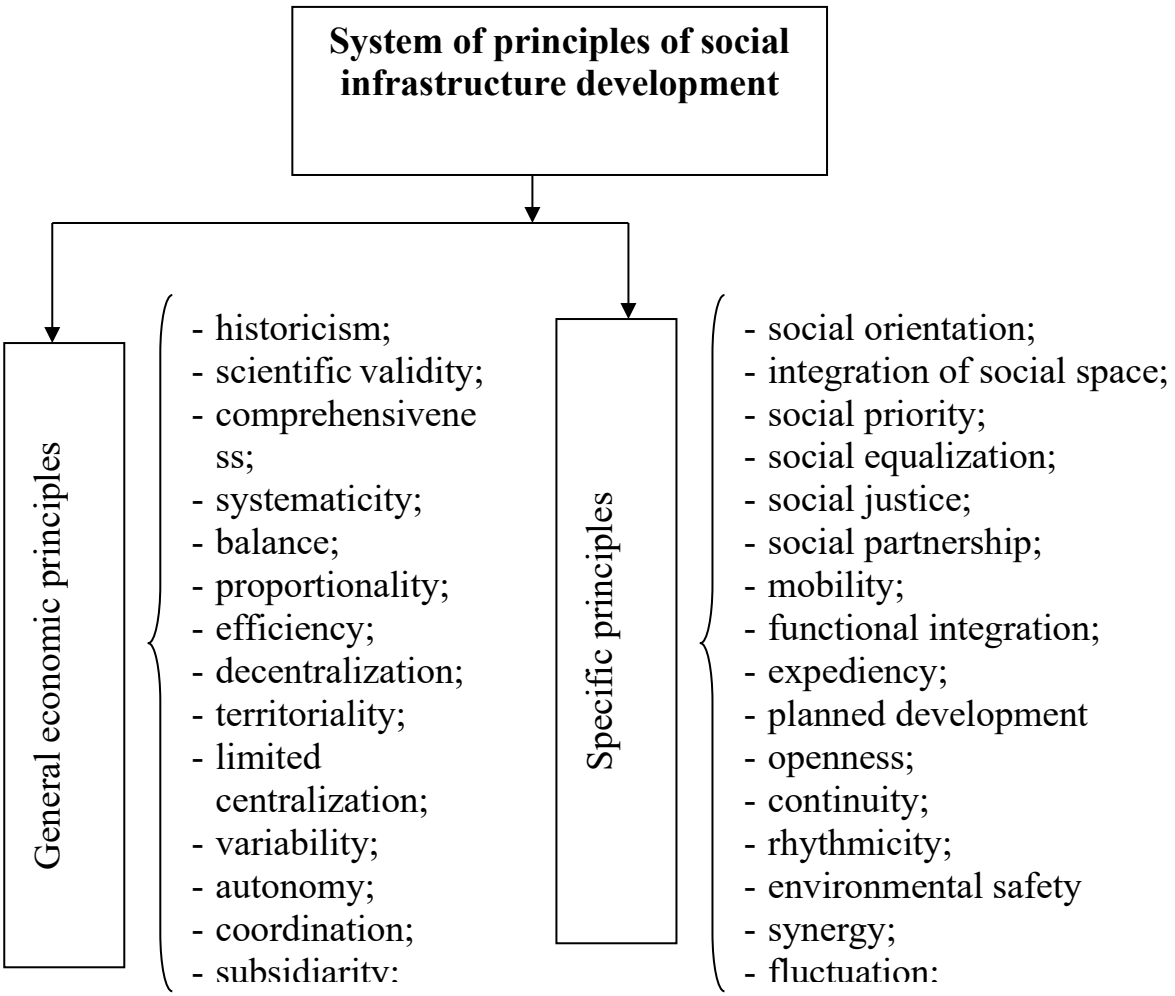


Fig. 2. Principles of Social Infrastructure Development.

Fundamentally new approaches to the development of social infrastructure as a complex of enterprises, institutions and establishments intended to create general conditions for the life of the population and the functioning of social relations are manifested in the inseparable connection between the location of its facilities and the distribution of the population and its territorial communities. This determines the territorial organization of social infrastructure on the basis of considering and applying a set of principles specific to this sphere.

The principal ones include:

The principle of social orientation provides the basis for the criterion-based characterization of social infrastructure in identifying its priority actions. It is the leading principle among the entire set of principles governing the development of social infrastructure. It is particularly important in the present circumstances, since the social orientation of Ukrainian state-building and the ongoing reform of the economic system have acquired special significance; insufficient consideration, and sometimes disregard, of the social consequences of inefficient economic development has led to a sharp decline in living standards, growing social differentiation and social tension. This principle establishes the objective of achieving public welfare, stimulating social activity and encouraging the pursuit of social progress.

The principle of systematicity and comprehensiveness consists in studying, programming and forecasting trends and progressive processes in the development of the social sphere as a multicomponent subsystem of social reproduction
with numerous interrelationships among its components and consideration of their mutual influences. It envisages an interconnected and mutually conditioned combination of production and infrastructure within economic systems. Its application in programming results in the identification of priorities and a range of mutually coordinated short- and long-term programmes, and in balancing tactical and strategic priorities for the development of the social sphere. On the one hand, this principle requires social policy to be constructed systematically, taking into account the full range of political, social, environmental, economic, scientific, technological and territorial factors and objectives; on the other hand, it requires conditions to be provided

for the integrated development of social systems. Observance of this principle will facilitate the formation of coherent regional social systems, since it entails an interconnected and mutually conditioned combination of production and service provision as elements of infrastructure.

Under market conditions, compliance with the principle of taking the territorial division of labour into account is particularly relevant. It implies the need for nationwide regulation and the promotion of effective specialization of social systems, taking into account territorial differentiation in natural-resource, economic and social conditions and factors, the country's common market space, and the capacities and needs of domestic and global commodity markets. It also entails consideration of the projected future distribution of productive forces and organizational forms of regulation of socio-economic space and its regional socio-economic systems.

The principle of balance and proportionality requires maintaining proportions among all components of social potential within a unified economic space and ensuring consistency in the development of the components of social infrastructure. It requires consideration of the unity and multiplicative interdependence of infrastructure components and provides for measuring and ensuring appropriate accessibility of relevant facilities and services on the basis of a hierarchical organization of the network across systems, taking into account the satisfaction of everyday and periodic needs.

The principle of planned development presupposes a deliberate, organized (as opposed to spontaneous) state policy for developing social infrastructure within economic space in the interests of individuals, society and the state. Planned development rests on the theoretical foundations of "development planning" as a synthesis of state regulation, planning and economic forecasting. Adherence to this principle makes it possible to prevent or substantially mitigate the destructive consequences of spontaneous social and economic processes and phenomena and the emergence of crises. The principle of planned development becomes particularly important during economic restructuring and the social development of regions within economic space.

The principle of optimality and efficiency consists in implementing the principal directions of social infrastructure development with the lowest aggregate expenditure of social labour, at a given level of financial expenditure, and within the shortest possible time. Observance of this principle entails constructing, studying, evaluating and selecting, according to defined criteria, alternative ways of achieving social infrastructure development objectives, accounting for all effects and harmonizing optimality criteria at every decision-making level.

The principle of priority requires ensuring planned and phased implementation and determining the order in which social infrastructure objectives are achieved in accordance with priority tasks. It helps identify priority objectives and tasks for social infrastructure development in line with the socio-economic development strategy and actual resource capacities, and guides adherence to social orientation in the use of all resources.

The principle of rational use of natural resources and environmental safety is aimed at ending the destructive impact of production on the natural environment and ensuring satisfactory environmental conditions. Its importance is increasing because of the growing scarcity of certain natural resources and the unevenness of their geographical distribution. It should be recognized that the quality of the natural environment has now become an integral parameter of the population's quality of life and has acquired primary social significance. At the same time, the considerable anthropogenic pressure on the country's natural environment has necessitated the environmental orientation of productive forces and state regulation of regional socio-economic development, as well as the preservation of ecological balance.

The principle of adaptation of structural changes to new geopolitical and market conditions and to the requirements of domestic and foreign markets and the international division of labour. This refers to profound transformations, the formation of a market environment, integration into European and global economic and political structures, and the development of globalization and regionalization processes. The new paradigm for the development and organization of social infrastructure must be oriented towards the requirements of both domestic and international divisions of

labour and the needs of domestic and foreign markets. This is the essence of the principle of adaptation, which should guide entrepreneurial, commercial and regional government structures in developing social space. The adaptation of social infrastructure entities to market conditions is associated with the formation of a new social policy based on the principles of global marketing and a flexible system of structural change, making it possible to identify directions of structural transformation, model alternatives for transition to new structures of social space and account for the social consequences of these changes.

The principle of variability provides for the need to select means of achieving objectives and solving social development management tasks in order to ensure optimal changes in the sectoral-territorial, functional and spatial structure of social space and to use its economic, information and human resources by developing alternative options for social infrastructure development and selecting the most optimal among them.

The principle of sustainability is aimed at preserving the conditions for reproduction and developing the potential of a territory and its natural-resource, environmental, economic, social and other components in a balanced and socially oriented manner. Alongside obtaining short-term social effects from individual state regulatory measures, this principle requires consideration of consequences that could adversely affect stable social development in the long term. In a broader sense, its essence lies in a combination and mutually conditioned territorial organization of the entire diversity of natural and social objects, as well as the organization of their functioning, under which these systems of social space would possess a stable capacity for sustainable development and reproduction.

The principle of subsidiarity should ensure a clear division of powers among central and local executive authorities and local self-government bodies, delegating specific decisions to the level at which they can be implemented most effectively. It may be regarded as an organic combination of centrally established guidelines and constraints with the economic initiative of regional administrative bodies and entrepreneurs. Observance of this principle lays the foundation for a harmonious

combination of economic interests at different levels of the economic hierarchy, taking into account the interests of representatives of different forms of ownership. Implementing this principle involves combining national policy with regions' own policies, equalizing levels of socio-economic development and improving living standards.

The principle of harmonizing the economic interests of the centre and the regions while giving priority to national interests envisages coordination and the optimal possible combination of the interests of the country and society with those of territorial communities when implementing regional social policy. It provides for an organic combination of the interests of the country and its regions and the creation of conditions for the development of productive forces, including social forces, in order to improve their level of socio-economic development.

The principle of ensuring the integrity and unity of socio-economic and information space. Information exchange is a priority strategic task for all dynamically developing territories within economic and social space. Information and communication technologies are among the effective factors of spatial social development. Observance of this principle requires greater emphasis not only on physical facilities but also on functional, economic, social, cultural and informational links among territorial communities. It involves drawing on the advantages of economic globalization and making optimal use of local resources.

In addition to those described, other principles of a general economic character also play an important role as fundamental ideas, guiding provisions and rules of action: scientific validity, historicism, territoriality and variability, as well as, in particular, principles specific to social infrastructure development, namely integration of social space, social equalization, social justice, partnership, mobility, expediency, rhythmicity, continuity, interconnection, openness, synchronization of actions, fluctuation and social coherence.

The principles specific to the development of social space and social infrastructure include emergence, feedback, functional integration, fluctuation, hierarchy, continuity, mobility, uninterrupted operation, convergence,

complementarity, non-additivity, synergy, multiple objectives, functional integration, social coordination of actions, social equalization, social justice, and others. These principles are closely related to the distinctive features and properties of socio-economic space and its regional systems. Under new economic conditions, the principles of creativity, justice, socialization and humanization are distinguished and acquire particular importance.

Implementation of these principles, with certain changes in their structure and content towards greater specificity and prioritization, and their harmonization with the latest trends in global economic development, will contribute to the development of the country's social space, optimization of infrastructure systems and, ultimately, economic growth.

2.4 Features of the Functioning of Social Infrastructure within the Four-Component Model: Society - State - Business - Social Infrastructure

The development of socio-economic space and changes in social development under the influence of transformational processes lead to fundamental changes in the organization of society and its social subsystems, accompanied by the emergence of renewed progressive elements. They generate the need to seek fundamentally new approaches to problem-solving and to substantiate modern methodological approaches to the study of social systems, develop progressive concepts and paradigms for the formation and use of available resources and potential reserves, and substantiate prospective paradigmatic characteristics, particularly in social infrastructure.

A considerable number of works by domestic scholars have been devoted to the development of social infrastructure sectors. However, the functioning and effectiveness of social infrastructure within the coordinates of national space, its functional interaction within the four-component system of society - state - business - social infrastructure, and the reassessment of its role in social development have not received sufficient attention. This has determined the relevance of the present study, which aims to address this gap.

Contemporary social infrastructure is a multicomponent, internally complex territorial-economic and socio-economic formation whose functioning is directly connected with the interests of all social strata. It includes structural components serving personal consumption, the consumption of goods created in material production, and the production of its own goods and services. Its most significant functions include creating conditions for expanded reproduction and the optimization of demographic processes; the effective use of labor-resource potential; improving the health and educational attainment of the population; addressing housing problems; and improving the quality of life.

Social infrastructure is characterized by a broad spectrum of connections and relationships with other structures in the external and internal environments. Considering the importance of social infrastructure as a component of the economic system and the requirements imposed upon it, its analysis and the determination of the nature of its development should be undertaken within a four-component model reflecting the interaction of society, the state, business, and social infrastructure itself. It is appropriate to identify the qualities that social infrastructure must possess in order to meet socially necessary needs.

At the present stage of economic-system transformation, it is important to reassess the role and functions of infrastructure in social reproduction and its development in light of the characteristics of social dynamics. Attention should be paid to reconsidering the mission of social infrastructure as an important subsystem of the economy and its relationships with other equally significant subsystems of society in order to ensure progressive advancement. This requires its conformity with such defining attributes as efficiency, innovativeness, market orientation, social orientation, creativity, and humanization.

On the basis of systems analysis, we regard social infrastructure as an important social system within national space and time, while the pattern of its functioning and the systemic properties of its components are considered as a chain of interactions and relationships among society, the state, commercial structures, and social infrastructure.

National socio-economic space, as the fundamental basis of social activity, is

structurally significant and until recently comprised various subsystems, including society, the state, and the sphere of economic activity. Recently, this three-component sphere has required substantial adjustment owing to the emergence of a fourth component - business - which has its own range of goals, interests, values, and opportunities that do not coincide with those of the national economy. Thus, whereas the purpose of economic activity is to satisfy effective demand and generate profit for the development of production, the purpose of business is solely to obtain profit by satisfying effective demand. In business structures, profit is the objective and the creation of goods is the means; in economic activity, particularly in social infrastructure, the reverse is true. Business becomes an independent actor in society; therefore, within national space it is appropriate to consider business as a fourth subsystem of the economic system alongside society, the state, and the economy, including social infrastructure.

These systems differ structurally and functionally, although territorially they do not differ from one another; nevertheless, their roles in ensuring the functioning and development of society are distinct. These subsystems of socio-economic space form part of the national system: society represents the reproductive principle, the state the organizing principle, commercial structures the activating principle, and social infrastructure the economic-operational principle. The spheres of interest of these subsystems differ and have different spatial-temporal configurations: society and the state develop gradually and evolutionarily, whereas commercial structures (business) and infrastructure develop cyclically. Each subsystem of the country's social system has its own nature and possesses specific properties that determine the prospects for establishing stable relationships with other structural systems. Thus, society forms the social environment, adheres to equality of rights and opportunities for its members, creates institutional conditions throughout the country, and substantiates development prospects; the state regulates the functioning of the country as a unified whole, ensuring its unity, territorial integrity, security, and stable development; business stimulates various entrepreneurial projects and performs the entrepreneurial function; social infrastructure ensures the production of goods, the provision of services and

consumption, the economic unity of the territory, and future development. All four subsystems are essential to the balanced and sustainable functioning and development of the country.

Social infrastructure, as the sphere in which the relevant processes of producing goods and providing services, consuming and exchanging material and spiritual benefits are implemented, is a relatively independent subsystem of society. Its decomposition within the system of national socio-economic space may be represented schematically as follows (Fig. 3).

With regard to the research methodology and the identified sequence of the closeness and depth of social infrastructure's interconnections in spatial coordinates and temporal dimensions, it is possible to identify and develop new approaches to defining its functions under new economic conditions within the society - state - commercial structures - infrastructure system. Concerning the nature, characteristics, and specific features of the components of the four-component model of social development and their interrelationships, the following should be noted.

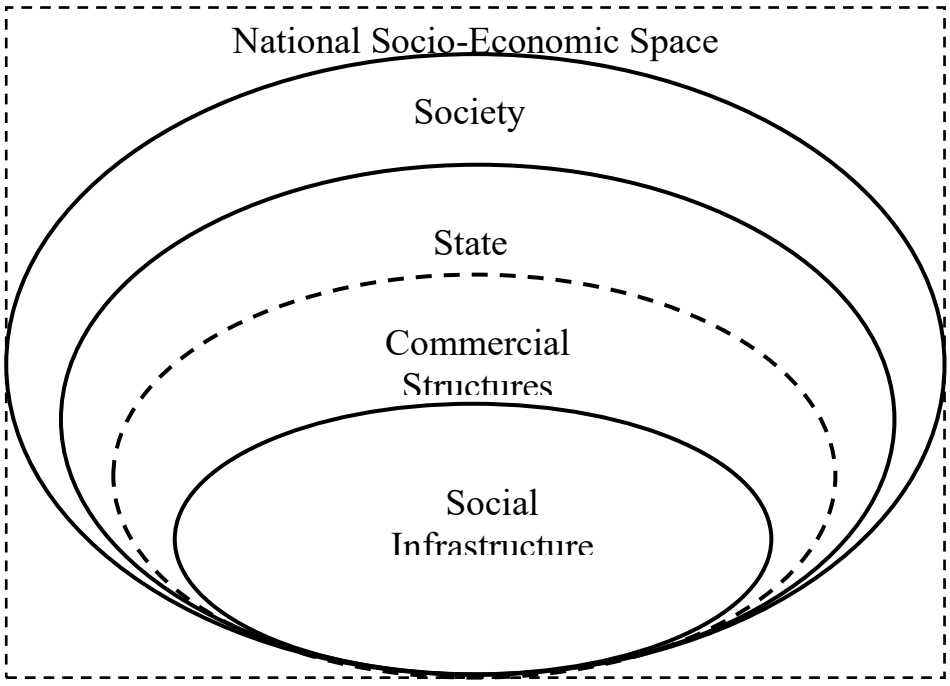


Fig. 3. Decomposition of social infrastructure within the system of national socio-economic space

Society, as a collective of people characterized by a shared social, economic, and cultural life under specific conditions and relationships, has its own scale,

diversified structure, dynamics of development, and capacity for progress. Social infrastructure plays a significant role in its formation, being intended to meet people's social needs and demand for social services as fully as possible. As a component and integral part of society, social infrastructure is closely connected with social development and reproduction processes. The effective functioning of its principal components in the context of the system's social objectives, taken together with all forms and methods of interaction and association among people, ensures the creation of normal living conditions and improvements in their well-being.

In general, society is a complex organization of interactions and interconnections among individuals, groups, castes, strata, and classes. Its structure comprises large and small social groups and the collective and individual relationships among them. Social structure encompasses the arrangement of all relationships, dependencies, and interactions among individual elements within social systems of different ranks, including infrastructural systems. Its elements include social institutions, social groups, and communities of various types, while the basic units of social structure are norms and values. Thus, society is a historically formed and evolving set of forms of joint activity and relationships among people.

The properties of society are diverse and multifaceted; however, on the basis of the general concept of development, their principal characteristics are: a common territory, which generally coincides with state borders and forms the basis of social space where relationships and interactions between individuals arise and develop; homogeneity in territorial distribution and along the temporal axis with respect to the distribution of the population's social characteristics and economic conditions across the territory; integrity and stability, or the ability to maintain and reproduce a high intensity of internal connections; autonomy and a high degree of self-regulation, manifested in the capacity to create the conditions necessary to meet individual needs, that is, society can fulfill its principal purpose without outside intervention by providing people with forms of organization of life that facilitate the achievement of personal goals; and integration, whereby each new generation, through socialization, enters a complex system of social relationships and observes established norms and

rules, ensured by culture as one of society's principal subsystems. The main elements of society's social structure include social communities, social institutions, social ties, social relations, and social culture. There is also an approach that distinguishes economic, political, social, and spiritual spheres within the structure of society. It is the economic sphere, including social infrastructure, that ensures the strength and security of society's functioning.

The principal components of society's social structure are: 1) the individual as a subject of social relations; 2) the social community, an association of people in which a corresponding social bond is created and maintained (types include social groups; professional and labor collectives; socio-demographic, age and sex groups; classes and strata; socio-territorial communities; and ethnic communities); 3) the social institution, an organization of social activity and social relations comprising established norms, values, cultural patterns, and stable forms of behavior. Depending on the sphere of social relations, the following types of institutions are distinguished: economic institutions - production, private property, division of labor, wages, etc.; political and legal institutions - the state, courts, army, and political parties; institutions of kinship, marriage, and family; educational institutions - the family, school, higher education institutions, mass media, and churches; cultural institutions - language, art, and work culture; 4) social ties; 5) social relations; and 6) culture as the totality of forms of life created by humanity through its activities, specific to humanity, together with the processes of their creation and reproduction. Culture is the foundation of the social behavior of individuals and social groups because it is a system of collectively and individually shared norms, rules, and patterns of activity.

Thus, society constitutes a complex social system composed of different but mutually interconnected elements.

The functions of society are diverse; however, in relation to the further development of social infrastructure, they are expressed in the fact that society provides infrastructure with labor resources, maintains social ties and relations in a spirit of concord, unites social communities for effective work, establishes relationships among the individual elements of the system, creates social institutions within the

infrastructure sector, receives consumer benefits from it, and delegates governmental powers to the state.

The State. Social infrastructure has a major influence on the development of the individual, their spiritual world, culture, and way of life; it helps preserve and strengthen health and fosters readiness to adopt an active position in life. The condition and level of development of social infrastructure largely determine the population's standard and quality of life. Accordingly, state regulation of social infrastructure plays a special role in the regulation of the social sphere and within the system of state regulation of socio-economic space.

The state is a universal organization distinguished by a range of unique attributes and properties; it is a political organization of society possessing an apparatus of governance and coercion and establishing a special legal order within a given territory to ensure normal functioning. The state may be defined as a social organization exercising ultimate authority over all people residing within a given territory, whose principal purpose is to ensure the common good while maintaining, above all, order. As an organization of political power that governs society and ensures order and stability, the state structurally constitutes an extensive network of institutions and organizations representing the three branches of government - legislative, executive, and judicial. The state is the official representative of society as a whole and of all its members - citizens. Its principal characteristics include territory, sovereignty, a broad social base, a monopoly on legitimate violence, the right to collect taxes, the public nature of authority, and state symbols.

The state performs both internal functions, including economic, stabilizing, coordinating, and social functions, and external functions, ensuring defense and the establishment of international cooperation. Directly or indirectly, the state exerts regulatory influence on all spheres of activity, including social infrastructure.

Under conditions of the formation of a market economy, reform is taking place in practically all social infrastructure sectors. This reform is based on preserving the state's principal positions in the formation and implementation of state policy in all sectors; creating a competitive environment among social-sector institutions and

enterprises; and gradually introducing market mechanisms for the regulation and functioning of these sectors.

The development of social infrastructure should contribute to attaining the standards of living and quality of life characteristic of developed European states and to improving the living environment by creating a highly efficient, socially oriented market economy receptive to scientific and technological progress and to constantly changing social and personal needs. Unfortunately, the identification of the dominant social infrastructure sectors has revealed limiting conditions for their development owing to substantial differences in economic conditions across most regions of the country. In most regions, social infrastructure remains insufficiently developed, hindering the performance of its social functions and consequently reducing the quality of life. In a considerable number of regions, the condition of social infrastructure is deteriorating, only simple (contracted) reproduction of infrastructure facilities is maintained, and new infrastructure facilities are not being created. Residents have limited opportunities to meet their essential basic needs, as evidenced by the average level of accessibility of healthcare and educational infrastructure.

There is considerable interest in improving social infrastructure as a factor in enhancing the development of human potential. A fundamental reassessment of the functions of social infrastructure is needed, since it contributes to human-capital development and expands opportunities for the socio-economic development of regions. Its formation and development are influenced by the state, which directly and indirectly determines the content and directions of development of its principal components with a view to increasing infrastructure potential, particularly at regional and local levels. This is due to serious distortions that emerged during the development of market relations in the organizational and structural arrangements governing relationships between social infrastructure enterprises and territorial administrative bodies. These changes resulted, first, from a transition from sectoral to territorial-sectoral principles of management; second, from the disintegration of social-sector industries and enterprises; third, from decentralization of the management of regional social spheres; fourth, from the weakening role of the state in managing social

infrastructure sectors; and fifth, from the emergence of multichannel, multilevel financing of the social infrastructure sphere. Moreover, partnerships between state and municipal authorities and private capital have not yet been established. Consequently, it has not been possible to ensure a balance among the economic interests of the region's main actors - public authorities, residents, and business - with respect to territorial development, property management, the development and implementation of regional and sectoral programs, the development and strengthening of economic ties, profit generation, and the allocation of budgetary funds. In relation to social infrastructure, the mission of regional administrative bodies is primarily to create the conditions for its sustainable development and improve the standard and quality of life by balancing the interests of all socio-economic actors within the territory, including citizens, enterprises, and organizations of different organizational and legal forms.

New trends in the development of the country and its regions are associated with the transition toward a knowledge-based economy and increasing intellectual activity within individual firms and organizations. All this requires the development and implementation of appropriate state policy. In this regard, it is important not only to ensure economic growth but also to achieve substantial improvements in citizens' well-being and quality of life, improve the natural environment, and establish conditions for sustainable economic growth in the future through the substantiation of strategies for the development of socio-economic systems.

Undoubtedly, strategies for social infrastructure development can be implemented only through the effective activities of state authorities and local self-government bodies within an overall strategy for managing socio-economic processes in the region, including the resolution of existing social governance problems. The main problems are caused by the following contradictions: between the high degree of responsibility borne by state authorities for social conditions and their actual powers and capacity to influence social processes; between the large number of social infrastructure facilities in a region and the limited ability of administrative bodies to obtain reliable information about these entities and influence their activities; and between the interests of different social groups and social infrastructure entities.

The strategy for managing a region's social infrastructure, which, it should be emphasized once again, is an integral component of the overall strategy for managing regional socio-economic processes, must be based on the extensive application of the principles of regional corporate governance. The insufficiency of administrative and economic levers available to state authorities can be successfully offset by introducing contractual mechanisms governing relations between administrative bodies and economic entities; concluding agreements among all branches of government, territorial communities, business representatives, and civil society institutions; and establishing vertically integrated structures, including clusters, strategic alliances, consortia, marketing associations, relevant zones, and so forth. The complexity of the problems to be resolved by the social infrastructure management system objectively requires stronger theoretical support for managerial decisions and greater interaction between administrative bodies and the academic community.

Commercial Structures. The commercial sector in any sphere of activity comprises legal entities pursuing profit as their principal objective; these are entrepreneurial organizations that intensified their activities during the emergence and development of the market. Therefore, taking into account the criterion of sustainable social development that reflects the interests of all members of society, it is important to determine the role and place of commercial structures in social infrastructure sectors and in the country's socio-economic space. The specific nature of social infrastructure services and tendencies toward market segmentation and partial monopolization must be taken into account. Moreover, the presence of heterogeneous groups of factors complicates the development of a workable model for combining market and non-market mechanisms in these sectors with a view to optimizing their functioning.

A characteristic feature of market organization is that, in certain situations, it cannot ensure self-regulation and equilibrium among all elements of the system; this must be compensated for by the corresponding economic functions of the state. The specific nature and characteristics of social infrastructure services as mixed economic goods, combining characteristics of private and public goods, objectively necessitate state regulation of these sectors. The state's task is to create an institutional environment

through legislative and incentive measures that establish an institutional framework and regulate legal relations in the social sphere. Since the institutionalization of social infrastructure sectors is a contradictory and lengthy process requiring purposeful state regulation, only a comprehensive and systematic approach to creating the institutional structure of the social services market, establishing its legislative and regulatory framework, and introducing new investment and financial technologies can improve the efficiency of social infrastructure services under market conditions.

Analysis of trends in the development of social infrastructure sectors indicates that, under certain conditions, commercialization, that is, the use of market mechanisms, may positively affect service production in these sectors. However, commercialization should not be introduced in sectors such as education and healthcare, since market incentives may redirect service providers' efforts toward outcomes that impair service quality. A compromise between governmental and non-governmental structures is therefore necessary, with an emphasis on ensuring their economic efficiency.

Social infrastructure, understood as the totality of material facilities ensuring the general conditions for effective human activity in all spheres of social life, has the following target functions: establishing conditions conducive to progressive trends in demographic processes; reproducing a workforce whose qualitative characteristics meet the needs and level of development of production; and effectively utilizing resource and labor potential.

Since the country's strategic objective is to improve the quality and standard of living, important tasks in the development of social infrastructure include modernizing the social sphere and human potential; improving the system of state administration of social development; strengthening infrastructure capacities and intensifying the activities of its principal sectors; and further developing human capital. All these directions of social development and improvements in social structure for the public good must operate in interconnection, coordinating and harmonizing their actions and optimizing their mutual relationships.

The development and functioning of a country depend to a considerable extent

on the coordination and effective interaction of four diverse subsystems - society, the state, business, and social infrastructure - on the basis of structural interconnections and relationships of a statutory and functional nature.

Alongside statutory relationships, which are determined by natural, immanent characteristics and reflect the propensity of these subsystems toward cooperation and coordination, a dominant role is played by key functional interactions - the harmonization of subsystem activities in the process of performing their functions. Substantiating interdependent and appropriate measures to optimize relationships and interactions among the state as a political organization vested with authority to regulate social development throughout the territory in the short, medium, and long term; society as a population structured through non-governmental political and public organizations; business as a set of organizational and legal forms of activity of actual economic entities and as the activity of individuals and legal entities involving the creation, reorganization, ownership, and transfer of property rights to economic entities for profit; and social infrastructure as a social system ensuring people's livelihoods and meeting their needs for goods and services will contribute to balanced and stable socio-economic development of the country.

Thus, each subsystem has its own nature, constitutes a corresponding fundamental principle, and possesses immanent properties that determine prospects for establishing stable relationships with other subsystems. Society forms the social environment, ensuring justice, equality of its members' rights, and uniform institutional conditions throughout the country; the state regulates the functioning of the country as a unified whole, ensuring its integrity and security; business stimulates entrepreneurial activity; and social infrastructure ensures the creation of consumer goods.

Functional interactions among society, the state, commercial structures, and social infrastructure are multifaceted, and their joint activities involve the exchange and transfer of material assets, physical resources, investments, rights, obligations, and so forth. However, the most significant are functional relationships, which form the basis of the systemic structure of the country's socio-economic space.

Regarding the implementation of subsystem functions, society delegates its

powers to the state, while the state creates the conditions for society's functioning and development, ensuring national security and territorial integrity. Commercial structures and business development generate profits, pay taxes, and provide an extrabudgetary source of state revenue. Commercial structures interact with social infrastructure, which helps create normal living conditions and meets the needs of the population through the development of various investment and short-term business projects. Business structures direct various resources, particularly capital, into social infrastructure and receive profits, while social infrastructure generates demand for business projects and creates employment for the population. A generalized diagram of the functional interaction of the tetrad, as a systemic configuration capable of independent functioning and self-development and comprising four types of subsystems within national space, is presented in Fig. 4.

An expanded description and specification of the functions of these subsystems in relation to strategic directions of social infrastructure development are presented in Fig. 5.

In order to improve functional interconnections within the four-component system in terms of coordinating and regulating its effectiveness, social infrastructure must take account of society's demands and business needs. Summarizing social infrastructure's obligations toward its systemic counterparts, it should: provide society with jobs in accordance with its potential and the needs of the economy; satisfy society's needs for economic goods; provide business with conditions for entrepreneurial activity; be receptive to innovation; and ensure progress toward economic equilibrium and economic advancement.

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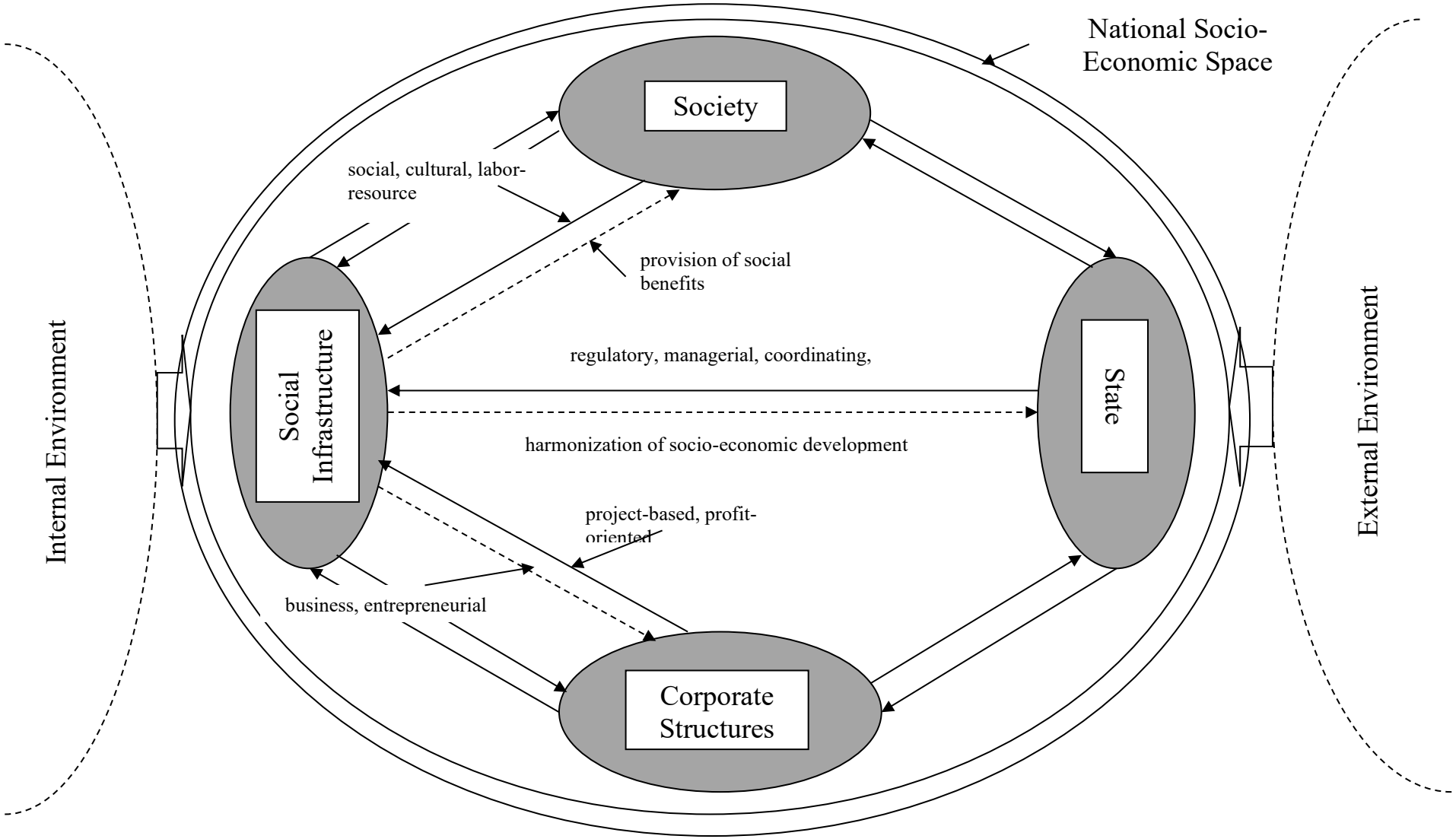


Fig. 4. Functional diagram (model) of the interrelationship between social infrastructure and the structural systems of national space

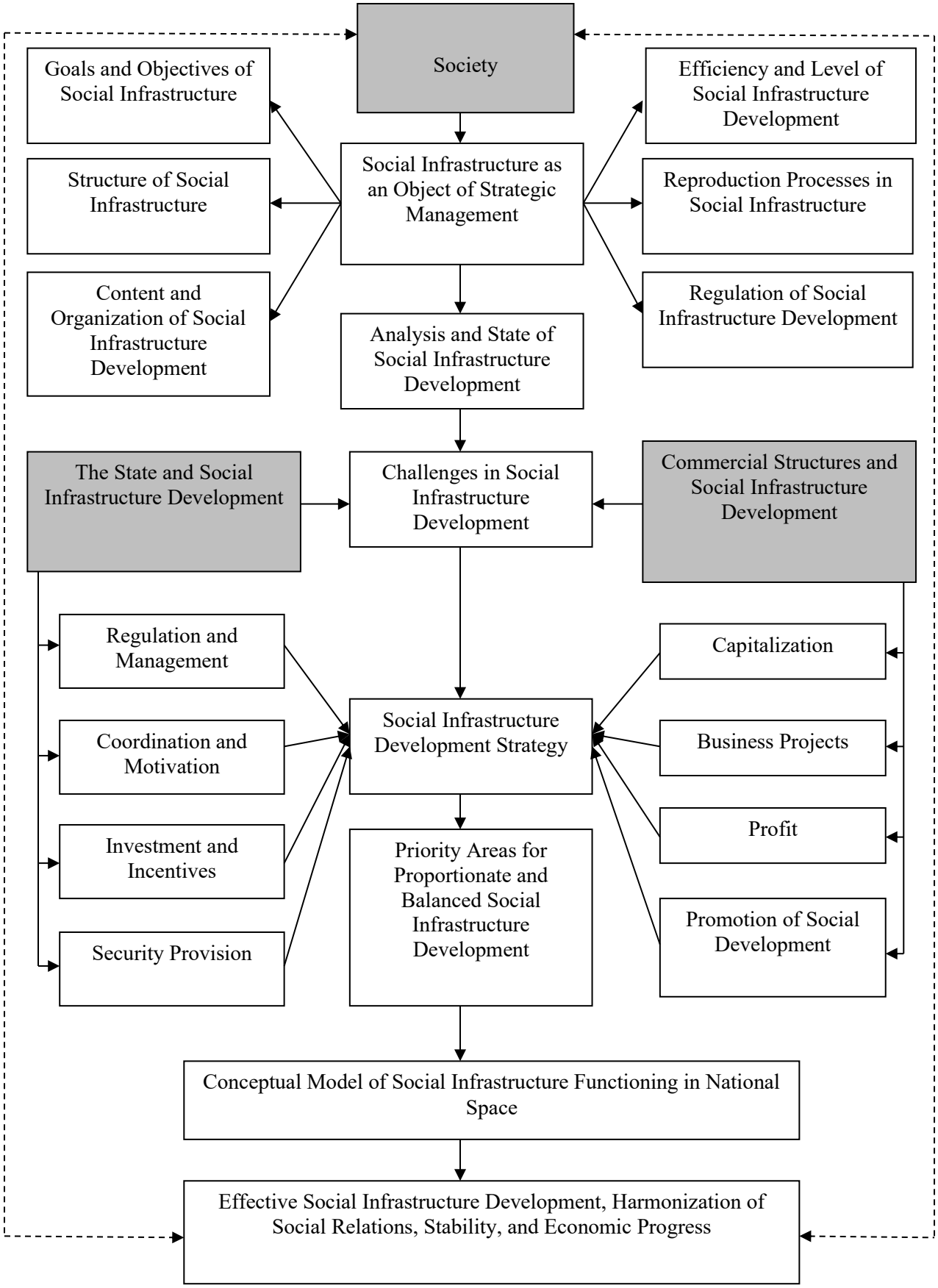


Fig. 5. Social infrastructure within the system of the country's national space

The proposed model of society's functioning, expressed as flows of material and spiritual goods, information, and other resources around a quadrilateral - society - state - business - social infrastructure - at the levels of relationships, interaction, and coordination, corresponds to the current tasks of transitioning toward strategic management of social infrastructure within the development of national space.

With active and purposeful efforts by public authorities to balance the interests of different social groups among government, business, and society and to establish a unified investment and innovation infrastructure system, as well as under favorable external conditions, it is entirely realistic to achieve the objectives of sustainable economic growth, substantial improvements in the population's quality of life, regional security, and the personal security of citizens.

Constructive, equitable, and rational interaction among society, the state, commercial structures, and social infrastructure in the form of harmonious public-private and social-infrastructure partnerships oriented toward the development of the country as a unified whole will ensure the harmonization of all spheres of life and the country's sustainable, stable, and efficient development.

2.5 Methodological Foundations for Assessing the Effectiveness of Social Infrastructure Development with an Emphasis on Its Priority Status

The specific features and nature of transformation processes within the country's economic system, together with the resolution of its contradictory problems, have shaped the foundations of a market economy and corresponding principles of social development aimed at the socioeconomic stability of society. In this context, the formation of a new socioeconomic space of the country, the achievement of a self-sustaining level of sociodynamics in society, and the full reproduction of human potential through the realization of societal priorities have become pressing issues. Among societal priorities, those relating to social development are particularly important in all transformational changes, structural and institutional shifts, and innovation and investment processes.

As noted above, the driving force of social development is social infrastructure, which reflects social processes and phenomena and ensures the creation of appropriate living conditions for the population. Its scale, directions, and functional orientations are closely linked to societal priorities, particularly those of an explicitly social nature, and to their criterion-based characteristics. In this light, the fundamental task is to select well-founded priorities for social infrastructure development and establish a typology of criteria for the development strategy of its principal subsystems.

In this regard, it is appropriate to deepen theoretical approaches to defining the fundamental concepts relating to social development and its priority status, which are undergoing renewal and transformation in response to new conditions and challenges of the market environment and acquiring a fundamentally new character; to broaden the essential attributes and substantive characteristics of the principles governing the formation and development of social infrastructure, particularly the group of specific principles, and to determine their role in substantiating societal priorities for the activities of this sphere within the coordinates of social space; to improve methodological approaches and methods for assessing the aggregate potential of social infrastructure, based on a specific system of indicators for identifying and calculating the level of socioeconomic development of the country and its regions; to substantiate conceptual approaches to constructing a model for selecting priority areas of social infrastructure development and implementing them through an established organizational and economic mechanism, with target benchmarks defined within the spatial environment of a particular territory; and to establish the order of priority of measures, develop a system of social priorities, and substantiate an analytical procedure for their identification.

Social development and the development of social infrastructure reflect social relations as a component of societal relations, characterizing interactions among different groups of people and individual persons according to their position in society, and encompassing material, social, cultural, and household subsystems.

Its scale, directions, and functional orientations are closely linked to societal priorities, particularly those of an explicitly social nature, and their criterion-based

characteristics. In this light, a methodologically important task is to select well-founded priorities for social infrastructure development and establish a typology of criteria for their comparative assessment, as a basis for developing a strategy for its principal subsystems through identifying and defining fundamentally new research approaches and scientific developments.

The scientific contributions relating to the problem under investigation consisted of:

- deepening theoretical approaches to defining concepts such as social development, priority, criterion, and typology, which are being renewed and transformed in response to new conditions and challenges of the market environment and are acquiring a fundamentally new character;
- revealing the essential attributes and substantive characteristics of the principles of social infrastructure formation and development, particularly the group of specific principles, and determining their role as fundamental propositions in substantiating the societal priorities of this sphere within the coordinates of the contemporary social project;
- improving the methodology for assessing the aggregate potential of social infrastructure, based on a specific system of indicators for identifying and calculating the level of socioeconomic development of the country and its regions;
- improving the typology of criteria for assessing social infrastructure priorities, whose criterion-based characteristics may serve as benchmarks for restructuring and reforming this sphere, its structural transformation, the allocation of investment, and entrepreneurial activity across sectors, taking into account historical evolutionism, periodization, cyclicality, and technological paradigms;
- substantiating conceptual approaches to constructing a model for selecting priority directions of social infrastructure development and implementing it through an established organizational and economic mechanism with target benchmarks defined in the spatial environment of a given territory;

- developing a scale for prioritizing measures through the application of the “theory of service systems with priorities,” constructing a system of social priorities, and substantiating an analytical procedure for identifying them.

The originality of these scientific contributions lies in the systematic identification of criteria for priority social infrastructure development, the application of an updated theoretical and methodological foundation based on new approaches to constructing a socially oriented model of socioeconomic development, and the specific methodology used to assess the effectiveness of such development.

A wide range of research methods was employed in identifying societal priorities for social infrastructure, from comprehensive systems analysis and comparative analysis to modeling the effects of strategic factors on performance indicators under market conditions.

Indicators for assessing the specific characteristics of the process vary according to the regional, sectoral, functional, and organizational features of facilities in particular areas of infrastructure activity. The identification of social infrastructure priorities encompasses a wide range of attributes; one of the most common classifications distinguishes them according to quantitative and qualitative characteristics. Their division into external, internal, and specific priorities is appropriate and of practical significance.

Based on the functional purpose of social infrastructure, the state of its development, and structural changes in the system of interaction among its components, the principal priorities may be identified as economic, humanitarian, organizational, environmental, managerial, investment and innovation, and territorial.

The first priority is to focus on the economic group of objectives, comprising the following directions: broad and comprehensive development of social infrastructure accompanied by increased production volumes and improved services; improvement of property relations; acceleration of institutional transformations; investment and innovation support for expanded reproduction; and formation of regional markets for social infrastructure.

The set of humanitarian priorities is also important, particularly the establishment of a national knowledge-economy system, advancement of fundamental and applied research, improvement of the standard and quality of educational services, provision of an adequate level of medical care, overall improvement of the nation's health, and growth of intellectual potential.

Another priority direction of its development is state regulation as a form of public administration operating both vertically and horizontally on the basis of legislative and regulatory instruments that establish the conditions for the functioning of social infrastructure subsystems.

The principal measures and instruments for substantiating priorities for social infrastructure development include goal setting and target programming; operational regulation; strategic planning; standard setting and budgeting; and predictive modeling that takes account of the scale of its potential on the basis of methodological assessments of development effectiveness.

Infrastructure sectors providing production-related and social services to the population have their own distinctive features and corresponding methods for evaluating their activities. Evaluation may be undertaken using indicators grouped into several categories: I. Structural indicators: the number of enterprises in each activity classified as infrastructure; changes in the number of enterprises; ratios (proportions) among types of activity; ratios among forms of ownership of infrastructure enterprises; and ratios among large, medium-sized, and small business entities. II. Production indicators: volumes of products or services sold; changes in the volume of services sold; ratios (proportions) between the sales of services by enterprises of different ownership types; and ratios between the sales of services by large, medium-sized, and small enterprises. III. Personnel indicators: the number of persons employed by enterprises classified as infrastructure; ratios between employment levels in infrastructure enterprises by type of activity; ratios between employment levels in enterprises with different forms of ownership; and ratios (proportions) between employment in large, medium-sized, and small enterprises. IV. Financial indicators: profits (losses) of enterprises classified as infrastructure; ratios between profitability

(loss-making performance) of infrastructure enterprises by type of economic activity; changes in enterprise profits (losses); and profitability of infrastructure enterprises by type of activity or service provision. V. Investment and innovation indicators: volumes of fixed-capital investment in infrastructure enterprises by type of activity; ratios (proportions) between sources of fixed-capital investment; changes in fixed-capital investment by activity; changes in innovation expenditure by activity; changes in the introduction of advanced technological processes and the launch of production of new product types; and changes in the volume of innovative products sold by type of activity.

Infrastructure has distinctive features that determine a system of relative indicators for assessing the provision of infrastructure facilities in a region as a whole and, in particular, for its population: passenger turnover; volumes of communication services provided; per-capita social infrastructure services; density of roads, communications, and similar networks per square kilometer of territory; provision of preschool educational institutions (places per 100 preschool-age children); availability of public libraries (institutions per 10,000 inhabitants); cultural and leisure institutions (institutions per 10,000 inhabitants); outpatient and polyclinic facilities (visits per shift per 10,000 inhabitants); and the proportion of the region's area (or settlements) equipped with water supply, sewerage, central heating, gas pipelines, and so forth.

The range of specific indicators characterizing the technical and technological state of social infrastructure development is determined by its essential characteristics and technical and technological factors. Thus, for technical service sectors, the principal specific indicators include service delivery capacity, measured by the completion of orders over a given period (repairs, etc.); the quality of services provided, ensured by technologies and technical equipment at service enterprises; and the degree of their automation and mechanization.

When evaluating the condition of social infrastructure facilities, it is necessary to consider the financial and economic conditions of sectoral development, primarily the economic mechanism for financing the costs of maintaining infrastructure facilities. Accordingly, social infrastructure sectors may be divided into two groups: market-

based/autonomous sectors - trade, public catering, consumer services, housing and municipal services, tourism, and revenue-generating recreational facilities; and non-market/budget-funded sectors - health care, education, science, culture, physical education and sport, and recreational facilities requiring state/regional (local) financial intervention.

Consequently, the condition of market-based/autonomous infrastructure facilities in the social sphere should be assessed both in terms of the region's potential development opportunities and their correspondence to potentially growing consumer demand and market conditions, and in terms of the capacity to ensure state-guaranteed levels of satisfaction of demand for infrastructure services. Evaluation of non-market infrastructure facilities in social sectors operating predominantly through budget-financing mechanisms should primarily focus on their capacity to satisfy the population's needs for state-guaranteed services in both qualitative and quantitative terms.

To assess structural and dynamic shifts and develop forecast scenarios for infrastructure development, both the historical development and current condition of infrastructure facilities are evaluated. On this basis, possible trends and alternative development trajectories of infrastructure sectors, as well as their prospective future condition, are forecast.

The most widespread and effective forecasting methods are extrapolation methods. This approach to forecasting is known as the “genetic” approach and involves the use of econometric models.

The time factor, or trend, should be incorporated into the model as the most important determinant of infrastructure facility development. In this case, extrapolating observed trends involves selecting forecasting trend models in the form of a curve that most accurately describes a series of empirical observations. Where the development of infrastructure facilities is mediated by market conditions, the most common forecasting models may be interpreted as follows:

1. Linear ($Y = a_0 + a_1 * t$) - demand for the services of the relevant infrastructure sector is largely satisfied and increases uniformly. In the future, provided that the

service delivery system and the service itself are adequately and promptly improved, this growth trend will persist.

2. Logarithmic ($Y = a_0 + a_1 * \log t$) - demand for the relevant services is satisfied and gradually increases, but its rate of growth declines. In the future, the market will be characterized by complete saturation, and the level of need satisfaction will approach a rational standard, although the growth rate of demand will gradually decrease.

3. Hyperbola ($Y = a_0 + \frac{a_1}{t}$) - demand is largely satisfied but is steadily declining. In the future, the service may be displaced from the market, or the number of consumers of that service may decrease.

4. Parabola ($Y = a_0 + a_1^t$) - demand for services in the infrastructure sector is not satisfied and grows at a constant rate. In the future, market saturation will occur rather slowly, while the growth rate of demand will remain relatively high.

5. Second-order parabola ($Y = a_0 + a_1 * t + a_2 t^2$) - demand for these services remains unsatisfied and increases at a substantial rate. In the future, the market for this service will remain unsaturated, and the service itself will be classified as scarce, although the volumes of its provision and consumption will grow considerably [32].

Since information about previous stages of infrastructure facility development is not always complete, reliable, or exhaustive, analytical (target-based or normative) modeling may be used when retrospective information is insufficient. Based on an analysis of the external and internal relationships of the object under study, this method makes it possible to assess its future condition and reproduce alternative development scenarios. The application of this method should begin by identifying the most probable and desirable development objectives.

An integrated comparative assessment of the condition and levels of infrastructure development both nationwide and across its regions is particularly important. Given the large number of development indicators for each type of infrastructure, as well as regional specificities and the nature of infrastructure-sector

development, a regionally differentiated approach to assessing the provision of infrastructure facilities is necessary.

One method for the integrated assessment of infrastructure facility development is regional ranking according to the presence and provision of infrastructure facilities across territories and regions, taking into account the impact of each infrastructure type on the economy of a particular region and the condition of its facilities. In view of regional specificities, the most significant infrastructure sectors may be identified for each region to enable valid comparison with other territories, and weighting coefficients calculated analytically or determined through expert assessment may be applied.

An integrated comparative assessment of infrastructure may be performed both across districts within a territory and across major economic regions of Ukraine as a whole. In such an assessment, the level of infrastructure development of each territory may be determined by combining various partial relative indicators into a single indicator: each is expressed relative to its maximum value among the territories compared, and the resulting values are averaged. The indicator value determines the region's rank in terms of infrastructure development. The number of component indicators used to determine a territory's level of infrastructure development depends on the presence of infrastructure facilities of a given type in the region. Analysis of the historical and current levels of infrastructure development makes it possible to forecast prospective structural and dynamic shifts in regional infrastructure development.

The basis for determining the potential of priority directions in the principal spheres of social infrastructure and the organizational and economic mechanism of its functioning is an integrated assessment of the material and household and sociocultural components, using a system of criteria, indicators, and characteristics that reflect the relationship between the actual condition and the normative level of component development. It is appropriate to use an indicator of the deviation of social infrastructure development indicators for a particular territory from the national maximum or average indicator.

The use of integrated indicators that are sensitive to changes in space and time and practically applicable to social development will help improve the quality of comprehensive assessment of the level of social infrastructure development in a particular region within a hierarchical system of taxonomic territorial units, with a view to substantiating priorities for its further development [31].

One possible, more comprehensive approach to developing a methodology for calculating an integrated indicator of social infrastructure facility development is to use generalized values of the level of social effectiveness. This is measured on a scale ranging from zero (the minimum value) to 100% (the maximum value).

$$I = \left[1 - \sum_{p=1}^{N} V_p \cdot \frac{Y_p^n - Y_p^j}{Y_p^n}\right] \cdot 100,$$

where I – denotes the integrated indicator of the level of social effectiveness;

$V_p = 1$, denote the "weights" of the indicators;

Y_p^n – denotes the normative (reference) state of the process for indicator p;

Y_p^j – denotes the actual state of the process for indicator p;

$\left[Y_p^n - Y_p^j\right]$ – denotes the deviation of the actual state from the normative state, provided that any excess of the actual state over the normative state is disregarded and the difference is set to zero, in order to prevent excessive performance on some parameters from compensating for deficiencies in another.

To assess the level of service provision for the purpose of determining social infrastructure priorities, an integrated indicator may be used - a synthetic weighted index of service provision levels: /20/

$$W_i = R_i \frac{\sum_{i=1}^{n} q_i x_{ij}}{100 \sum_{i=1}^{n} q_i},$$

where R_i – denotes the level of paid-service consumption by the population of the j-th oblast, adjusted for the regional price index, expressed as a percentage of the national average (or average oblast) indicator;

$x_i...x_2...x_n$ – denotes the values of individual factors for oblast j relative to the national average (or, for a district, as a percentage of the oblast average);

$q_1...q_2...q_n$ – denotes the scores (weights) reflecting the influence of factors on the resulting indicators, determined on the basis of correlation coefficients, which make it possible to neutralize the effect of territorial conditions on the level of service consumption.

The methodology for regulating socioeconomic development, including social infrastructure, involves the systematization and consideration of methods of managerial influence on its implementation, as well as evaluation of the effectiveness of the transformations undertaken. In the first case, this refers to the set of instruments developed by domestic scholarship for regulating macroeconomic processes within the implementation of national economic policy (credit, taxation, investment, depreciation policy, the state budget, grants, subsidies, and prices) and its specifically regional dimension (strategic planning, comprehensive development programs, the establishment of priority development territories and free economic zones). In the second case, it refers to indicators of the effectiveness of the structure of economic and social systems, such as increases in aggregate potential and the effects of structural mobility and structural activity. In particular, the impact of structural change on the effectiveness of infrastructure production in a region may be determined by calculating an index of structural shifts:

$$Ic = \frac{\sum jP_j^o \Pi_j^i}{\sum P_j^o \Pi_j^o}$$

where P_j^o- is the qualitative indicator of the j-th infrastructure sphere (or sector) in the base period;

Π_j^o– is the share of the j-th sphere of activity in the base year (by number of personnel, thousand persons; or value of fixed production assets, million UAH);

Π_j^i - is the share of the j-th sphere of activity in the reporting year.

The structural potential of a region's social sphere, measured by the share of each sphere of activity (sector) in the total value of gross regional product, may be characterized by calculating the coefficient of structural activity:

$$K_{акт} = \frac{1}{2}\sum_{i=1}^{n}(Y_{i,t} - Y_{i,t-1})$$

where $Y_{i,t}$ is the share of the i-th sphere of activity (sector) in gross regional product at time t;

$Y_{i,t-1}$ is the share of the i-th sphere of activity (sector) in gross regional product at time t-1.

A generalized indicator of the effectiveness of structural restructuring in the social sphere is the satisfaction of the population's needs in the long term.

The development of the principal spheres of social infrastructure is closely linked to the prospects and consequences of investment activity within them. Such activity should address the following objectives: achieving regional standards in levels of service provision to the population; selecting priority investment directions in particular social infrastructure sectors to resolve structural restructuring problems; using resources rationally for comprehensive development of settlements; creating suburban areas, recreation zones, and resort and sanatorium complexes; determining the extent of state intervention (by regional authorities) in investment decisions, the scope of its activity, and the volume of public investment; implementing the concept of optimal territorial organization in order to improve the effectiveness of social infrastructure functioning; conducting economic, social, and environmental assessment of investment projects; ensuring that investment decisions are justified on the basis of multivariate and multifactor assessments; and coordinating actions in their implementation.

As a criterion for selecting real investment projects in social infrastructure, it is appropriate to use a synthetic indicator based on ranked values of project performance indicators. It should include the project's profitability index, income, payback period, and efficiency measures - the increase in service provision per UAH 1 of investment and the increase in jobs created by the project - with the minimum value indicating the project's priority status.

$$Y_j = \sum_{t=1}^{s} R_e \rightarrow \min$$

where Y_j is the synthetic indicator of the j-th project, $j=1....;$

R_e – *denotes the ranked values of project efficiency indicators.*

The development of social infrastructure is based on, and closely related to, the scale, nature, and distinctive features of local budget formation, which necessitates substantiating the feasibility of using methodological support for budget planning at the local level. The principal objectives of multi-year budget planning are to formulate an effective medium-term fiscal and budgetary strategy and to strengthen discipline in the use of funds.

It should be noted that budget planning is a threefold task. First, it involves identifying actual sources and reliable amounts of budget revenue; second, optimizing the structure of budget expenditure; and third, achieving a balance between revenue and expenditure. In addition, it is important to establish an optimal structure for allocating budgetary funds among the levels of the budget system and to provide reserve funds. The continuous process of considering alternative draft budgets, selecting an acceptable option, and reassessing it requires an expanded methodological foundation and the application of a diverse set of methods.

A wide range of scientific methods is used in budget planning: direct calculation, normative, analytical, extrapolation, balance-sheet, and program-target methods.

The direct calculation method is used in preparing a draft budget for one year at various levels of administration. This method consists of detailed planning calculations for each component of revenue or expenditure.

The normative method involves planning individual indicators on the basis of established norms. However, these norms must be continuously reviewed and refined in response to legislative changes and other developments.

The essence of the analytical method is to determine not the aggregate value of a particular indicator but its change during the planning period under the influence of individual factors relative to the base period.

The extrapolation method is based on determining budget indicators by identifying stable trends in their development. Budget indicators are calculated on the basis of the level attained in the preceding period and adjusted for the country's relatively stable development. This method has certain disadvantages. First, it does not permit budget revenues to be increased or reduced in response to various circumstances in the planning year (changes in legislation or in the activities of taxation and other supervisory authorities). Second, it adversely affects the economical use of budget funds, since their planning is based on the level attained in the previous year.

One planning method is the balance-sheet method, whose essence lies in the mandatory balancing of revenue and expenditure. Only what has been produced can be distributed and consumed. A balanced economic and social development plan, improved economic proportions, and sustainable economic development create the conditions necessary for preparing and implementing a balanced and realistic budget.

The central idea of the program-target method is to focus not only on budgetary capacities, that is, available resources, but also on how those resources can be used most efficiently to achieve specific results. The program-target method of budgeting therefore provides for a somewhat different approach to the formation of budget indicators. This process begins by focusing primarily on the results that must be achieved in the public sector; only then is the question raised of which resources should be used most effectively to attain the intended results and in what manner.

The use of the program-target method in budget formulation and planning at the local level is particularly effective in the social sphere and in the development of social infrastructure. At present, the number of program documents requiring funding for particular measures, including social infrastructure development, through allocations from the state budget is considerable. The demand for budget funds substantially exceeds the total financial resources available to the state. Moreover, when program documents are adopted, account is taken of the fact that budget revenues generated through the state's relevant fiscal policy do not necessarily increase continuously. Thus, in real terms, the dynamics of budget revenue may be either positive or negative.

This situation is linked to macroeconomic stability, which in turn depends on both internal and external causes. State regional policy should be directed toward establishing the financial capacity of local authorities and local self-government bodies necessary to create conditions for effective development and to overcome socioeconomic disparities, taking into account regional characteristics and regions' potential to adapt to market conditions. The priority tasks of executive authorities and local self-government bodies in developing the socioeconomic sphere, with due regard for local budget volumes, should include: strengthening the economic basis for independent social development of regions by delineating the competences and responsibilities of executive authorities; improving the legal foundations and practices of interaction on economic and social issues between local executive authorities and self-government bodies and economic entities; strengthening the financial autonomy of regions; reducing existing interregional disparities in socioeconomic development through centralized financial support; and providing state support to stimulate the development of districts with the potential to become “growth points” of the economy.

With regard to the concept of introducing the program-target method into Ukraine's budget process, including the social sphere, forecasting should be undertaken in order to increase the accountability of principal fund administrators for efficient and rational resource utilization; strengthen budgetary control; improve the allocation of resources among subsectors; and increase the level of commitments relating to the formulation of prospective directions of budget policy, among other objectives. This should take into account the fact that, at the local level, the program-target method enables revenue from the activities of local authorities to be determined by substantiating the amounts of voluntary payments to local budgets or compulsory collection.

The use of methods for planning revenue from the activities of local authorities, particularly the program-target method in general and in the social sphere in particular, results in:

- ensuring a balance of financial resources of local self-government bodies;

- identifying actual sources of local budget revenue on the basis of the fiscal objectives of local authorities for the subsequent optimization of budget receipts;

- exercising effective control by local authorities, consisting in the timely fulfillment of obligations by economic entities;

- setting medium-term fiscal and budgetary objectives to achieve effectiveness in the regulatory and supervisory activities of local authorities;

- contributing to the preservation and improvement of regional administration at the local level and its transition to a qualitatively new level.

Reliance on existing methodological approaches to assessing the effectiveness of social development and the implementation of substantiated priority directions for social infrastructure will ensure the creation of an appropriate living environment and facilitate the expansion and strengthening of human capital.

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3. Marketing distribution policy: theoretical and practical aspects

3.1 The essence of marketing distribution policy and its main objectives

In a competitive environment, fully satisfying consumer needs requires more than simply producing a product that meets consumers' requirements and developing an effective pricing policy. The product must also be delivered to the right place, at the right time, and in the right quantity. Therefore, distribution is one of the important elements of the marketing mix, while distribution policy is one of the key functions of marketing. Under modern market conditions, an enterprise cannot achieve a competitive market position without a clearly defined and effectively organized distribution policy. This is because the distribution department's personnel serve as a link between the producer and the consumer. Consequently, a well-considered and consistent distribution policy established by the producer lays the foundation for its market success. In this regard, considerable attention should be paid to distribution policy issues and the development of its structure.

Marketing distribution policy concerns activities related to the channels through which goods move to reach the final consumer. The main objective of distribution policy is to establish an optimal distribution system. It should be noted that the term "distribution policy" is rather broad and encompasses various aspects of an enterprise's strategy and tactics. These include, in particular, the formation of distribution channels, modification of the existing sales system, selection of intermediaries, distribution channel management, their evaluation, etc. Therefore, before formulating the most appropriate definition of marketing distribution policy, we will present and examine the most widely recognized definitions proposed by foreign and Ukrainian scholars.

According to the definition provided by Ukrainian scholar A. V. Voichak, marketing distribution policy is "an enterprise's activity aimed at organizing, planning, implementing, and controlling the physical movement of manufactured products from the places of their extraction or production to the places of their use or consumption in order to satisfy consumer needs and achieve the enterprise's own objectives" [43, p.

202]. Marketing distribution policy facilitates the buying and selling of goods, their storage and transformation, the provision of customer services, the study, generation, and satisfaction of demand, as well as the compensation of costs incurred during the production process. The utility of marketing distribution policy lies in ensuring the timely availability of products (time utility), delivering goods to locations where demand exists (place utility), changing the form and appearance of goods to make them more attractive to consumers (form utility), and providing consumers with the opportunity to purchase and own goods (possession utility) [43, p. 203].

According to Ukrainian scholar S. S. Harkavenko, marketing distribution policy is "a company's activity involving the planning, implementation, and control of the movement of goods from the producer to the final consumer in order to satisfy consumer needs and generate profit for the company" [44, p. 365]. In the scholar's view, the primary objective of distribution policy is to organize the effective sale of manufactured products. The tasks of product distribution are divided into two groups: strategic and tactical. Strategic tasks are related to the formation and organization of sales channels [44, p. 365]:

- forecasting and planning prospective sales channels;
- choosing between direct and indirect distribution channels;
- selecting optimal sales channels and distribution routes, as well as determining warehouse locations.

Tactical distribution tasks include [44, p. 365]:

- working with existing customers and attracting new ones;
- searching for and selecting commercial offers for product supplies;
- organizing order fulfillment and product delivery, including determining distribution routes and checking product stock availability.

Marketing distribution policy is "an enterprise's activity involving the planning, implementation, and control of the physical movement of goods from the places of their production to the places of sale or use in order to satisfy demand and generate profit" [48, p. 305]. According to scholars, the most important aspect of implementing distribution policy is the selection and design of distribution channels. Therefore, the

effectiveness of distribution policy largely depends on the choice of an effective distribution channel.

The majority of Ukrainian scholars consider marketing distribution policy to be a specific type of activity involving the planning, implementation, and control of the physical movement of goods from the production stage to the consumer. However, there are also somewhat different definitions and interpretations of this concept. In particular, Ukrainian scholar O. A. Bilovodska defines marketing distribution policy as "a set of measures and related operations aimed at effectively planning, organizing, regulating, and controlling the creation and delivery of products and services to consumers in order to satisfy their needs and generate profit" [39, p. 14]. Thus, it can be concluded that various definitions of marketing distribution policy exist in the scientific literature. Although they do not differ substantially in their conceptual foundations, each has certain distinctive features.

Research findings have shown that the concept of distribution encompasses the coordination of all production-related activities aimed at moving a product across space and time from the place of production to the place of consumption [52, p. 214]. Thus, marketing distribution policy concerns activities related to the channels through which goods move to reach the final consumer [45, p. 116]. Marketing distribution policy facilitates the buying and selling, storage and transportation of goods, the financing of commercial transactions, the provision of after-sales services, market development, the study, generation, and satisfaction of demand, as well as the recovery of costs incurred during the production of goods. The main elements of marketing distribution policy are presented in Table 1.

Table 1

The main elements of marketing distribution policy

Elements	Explanation
Delivery time	The time elapsed between placing an order and its fulfillment, i.e. the delivery of the ordered goods to the buyer.
Delivery reliability	The ability to maintain sufficient inventory levels to meet customer needs promptly.
Order accuracy	The degree to which the goods received by the customer conform to the order specifications.

Continuation of table 1

Information availability	The company's ability to respond to inquiries regarding order status and product availability.
Damage	A measure of the physical condition of the goods delivered to the customer.
Simplicity of procedures	Simple procedures for placing orders, returning goods, modifying orders, arranging credit, processing payment documents, etc.
Additional services	Centralized delivery, provision of information, product packaging, order consolidation, etc.

Source: [46, c. 204-205]

An examination of the main elements of marketing distribution policy leads to the conclusion that the distribution policy of any enterprise represents a set of measures aimed at establishing an effective and efficient sales network in order to improve product sales performance. It should be organically integrated with the other elements of the marketing mix: product, pricing, and promotion policies. However, such factors as the continuous growth of costs associated with product sales, intensifying competition in target markets, and increasing consumer demands regarding product quality significantly enhance the importance of effective sales management in an enterprise's operations.

At the current stage of economic development and marketing theory, an enterprise's activities related to product sales are considered from two perspectives. The first involves the development of a system of measures aimed at the rational distribution and sale of products, namely: the selection of a sales strategy; the establishment of a sales network; and the development of communication solutions to provide pricing and communication support within the sales network. The second perspective considers sales activities as a system of measures aimed at the efficient physical movement of products. These measures include [51]:

- selecting means of transport for product delivery;
- establishing optimal delivery routes;
- determining the number and location of warehouses;
- establishing an information support system for the "producer–consumer" supply chain.

It should be noted that the choice of a particular method for organizing an enterprise's distribution system and sales activities depends on specific market conditions, sales circumstances, and the enterprise's own strategy. From a functional perspective, the distribution system represents the activities of all enterprise departments aimed at finding buyers and delivering products of the required quality, in the necessary quantities, and within the agreed timeframes. The most important functions of marketing distribution policy are presented in Figure 1.

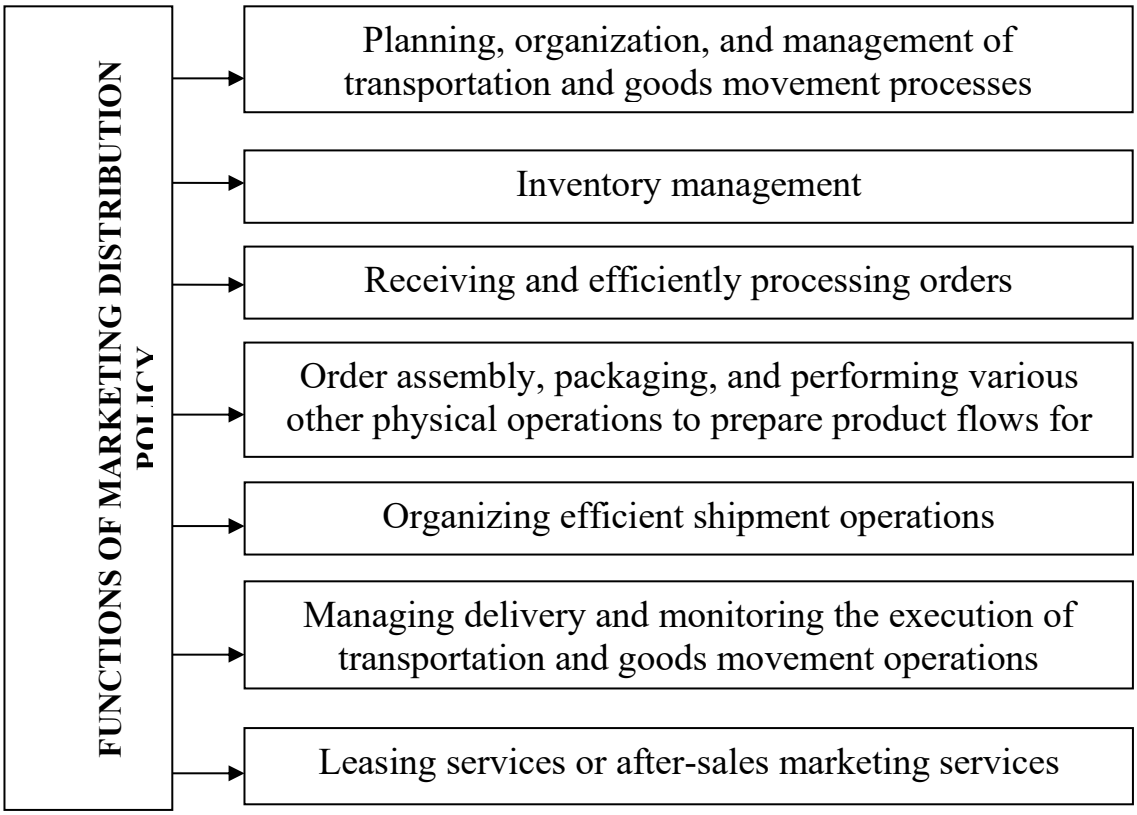


Figure 1. Functions of marketing distribution policy

Source: [44, c. 207]

The increasing importance of enterprises' marketing distribution policy at the present stage is обусловлена by a number of factors, including [38]:

- The need for sales – in an era of market saturation with goods, it is impossible to operate without specialized sales networks and retail outlets located close to consumers.
- Competition for consumers – consumers are convinced that the convenience of purchasing goods is an integral part of modern life. In other words, consumers expect

detailed information about the product range, minimum time required to make a purchase, and maximum convenience before, during, and after the purchase. All these requirements can be met through the continuous improvement of sales activities and increased operational efficiency.

- Rationalization of production processes – a number of final production operations related to preparing goods for sale can be more appropriately performed at enterprises as part of pre-sale services.

- Challenges related to the efficiency of market behavior and enterprise development – an enterprise's competitiveness is largely determined by the organization of its sales activities. Effective sales management contributes to enterprise development, profit generation, and an enhanced social role in the market [42, p. 103].

In Ukrainian academic literature, the terms "sales" and "distribution" have become synonymous. However, scholars distinguish between them by referring to the tactics of physically moving goods from the producer to the consumer as "sales", while activities related to product delivery, warehousing, route planning, the establishment of sales channels, and the selection of distribution channels are referred to as "distribution". In particular, marketing literature provides the following definition: "Marketing distribution policy is the activity of a particular enterprise involving the planning, implementation, and control of the movement of goods from the producer to the consumer in order to satisfy demand and generate profit" [43]. In turn, the concept of distribution encompasses the regulatory effect of all measures aimed at moving products across space and time from the place of production to the place of consumption. The entire distribution process is necessarily supported by communication activities. An enterprise's sales policy is understood as a combination of sales strategies, including product positioning, market coverage strategies, etc., as well as a set of measures, decisions, and actions undertaken by the producer and aimed at the final consumers of its products [42].

In a broad sense, sales represent the process of organizing transportation, warehousing, inventory management, product finishing, promotion to wholesale and retail trade outlets, pre-sale preparation, packaging, and the sale of goods in order to

satisfy customers' needs and generate profit. In a narrow sense, sales refer to the process of direct interaction between a seller and a buyer, aimed at generating profit and requiring relevant knowledge, skills, and a certain level of professional sales competence.

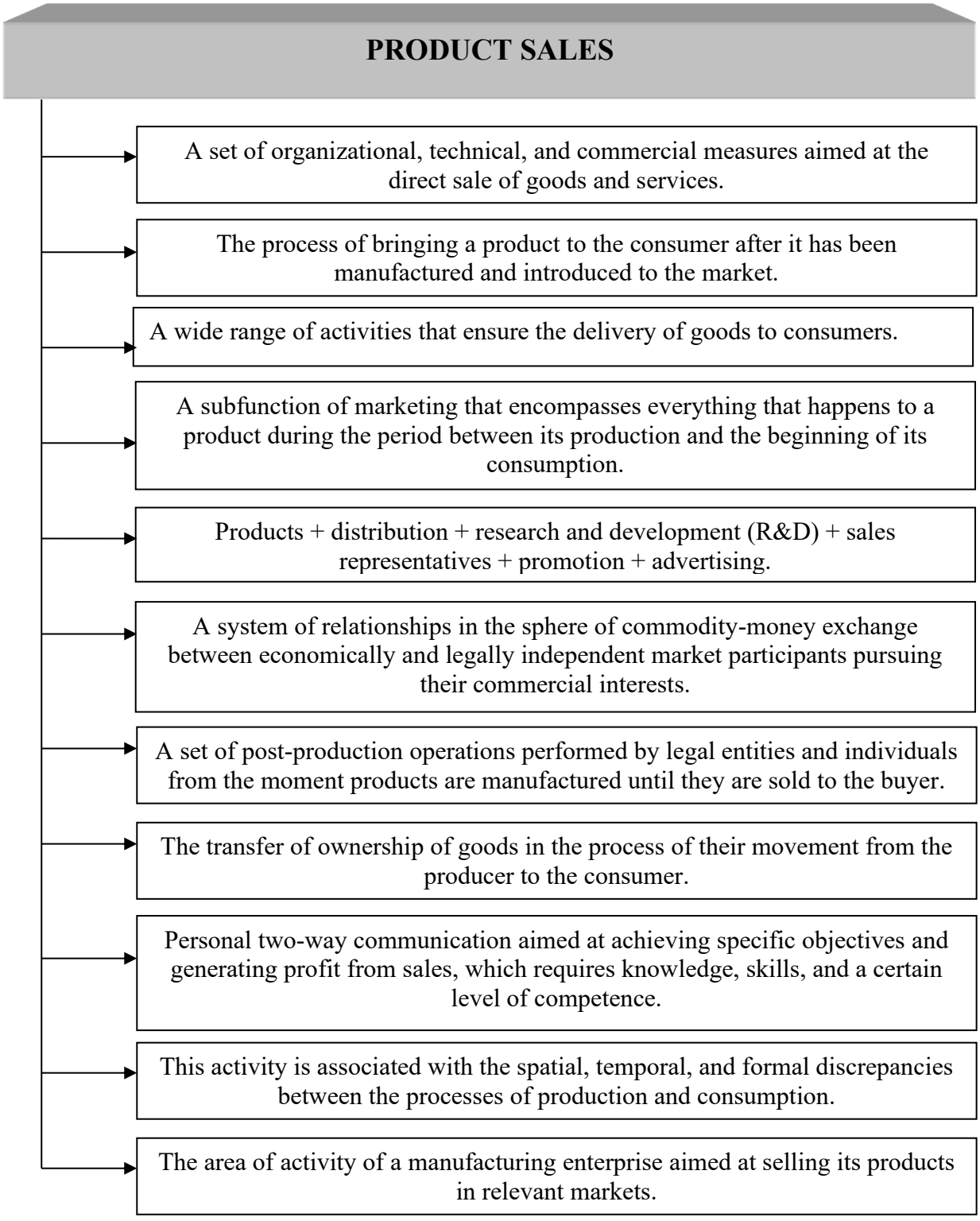


Figure 2. The most common definitions of the concept of "Sales"

Source: compiled by the author

The academic literature presents various approaches to defining the concept of "sales". The most common definitions are presented in Figure 2. The most important function of sales is to ensure the movement of goods from the producer to the consumer. The main objective of sales is to ensure rapid product turnover at the lowest possible cost and to identify the most rational distribution channel and method of sale [42, p. 173]. The role of sales in enterprises' marketing activities lies in the fact that the final outcome of all the enterprise's efforts aimed at generating profit is determined at the sales stage. It should be noted that product sales are an important element of an enterprise's marketing activities, since it is at this stage that manufactured products enter the market and are sold, enabling the enterprise to generate revenue and recover the capital invested. By selling its products and generating profit, the enterprise achieves its ultimate commercial objective: the capital invested is converted into monetary form.

Under conditions in which enterprises are increasingly adapting their activities to market needs, the development of product distribution and sales policies in response to changing consumer requirements and high levels of competition is of considerable importance. The economic performance indicators of sales policy affect the overall functioning of an enterprise, and their analysis makes it possible to identify problems arising in its operations. Addressing these problems requires the implementation of a strategically oriented set of measures aimed at developing sales and distribution policies, as well as the application of modern models and methods for improving the stages of organizing, planning, and controlling an enterprise's sales activities. The development of sales and distribution policies involves the following steps [39, p. 16]:

1. Defining the objectives of sales and distribution policies: entering a new market, increasing sales volumes and expanding market coverage, finding new channel participants, optimizing the product distribution system, etc. Moreover, these objectives must be consistent with the objectives of the marketing strategy.

2. Determining the sales and distribution strategy, including the target market and its boundaries, final consumers, sales methods, etc.

3. Selecting a distribution system: single-channel or multichannel; conventional, horizontal, or vertical. This involves determining the types of distribution channels and the number of their levels, that is, identifying which types of intermediaries should be involved and how their interactions should be structured, taking into account the need to achieve the objectives of sales and distribution policies. It also includes allocating functions among channel participants and considering alternative structural arrangements.

4. Determining channel width, that is, the number of participants at each level of the distribution channel. This can be calculated by dividing the annual sales volume of products distributed through a particular channel by the quantity of products that one channel participant can sell during the same period.

5. Selecting specific distribution channel participants, that is, determining which wholesale companies, retail stores, and other entities will be involved in product distribution, taking into account their capabilities, reputation, financial position, etc. This also involves deciding whether to grant them exclusive or preferential sales rights, persuading potential candidates to join the distribution system, and motivating distribution channel participants.

6. Organizing product sales, including the documentation of transactions.

7. Determining methods for managing distribution channels.

Thus, an enterprise's sales policy is aimed at establishing relationships with final consumers, whereas marketing distribution policy focuses on relationships with distribution channel participants. Accordingly, marketing distribution policy is a broader concept than sales policy. The objectives of distribution policy are divided into two groups: strategic and tactical (Figure 3).

The research findings have established that the objectives of marketing distribution policy encompass the following priorities [39, pp. 14–15]:

Logistical priorities:

- establishing an integrated system for regulating and controlling the movement of goods and the associated flows (financial, informational, etc.), ensuring timely delivery, high-quality supply, and the required quantities of products to consumers;

- developing a system for procuring raw materials, supplies, etc.;
- determining the technology for the physical movement of goods;
- coordinating and organizing the movement of goods, including order processing, packaging, order assembly, preservation, warehousing, establishing and maintaining the required inventory levels, receiving and dispatching goods, and transporting products;
- developing methods for managing the movement of goods;
- organizing pre-sale and after-sales services;
- fulfilling orders to the highest quality standards and within the shortest possible timeframes, etc.

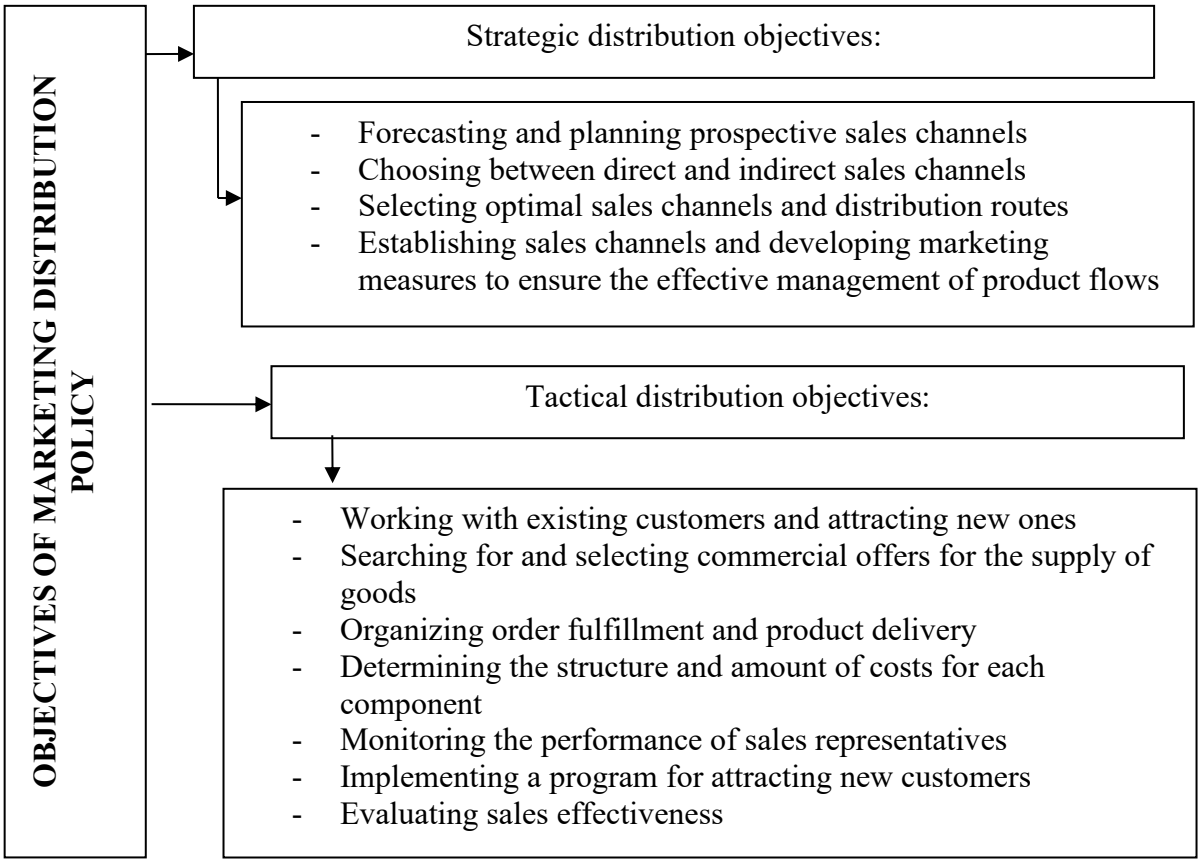


Figure 3. Main objectives of marketing distribution policy

Source: compiled by the author based on literature sources [55, c. 238]

Distribution priorities:

- researching, developing, substantiating, and ensuring the effective operation of distribution channels and product flows;
- establishing a balance between the needs and capabilities of procurement and production;
- selecting distribution methods, channels, and structures, and developing product distribution systems;
- analyzing the forms and methods of operation of intermediaries within distribution channels;
- selecting and implementing distribution policies under competitive market conditions;
- determining product movement strategies;
- planning the product sales process, etc.

Sales priorities:

- organizing activities within the sales channel;
- coordinating the policy of selling goods to final consumers with the enterprise's production policy;
- organizing activities aimed at working with final consumers, etc.

These priorities address three important areas of enterprise operations [39, p. 15]:

1. Designing and implementing the physical distribution of products – the Logistics Department.
2. Substantiating and establishing distribution channels – the Marketing Department.
3. Organizing and coordinating operations within the sales channel and interactions with final consumers of products – the Sales Department.

Thus, only cooperation and coordinated efforts among all departments in implementing the full range of marketing distribution policy objectives can ensure positive results in an enterprise's operations. It should be noted that an enterprise's marketing distribution policy depends on both internal and external operating conditions and must be consistent with its business concept and strategic priorities. In

this regard, an enterprise must adapt and transform its activities more quickly and effectively than its competitors, while taking into account the interests associated with preserving and improving the well-being of the enterprise, consumers, and society as a whole.

Marketing distribution policy should serve as the basis for developing production and technological, procurement, and financial policies [39, p. 15]. It is advisable to orient marketing distribution policy towards: generating profit in both the current period and the long term; maximally satisfying consumers' effective demand; ensuring the enterprise's long-term market stability and the competitiveness of its products; creating a positive market image and achieving public recognition.

3.2 The Process of Distribution Channel Formation

As the research findings have demonstrated, the effectiveness of marketing distribution policy largely depends on the selection of an effective distribution channel and the formation of a distribution system. The selection and design of distribution channels are considered key aspects of distribution policy. In scientific literature, the term distribution channel is quite often used interchangeably with marketing channel (channel of goods movement) and sales channel. However, these concepts require a certain degree of differentiation and clarification. According to O. A. Bilovodska, a Ukrainian scholar, the concept of a distribution channel is broader than the other two concepts. She defines a distribution channel as “a route formed by a partially structured set of legal entities or individuals (suppliers, manufacturers, and intermediaries) united to achieve a common goal and ensure the creation and delivery of goods to the final consumer” [39, pp. 27–28]. The scholar argues that a distribution channel consists of a supply channel and a channel of goods movement. A supply channel is a partially structured set of legal entities or individuals – suppliers of raw materials, materials, semi-finished products, components, etc. – that ensure the production of goods [39, p. 28]. A channel of goods movement is a partially structured set of intermediaries (retailers, wholesalers, and freight forwarding companies) involved in delivering goods from a specific manufacturer to its final consumers. In other words, it is a system in

which products, along with the responsibility for them or ownership of them, are transferred from one level to another (from one intermediary to another), ultimately reaching the consumer [39, p. 28]. A sales channel is a route from the manufacturer directly to the final consumer without intermediaries [39, p. 28]. Thus, according to the scholar, a distribution channel should encompass not only the production sector but also other links in the chain, including suppliers of various product components and the final distribution of goods.

Table 2

The most common definitions of the concept of "Distribution Channels"

Cholars	Definitions
F. Kotler	Distribution channels are a set of independent organizations involved in the process of moving a product or service from the producer to the consumer, who uses the product or service either directly or in the production of other goods or services.
S. Harkavenko, N. Vasiutkina	Distribution channels are a set of companies or individuals that assume ownership of a product or service or facilitate the transfer of ownership to other companies or individuals as the product moves from the producer to the consumer.
A. Voichak, Ya. Larina, O. Lutsii, V. Rafalska, A. Riabchyk, and others	Marketing distribution channels are routes along which goods move from places of production to places of sale or use, passing from one owner to another. They are also a set of companies or individuals that transfer or assist in transferring ownership of specific goods to another party as they move from the producer to the consumer.
P. Ostrovskyi	Sales channels are a system of organizations, enterprises, and individual employees that deliver products from the producer to the consumer.
S. Blyzniuk	A sales channel is a set of companies or individuals involved in transferring ownership of a particular product or service as it moves from the producer to the final consumer.
I. Zemliakov, I. Ryzhyi, V. Savych	A distribution channel is a route along which goods move from producers to consumers, thereby overcoming the significant gaps in time, place, and ownership that separate goods and services from those who wish to use them.
L. Moroz, N. Chukhrai	Distribution channels are a set of companies or individuals that perform intermediary functions related to the physical movement of goods and assume responsibility for or facilitate the transfer of ownership of goods as they move from the producer to the consumer.

Source: compiled by the author based on literature sources

The most common definitions of distribution channels are presented in Table 2. According to A. V. Voichak, a Ukrainian scholar, distribution channels are "routes along which products move from the places of production or extraction to the places of consumption, stopping at certain points and passing from one owner to another" [43,

p. 203]. The scholar also defines them as "a set of companies or individuals that assume the responsibility for or assist in transferring ownership of specific goods or services to another party as they move from the producer to the consumer" [43, p. 203]. Other Ukrainian scholars, including Ya. S. Larina, R. I. Buriak, V. A. Rafalska, A. V. Riabchyk, S. M. Boniar, O. M. Prus, O. P. Lutsii, and others, share a similar view regarding the definition and essence of distribution channels [48, pp. 305–306].

Ukrainian scholars L. A. Moroz and N. I. Chukhrai define distribution (sales) channels as "a set of companies or individuals performing intermediary functions related to the physical movement of goods and assuming responsibility for or facilitating the transfer of ownership of goods as they move from the producer to the consumer" [49, p. 105]. Although the use of intermediaries means that producers lose some degree of control over product sales, most entrepreneurs consider engaging intermediaries to be highly advantageous. This can be explained by several reasons, the main ones being the following [49, p. 105]:

- Some manufacturers lack sufficient financial resources to engage in direct marketing.
- Intermediaries can provide customers with the necessary product assortment and a high level of service by drawing on their contacts, experience, and expertise.
- Even if a manufacturer is potentially capable of establishing its own distribution channels, doing so is often economically unfeasible, as investing resources in its core business is more efficient.
- Significant reductions in product sales costs can be achieved through intermediaries by reducing the number of direct contacts with consumers (Figure 4).

According to the American scholar F. Kotler, distribution channels are "a set of independent organizations involved in the process of making a product or service available to consumers, who use it either directly or in the production of other goods or services" [47, p. 621].

Thus, distribution channels are routes along which goods move from producers to consumers, thereby overcoming the significant gaps in time, place, and ownership that separate goods and services from those who wish to use them. They are also a set

of companies or individuals that take ownership of a product or service or facilitate the transfer of ownership to other companies or individuals as goods move from the producer to the consumer [44, p. 203; 46, p. 215]. As the analysis of scholarly literature has demonstrated, these definitions capture all the essential aspects of the concept of distribution channels and are among the most widely used.

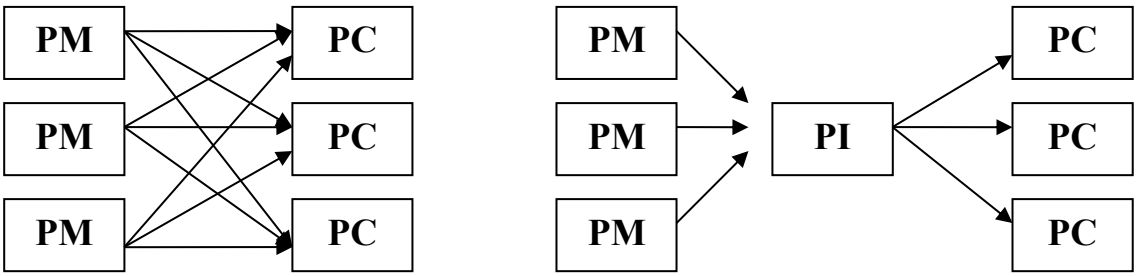


Figure 4. Effectiveness of using an intermediary

Source: [49, c. 106]

In the area of distribution, enterprises face both strategic and tactical objectives. Strategic objectives are associated with the formation and organization of sales channels and include forecasting and planning prospective sales channels; choosing between direct and indirect sales channels; selecting optimal sales channels and routes; and determining warehouse locations.

Tactical distribution objectives include working with existing customers; searching for and selecting commercial offers for the supply of goods; organizing order fulfillment and product delivery; determining delivery routes; checking inventory availability; implementing sales promotion measures; and other related activities.

It should be noted that regardless of how goods are delivered to consumers – directly from the producer to the consumer or through intermediaries – a sales channel (distribution channel) performs a specific set of functions. The main functions of distribution channels are grouped and presented in Figure 5.

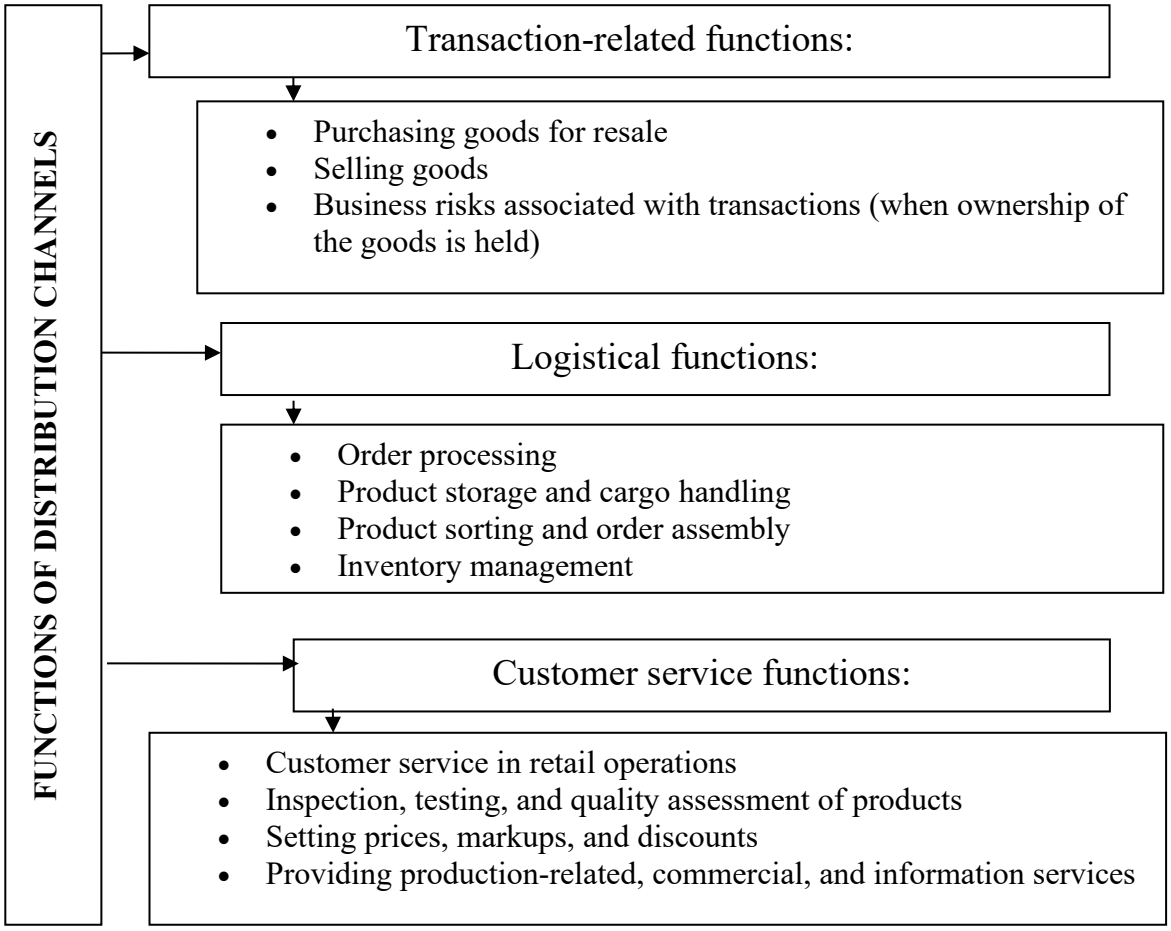


Figure 5. Main functions of distribution channels

Source: compiled by the author based on literature sources [43, c. 203-204; 48, c. 368]

In performing the functions illustrated in the figure, product flows and the associated flows – financial, service, and information flows – arise among the participants in the exchange process. Product flows (physical possession and ownership) and product promotion (service flows) are forward flows directed from producers to consumers. Negotiation flows (information flows), as well as financing and risk flows (financial flows), are bidirectional, whereas order flows (information flows) and payment flows (financial flows) move only in the opposite direction, i.e. from consumers to producers [39, p. 23]. In practice, these functions can be performed by both manufacturers and intermediaries. The main distribution decisions concern which participants in the sales channel will perform specific functions. The allocation of functions among channel members depends on which participant can perform them most efficiently. Distribution channel members may include industrial enterprises,

wholesale intermediaries, retail companies, transport and warehousing organizations, and others. Coordination of their activities is a necessary condition for improving the efficiency of the entire distribution channel.

Distribution channels are characterized by their level, length, and width. Channel length refers to the number of intermediaries involved in the movement of goods from the producer to the consumer [48, p. 308]. Each intermediary operating between the producer and the final consumer and participating in product distribution is considered a level of the distribution channel. In other words, a distribution channel level is any intermediary that performs specific activities to bring a product closer to the consumer. Distribution channels are classified as zero-level, one-level, two-level, and three-level channels (Figure 6). If a manufacturer sells its products directly to consumers, this is referred to as a zero-level channel, or a direct marketing channel.

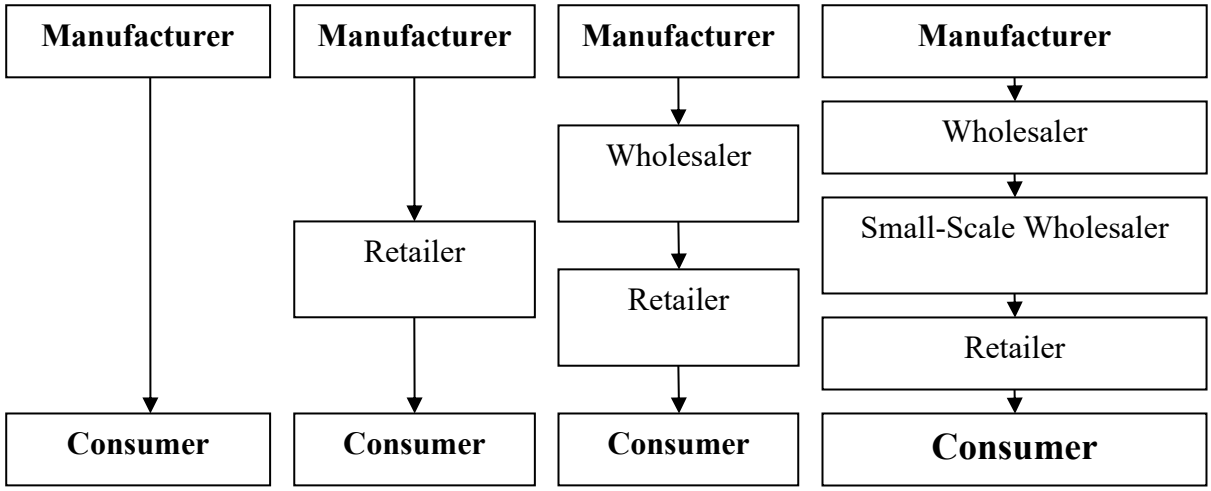


Figure 6. Distribution channels at different levels

Source: [48, c. 309]

A one-level channel has one intermediary – a retailer. A two-level channel consists of a producer, two intermediaries, and a consumer. A three-level channel includes three intermediaries: a wholesaler, a small-scale wholesaler, and a retailer. Practitioners believe that establishing a channel with more than three levels is impractical, since there is a direct relationship between the number of distribution channel levels and the final price of a product: the more levels a distribution channel has, the higher the product price becomes, as each intermediary adds its own markup.

Distribution channel width refers to the number of independent members at each channel level and is determined by the strategy for target market coverage [48, pp. 309–310]. Selecting the structure of a distribution channel is a rather labor-intensive stage in the process of designing it. This is due to the large number of variables that need to be taken into account, the main ones being [48, p. 310]:

- Market – location, capacity, dispersion, and consumer behavior;
- Product – volume, weight, perishability, value, and dimensions;
- Company – production capacity, financial resources, distribution management efficiency, availability of warehousing facilities, etc.;
- Intermediaries – reliability, cost, and types of services provided;
- Channel members' behavior.

It should be noted that distribution must be aligned with the enterprise's primary objectives and marketing policy. To ensure an efficient distribution process, efforts should focus on addressing two main objectives: reducing the time goods spend in transit and minimizing distribution costs. The main criteria for assessing the efficiency of distribution channel operations are presented in Table 3.

Table 3

Criteria for evaluating the effectiveness of distribution channels

Criterion	Description of the Criterion
1. Delivery Time	The time elapsed between placing an order and its fulfilment, i.e. the receipt of the ordered goods by the customer.
2. Delivery Reliability	The ability to maintain the required inventory levels to meet consumer needs quickly and fully.
3. Order Fulfilment Accuracy	The degree to which the order received by the consumer conforms to the terms of agreements, specifications, etc.
4. Information Availability	The ability to create and make available to consumers information on product availability, order conditions, and order fulfilment status.
5. Damage-Free Delivery	The compliance of the physical condition of goods delivered to consumers with applicable standards.
6. Procedure for Establishing Business Relationships	The convenience of procedures for placing orders, returning goods, arranging credit, processing payment documents, etc.
7. Customer Service	The availability of a system for providing appropriate customer services (centralized delivery, packaging, product lot assembly, provision of information, etc.).

Source: compiled by the author based on literature sources [48, c. 309]

When planning its marketing distribution policy as part of the marketing mix, an enterprise must address a number of important issues [41]:

- determining the distribution policy strategy and organizing product distribution channels in alignment with the main objectives of the enterprise's marketing strategy;
- determining the methods or types of distribution and goods movement channels, as well as their combinations for different product groups and market segments;
- determining the number of distribution channel levels (channel length) throughout the entire distribution chain;
- selecting a distribution channel management system and establishing the appropriate legal and organizational relationships;
- determining the leading role of the manufacturing enterprise or trading company;
- establishing the width of the goods distribution channel;
- determining the level of distribution channel intensity: exclusive, intensive, or selective;
- determining the feasibility of using simple and complex channels;
- developing an optimal structure for combining and integrating various distribution channels across the entire range of products manufactured by the enterprise.

When forming distribution channels, enterprises can use traditional, vertical, horizontal, and hybrid marketing distribution systems. A traditional distribution system is a set of independent companies in which each level of the sales channel operates independently of the others, seeking to maximize its own profit without taking into account the efficiency of the channel as a whole [44, p. 376]. Distribution channels for consumer goods, industrial goods, and services differ considerably. Traditional distribution channels are characterized by the independence and autonomy of the manufacturing enterprise and all intermediaries. Unlike traditional distribution channels, in which none of the channel members has the authority to allocate functions or control the activities of others, vertically integrated distribution systems provide such opportunities. Vertical marketing systems involve the full or partial coordination of the functions performed by distribution channel members in order to achieve

operational cost savings and strengthen their market influence [54, p. 108]. In this case, one of the channel members takes the initiative in coordinating the activities of the others. Economic literature identifies three forms of vertical coordination [44, p. 215]: corporate vertical marketing systems; administered vertical marketing systems; contractual vertical marketing systems.

When designing a distribution channel, it is necessary to consider how it will ensure coverage of the target market, satisfy the needs of consumers in that market, and generate the highest possible profit. When establishing product distribution channels, an enterprise must first find answers to three questions. The first concerns which distribution channel will provide the best coverage of the target market. To achieve optimal target market coverage, the enterprise must determine distribution intensity and the types of intermediaries to be used at the retail stage of product sales. The second question concerns which distribution channel will best satisfy the needs of target market consumers. This can be achieved by providing relevant information, convenient communication and contact opportunities, a diverse product assortment, and services offered by customer service personnel, among other factors. The third question is which distribution channel will generate the highest profit for the enterprise. Such profit is determined by the revenue and cost parameters of each channel type and its participants [44, p. 207].

In most cases, the process of forming distribution channels comprises seven stages (Figure 7). The first stage involves identifying the need for a particular distribution channel. The need to select and establish distribution channels arises in the following situations [44, p. 208]:

- a new product is introduced to the market for which the existing distribution channels are unsuitable;
- new target markets are being developed;
- changes occur in the marketing mix;
- a new enterprise is established;
- an existing channel or its members fail to achieve the established objectives;
- the system of intermediary organizations changes;

- new geographical areas are opened up for marketing activities;
- changes occur in the enterprise's external environment;
- conflicts arise among distribution channel members.

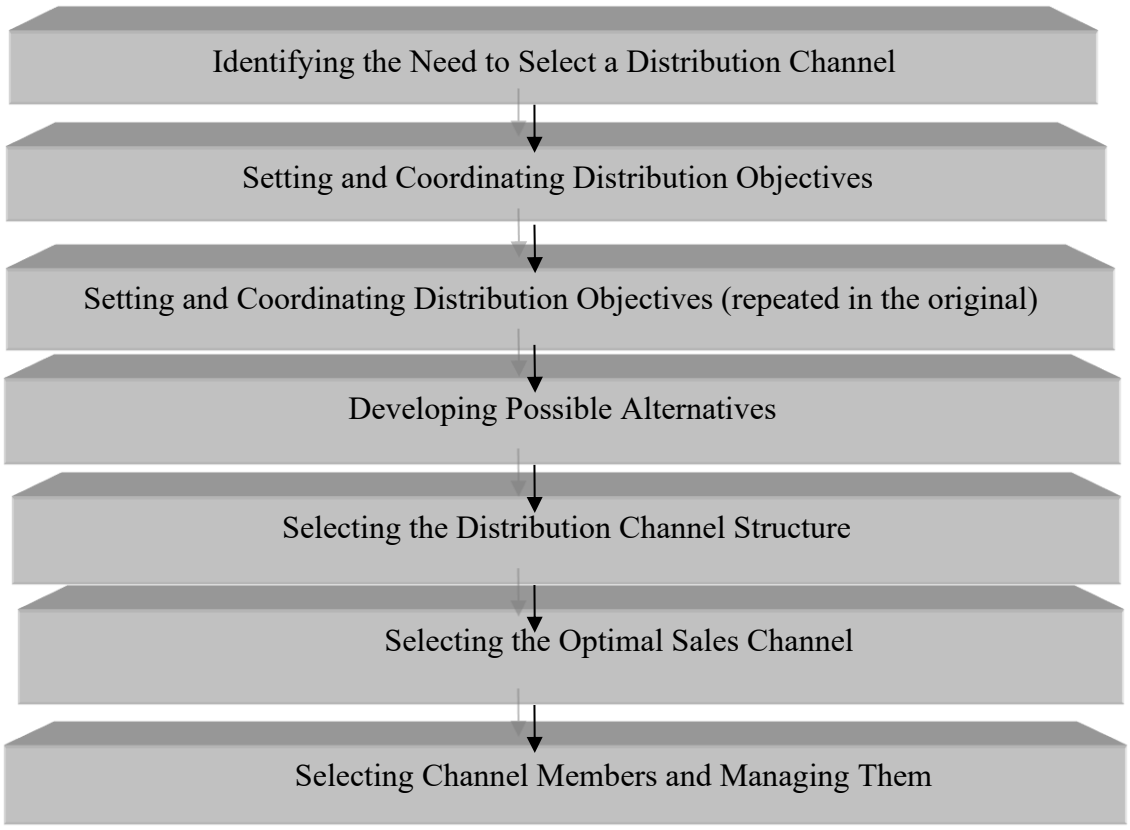


Figure 7. Algorithm for forming distribution channels

Source: [44, c. 207; 48, c. 308].

The second stage in the formation of a distribution channel involves setting and coordinating sales objectives. This requires [48, p. 308]:

- reviewing the enterprise's objectives and policies in other areas of the marketing mix;
- defining distribution objectives and formulating them explicitly and specifically;
- verifying whether the established objectives are consistent with other marketing objectives, as well as with the enterprise's marketing strategy and tactics.

The third stage involves specifying distribution tasks, i.e. determining the functions that the channel will perform in the course of product distribution. It should be noted that the specific set of such functions depends on the circumstances in each

particular case. The main general functions include: providing specifications regarding delivery times, quantities, and types of products; ensuring prompt delivery according to specified days and times; providing credit; offering production-related services; packaging and centralized delivery; providing technical assistance; supplying marketing information; providing storage facilities for products; processing product dispatches; ensuring arrangements for returning defective products; and other related activities.

The fourth stage involves developing possible alternative distribution channel structures. At this stage, the following characteristics of the proposed distribution channel are determined:

- the number of channel levels;
- the intensity (width) of the channel at its various levels;
- the types of intermediaries operating at different channel levels.

The fifth stage involves determining the structure of the distribution channel. A wide range of alternatives may be available. Selecting a particular option requires evaluating the relevant factors and criteria. Research has shown that numerous criteria influence the choice of distribution channel structure. These can be conventionally divided into six categories: market, product, enterprise, external environment, and distribution channel member behavior criteria.

The sixth stage in forming a distribution channel is selecting the optimal channel, i.e. the channel that ensures the required level of effectiveness in performing distribution tasks at the lowest possible cost. The difficulty lies in identifying and specifying all possible alternatives. Furthermore, there is no precise method for calculating the actual results of each alternative, since a large number of variables are involved. Marketing literature identifies several approaches to selecting the optimal distribution channel: the financial approach, the scientific management approach, the mixed subjective-objective approach, the approach based on product characteristics, and the cost-based approach [44, p. 215].

The financial approach primarily involves evaluating financial variables. In this case, selecting an appropriate channel structure is similar to solving an investment

efficiency problem. This approach involves comparing the potential increase in capital generated by alternative distribution channel structures, as well as comparing these results with those obtained from using capital in production operations. The selected distribution channel is the one that generates the largest positive difference between the revenue from its operations and the capital invested [44, p. 215].

The scientific management approach to selecting the optimal distribution channel involves the extensive use of operations research, decision theory, and process modeling. This approach makes it possible to calculate the cost of performing distribution tasks at individual stages for alternative channels and to select the optimal channel in terms of minimizing costs and maximizing profits [44, p. 215].

The mixed subjective-objective approach involves using managers' professional judgments, as well as heuristics (creative problem-solving methods) or management rules. The method of direct qualitative judgments is most commonly used. It involves the company's management evaluating alternative distribution channels according to the factors considered most important, including long-term and short-term price changes, expected profits, the degree of control over the channel, prospects for increasing sales volumes, and other factors [44, pp. 215–216].

The approach based on product characteristics takes into account the following variables:

- Substitutability – the degree to which a product satisfies consumer needs;
- Markups – the difference between the revenue from product sales (selling price) and the product's cost;
- Services – the range of services that must be offered to buyers to satisfy their needs as fully as possible;
- Consumption period – the period during which a product continues to meet consumer requirements;
- Search time – the average time consumers spend moving through a retail network in order to purchase a product.

All products are classified into three categories depending on the degree of substitutability, on the one hand, and the values of the other characteristics, on the

other. The first category comprises products characterized by a high degree of substitutability and low values of the other characteristics. Their high purchase frequency makes it possible to achieve a high degree of standardization and specialization in distribution activities. The second category comprises products with average values of these characteristics, while the third category includes products with a low degree of substitutability and higher values of the other characteristics. This requires more costly distribution efforts. It should be noted that these categories change gradually; therefore, this conditional classification of products is not discrete. The closer a product is to the third category, the more appropriate it is to use shorter distribution channels [44, p. 217].

The cost-based approach makes it possible to determine the costs associated with each alternative distribution channel, compare them, and select the most economical option [44, p. 217].

The seventh stage in forming a distribution channel involves selecting its members, i.e. specific intermediaries. As a rule, this selection is carried out in three stages. The first stage involves identifying potential intermediaries by examining the existing network of intermediary companies and organizations that could be used in establishing the distribution channel. At the second stage, criteria for selecting intermediaries are established, while the third stage involves selecting the intermediaries themselves and developing and implementing a program for managing them. The selection of specific distribution channel members should take into account the following criteria: financial position; organization and key sales performance indicators; types of products distributed by the intermediary; reputation among customers; market coverage; inventory and warehousing facilities; management practices; and other relevant factors.

The decision to continue or terminate cooperation with an intermediary is based on an assessment of its performance. The main criteria for evaluating performance may include: sales volumes in monetary and physical terms; profitability; inventory levels; delivery time to consumers; number of new customers; market information provided by distributors to the manufacturer; participation in sales promotion programs; level of

customer service; quality of product displays in shop windows and on store shelves. If the evaluation reveals that the performance of a particular intermediary or the effectiveness of the distribution channel system as a whole is unsatisfactory, decisions must be made regarding necessary changes, the search for new intermediaries, or the modification of the entire distribution system.

3.3 Selection of marketing distribution policy and distribution channels

The selection of marketing distribution policy and distribution channels may be associated with two situations: launching and selling new products in a new or existing market, or entering new markets with existing products, which involves establishing new distribution channels; reassessing existing distribution channels.

The selection of marketing distribution policy involves choosing between intensive, exclusive, and selective distribution policies. An intensive distribution policy involves engaging the maximum possible number of distribution channels, potential suppliers, and retail outlets for the production and sale of goods, works, or services. It is aimed at reaching the largest possible number of consumers, achieving extensive market coverage, and establishing a strong market position [39, p. 272]. Its main objective is to ensure broad market coverage, mass sales, and high profits. This policy is used by manufacturers of mass-market products, which are generally standard products offered at low prices. However, it has a number of disadvantages, including the following [39, pp. 272–273]:

- The enterprise cannot expect an appropriate level of service across its retail network, since an excessively large number of retail outlets makes it difficult to monitor their activities.
- The enterprise is forced to make greater efforts to promote product sales.
- The enterprise risks losing control over product marketing, which may weaken brand image support and market positioning.

- Inventory levels within the distribution channel increase. This is because it is not always possible to require a large number of channel members to notify the supplier of their needs in advance, resulting in higher safety stock levels, etc.

An exclusive distribution policy is necessary to increase a product's attractiveness to channel members, improve the quality of service at all stages of product distribution, or distribute goods that require services involving higher commercial risks [39, p. 273]. As a rule, the manufacturer retains the right to sell its products through only selected distribution channels or individual distributors whom it trusts, granting them the exclusive right to distribute its products within a specified region. By adopting this policy, the manufacturer limits its market coverage in terms of product availability but maintains relatively strict control over the channel. In addition to exclusive rights within a particular region, an intermediary may be granted exclusivity for a specific product group or consumer segment.

The specific features of granting exclusive rights include:

- clearly defining the product range handled by the exclusive partner;
- identifying the consumer groups and categories assigned to each partner;
- defining the territory covered by the wholesaler or retailer;
- prohibiting the sale of competitors' products;
- determining the terms for allocating costs while retaining ownership of inventory;
- defining the role of intermediaries in fulfilling warranty obligations;
- specifying pricing arrangements;
- establishing the conditions for receiving rewards for achieving higher performance targets;
- undertaking joint commitments regarding advertising and sales promotion;
- discussing commitments to improve the professional qualifications of the intermediary's employees.

A selective distribution policy occupies an intermediate position between intensive and exclusive distribution. It involves selecting distribution channels and intermediaries without granting them exclusive rights within a specified territory and

without imposing restrictions on their handling of competitors' products. Manufacturers select the most profitable intermediaries, those offering the most advantageous product presentation, or those associated with the lowest level of risk.

The selection of distribution channels is one of the most complex and important decisions made by manufacturing enterprises. As a rule, manufacturers choose distribution channels that enable them to monitor the performance of channel members and influence the development of strategies for promoting and presenting products to customers. The level of control is determined by the supplier's relative power within the channel and its ability to impose sanctions on intermediaries in the event of unsatisfactory performance. A manufacturer's participation in a distribution channel involves certain risks, since an intermediary may acquire experience and knowledge through cooperation with the supplier and eventually become its competitor. Furthermore, a situation may arise in which the manufacturer becomes dependent on an intermediary that appropriates the added value generated within the channel. A supplier relying on a single distribution channel also risks becoming isolated and overlooking new opportunities and threats arising from the emergence of new marketing channels [39, pp. 274–275].

The selection of a distribution channel is a management decision made by a manufacturing enterprise to choose the most appropriate supply and goods distribution channels from among several alternatives in order to maximize profits and ensure a high level of service. Thus, the manufacturer's choice comprises two elements [39, p. 275]: 1) Selection of a supply channel; 2) Selection of a channel of goods movement.

The selection of a supply channel is associated with choosing suppliers of materials that best meet the requirements of their customers – manufacturing enterprises. The criteria influencing a manufacturer's choice of supplier include the supplier's distance from the consumer, order fulfilment time, availability of reserve production capacity, creditworthiness, financial standing, and other factors. The following rules should be observed when making a decision on supplier selection: (1) do not rely on a single source of information; and (2) at least one source must be independent, i.e. have no vested interest in the potential consequences of using the

information provided. The criteria for selecting raw material suppliers and business partners are presented in Table 4.

Table 4

Criteria for selecting suppliers and intermediaries

Retailers' Selection of Suppliers	Suppliers' Selection of Retailers
Possibility of returning damaged and unsold goods Use of fast and simple ordering procedures Ensuring prompt delivery of the ordered quantities Speed of complaint handling Strong corporate image and reputation Offering a wide range of products Offering discounts No minimum order quantity requirements Supplying new product types . Availability of qualified sales representatives . Adequate trade margins . Provision of advertising support . Low turnover among sales representatives . Providing the necessary advice on selling specific product types . Organizing in-store product demonstrations . Conducting joint advertising campaigns	Sound financial position Sales performance: number of sales representatives, sales skills, and technical expertise in the products offered Product range: competing products and complementary products Reputation: standing, stability, recognition in business circles, competence, and level of awareness Market coverage: geographical and industry-specific Product sales performance: actual sales results, acquisition of new customers, warranty commitments, pre-sale and after-sales services Management: level of planning, employee relations, marketing orientation, and strategic focus Advertising campaigns and communication activities Training programmes: for the intermediary's own personnel and willingness to involve suppliers in training . Technical facilities and material resources: transportation methods and their accounting systems; types and volumes of inventory and safety stock levels; service and warehousing standards; ability to ensure efficient deliveries . Willingness to provide information about customers, sales personnel, and inventory levels

Source: compiled by the author based on literature sources [39, c. 276-277]

The selection of a channel of goods movement primarily depends on the enterprise's planned sales and profit targets, the resources at its disposal, and its positioning strategy, particularly with regard to the desired intensity of geographical market coverage [39, p. 277]. When selecting a channel of goods movement, the first decision concerns its structure and form (Figure 8). After identifying possible distribution channel alternatives and determining the optimal distribution system, it is necessary to select the method of product distribution.

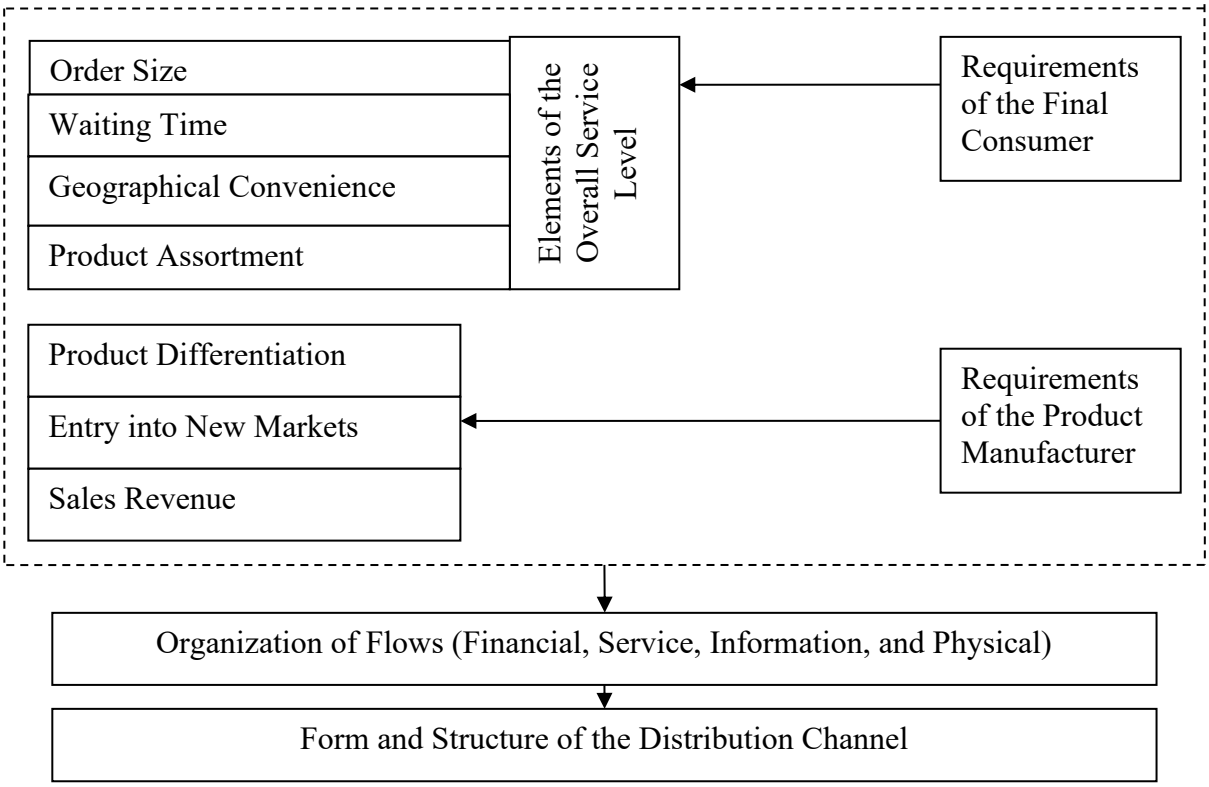


Figure 8. Requirements for the form and structure of the distribution channel

Source: [39, c. 279].

The selection of the form of a distribution channel (channel of goods movement) involves deciding whether to use a channel with or without intermediaries. The selection of the distribution channel structure involves determining the channel length and width, as well as the types of intermediaries included in it. The form and structure of a distribution channel are selected based on their compliance with two requirements:

- the ability to create conditions that enable the manufacturer to achieve its established objectives, such as entering new markets, securing the desired market share, maintaining product differentiation, etc.;
- ensuring that the level of customer service meets the requirements of target markets, establishing an appropriate warranty system, and ensuring the timely and proper supply of goods.

Ukrainian scholars identify three main approaches to distribution channel selection: the financial approach, the scientific management approach, and the mixed subjective-objective approach [44, p. 215]. The financial approach involves evaluating

financial variables. In other words, selecting an appropriate channel structure is similar to solving an investment efficiency problem. This approach involves comparing the potential increase in capital generated by alternative distribution channel structures, as well as comparing these results with those achieved through the use of capital in production operations. The distribution channel selected is the one that generates the largest positive difference between the revenue from its operations and the capital invested. The scientific management approach to selecting the optimal distribution channel involves extensive use of operations research, decision theory, and process modelling. This approach makes it possible to calculate the costs of performing distribution tasks at individual stages for alternative channels and to select the optimal channel in terms of minimizing costs and maximizing profits. The mixed subjective-objective approach involves using managers' professional judgments, as well as heuristics or management rules [44, pp. 215–216]. The method most commonly used is that of direct qualitative judgments, which involves the enterprise's management evaluating alternative distribution channels according to the factors considered most important.

The selection of alternatives when designing a distribution channel structure is determined by the following objectives: ensuring reliable sales; minimizing the costs of intermediary services. It should be noted that each distribution channel has its own specific characteristics depending on the sector of the economy and the particular features of its structure. Differences in distribution channels can even be observed within a single enterprise across different product categories. This is explained by the specific consumption patterns of the individual products being sold. Research has shown that the length of a distribution channel depends on the following consumer characteristics [39, p. 284]: number of consumers; geographical distribution of consumers; consumer habits; consumer attitudes towards different methods of sale.

Most enterprises offer their products on the market through intermediaries. At the same time, each enterprise seeks to establish its own distribution channel. Therefore, when selecting a distribution channel structure, the following indicators and factors should also be taken into account [39, p. 284]:

- determining the number of potential intermediaries in accordance with the distribution policy adopted, the selling price, and trade markups;
- selecting the types of intermediaries based on their legal and economic characteristics and the volume of goods they are capable of purchasing, as well as analysing the advantages and disadvantages of each type in relation to the enterprise's key distribution objectives;
- selecting the organizational structure of the distribution channel;
- determining the principles governing financial settlements between the manufacturer and intermediaries;
- assessing warehousing logistics and transportation logistics costs.

As a rule, a manufacturing enterprise relies on various marketing distribution channels. In this regard, it should be taken into account that working with a small number of intermediaries makes it easier to establish close relationships with them and, consequently, to exert considerable influence over their activities, ensure thorough training of sales personnel, and achieve other benefits. At the same time, relying on a limited number of intermediaries operating in the same market may result in significant commercial losses if one of them refuses to fulfil an existing contract.

A manufacturing enterprise must determine not only the optimal number of intermediaries but also select those most suitable for its needs. The following recommendations should be considered when selecting intermediaries:

1) The use of retailers' services is justified when:

- the enterprise is entering a market that has not been sufficiently studied;
- the enterprise has limited financial resources;
- the after-sales service required for the product is limited in scope and complexity;
- the product can be shipped to the customer without pre-sale services;
- the product market is vertical, i.e. the product may be used in several industries but by relatively few consumers in each of them.

2) The use of wholesalers' services is justified when:

- the market is horizontal, requiring the establishment of an extensive distribution network, while the enterprise lacks sufficient funds to organize one;
- urgent delivery of small batches of goods is required, making it necessary to use the wholesaler's warehouses;
- the difference between the selling price and the cost of production is insignificant, making the establishment of the enterprise's own distribution network economically unjustified;
- substantial savings on transportation costs can be achieved by supplying large batches of goods to a small number of wholesalers.

When selecting wholesale intermediaries, manufacturing enterprises take the following variables into account [39, p. 287]:

1. Whether the product will complement the range of products offered by the wholesaler.
2. The wholesaler's area of operation and whether it overlaps with the territories served by other intermediaries, potentially creating unwanted competition.
3. The reliability of the wholesaler's business position.
4. How the wholesaler is regarded by its peers and other selling companies.
5. How effectively the wholesaler attracts new customers and how professionally it operates in the market.
6. The equipment and facilities available in its warehouses.
7. The accessibility of the roads leading to these warehouses.
8. The system used to account for inventory held in warehouses.
9. Whether the wholesaler is willing to implement the pricing policy established by the manufacturer, and other relevant considerations.

The selection of intermediaries involves not only choosing their types but also identifying the most advantageous individual intermediaries capable of generating the greatest benefits for the manufacturer. This selection is made after analysing the customer databases managed by potential candidates and assessing their ability to perform the relevant functions involved in organizing product distribution to consumers. This means that it is necessary to establish a set of criteria that are decisive

in selecting intermediaries and to assess potential candidates against these criteria. However, it is not only manufacturers that select intermediaries; intermediaries also choose manufacturers. Therefore, the terms and conditions offered by manufacturers are of considerable importance.

Intermediaries operating within a distribution channel and performing the same functions do not always perform them equally effectively. Relationships with some intermediaries may consistently be more beneficial than those with others. To determine the effectiveness of an intermediary's performance for an enterprise, it is necessary to analyse every aspect of the enterprise's relationship with each individual intermediary. Such an analysis may reveal that an intermediary through which the largest sales volumes are generated actually provides the manufacturer with relatively little profit, whereas a small trading company may, conversely, have considerable potential. By classifying intermediaries into groups according to their profitability, the manufacturing enterprise gains the opportunity to pursue a differentiated policy towards each of its partners [39, p. 288]. Having obtained data on the profitability of each intermediary, the manufacturer can divide them into four groups and develop a matrix based on two axes: gross sales volume and profit margin. Thus, intermediaries generating high sales volumes but providing little financial benefit are referred to as "red ink" partners. If losses are accompanied by low turnover, the intermediary falls into the "reorientation" group, since maintaining and developing a relationship with such a partner does not enable the supplier to achieve its objectives. Intermediaries with relatively low turnover but high profit margins constitute the group of "captive" partners. Finally, the most advantageous combination of high sales volumes and high profitability is referred to as the "new generation" group. By constructing such a matrix, the manufacturer obtains a clear picture of its relationships with intermediaries. The position of each intermediary on the matrix determines the policy that should be pursued towards that particular partner [39, p. 290]. The characteristics of methods for selling products through intermediaries are presented in Table 5.

Table 5

Characteristics of product distribution methods

Key Parameters	Methods of Distribution		
	Exclusive	**Selective**	**Intensive**
Market coverage	Limited	Moderate	High
Sales control	Strict	Significant	None
Distribution costs	Low	Moderate	High
Intermediary support	Significant	Limited	Minimal
Types of products	Specialty goods	Shopping goods	Convenience goods
Product advertising	Conducted	Conducted	Rarely conducted
Product usage period	Durable goods	Medium-durability goods	Short-lived goods

Source: compiled by the author based on literature sources [39, c. 295-296]

Intermediaries may be granted the following rights [53]: non-exclusive selling rights, exclusive selling rights, and preferential selling rights. Non-exclusive selling rights: An intermediary is granted the right to sell certain types of goods within a specified territory for a defined period. At the same time, the manufacturer retains the right to sell its products independently or through other intermediaries in the same or other markets. The intermediary may also sell products manufactured by other companies in the same market. Such rights are granted when a manufacturer enters a new market and wishes to compare the performance of several intermediaries in order to optimize their composition [53]. Exclusive selling rights: Under the agreement, an intermediary is entitled to sell only the products of a specific manufacturer in a particular market and is prohibited from selling products manufactured by other companies. The manufacturer is also prohibited from selling its products independently or through other intermediaries in the same market. Such rights encourage the intermediary to operate efficiently, since it has no alternative source of profit from selling competing products. These rights are granted only to specially selected intermediaries, thereby emphasizing the high quality of the product and the stringent requirements governing its sale. Preferential selling rights: The manufacturer is obliged to offer a new product to the intermediary first. Only if the intermediary declines the offer may the manufacturer offer the product to other intermediaries or sell it independently. The conditions under which the intermediary may decline the offer are

specified in advance, thereby preventing the intermediary from blocking access to the market.

Thus, the decision-making mechanism regarding marketing distribution channels is based on an analysis of the economic and technological feasibility of moving products through a particular channel in a way that benefits not only the manufacturer and the final consumer but also the intermediary, where one is involved in the distribution channel. It is also necessary to assess the motivation of channel members and their employees, the possibility of controlling intermediary activities, and the level of risk associated with cooperation. The motivation of channel members is determined by the role played by the supplier's product in the business operations of the enterprise participating in the channel. Long-term cooperation with the supplier, incentives, and rewards for effective performance have a positive impact on the level of intermediary motivation.

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4. Managing the effectiveness of marketing communications through advertising campaign control

In today's market conditions, advertising has become a key factor in the successful operation of any company. The management of marketing communications in postal and logistics enterprises has specific characteristics determined by the intangible nature of services, the geographical distribution of service networks, and the continuous interaction between service providers and consumers. Unlike manufacturing enterprises, postal operators must communicate not only the functional benefits of their services but also reliability, delivery speed, accessibility, and customer-oriented values. Consequently, advertising activities should be considered an integral component of service quality management and customer relationship development. Scientific research confirms that perceived service quality significantly influences customer satisfaction, purchase intentions, and the formation of long-term relationships between postal operators and their clients. Therefore, the effectiveness of marketing communications in the postal sector should be evaluated through a combination of communication, economic, and customer satisfaction indicators [60, 62].

Competition in the consumer market is constantly growing, and companies are forced to actively implement new marketing strategies to attract the attention of potential customers, build a positive image, and increase sales. Advertising, as a tool for communicating with the target audience, can build brand awareness, stimulate demand, and influence consumer behavior. However, its effectiveness directly depends on a systematic approach to monitoring results and evaluating achieved goals.

Monitoring advertising campaigns is an integral part of the marketing communications management process. It allows you to determine how closely the actual results match the planned ones, evaluate the effectiveness of the resources spent, and identify and eliminate shortcomings in the implementation of campaigns in a timely manner. In a dynamically developing market, control becomes not only an

assessment tool, but also a means of strategic management that provides competitive advantages for the company. An important aspect of this process is a comprehensive assessment of effectiveness, which includes economic indicators such as sales growth, the ratio of profit to advertising costs, as well as behavioral indicators that reflect consumer response, their interaction with advertising messages, and brand awareness.

The relevance of the research topic is determined by the growing need to optimize marketing costs and increase the effectiveness of advertising campaigns in modern companies. The practice of Ukrainian enterprises, in particular a certain postal network, which actively uses comprehensive advertising measures on various platforms and communication channels, is particularly interesting. A certain postal network's experience demonstrates an effective combination of traditional advertising with digital tools, which allows for the rapid tracking of performance indicators and timely adjustment of strategies.

An advertising campaign is a comprehensive process of communication between a company and its target audience. It includes the creation of creative materials, the selection of channels for disseminating information, the determination of a media plan, and the analysis of the expected impact on consumers. In today's business environment, advertising not only plays a role in stimulating sales, but also shapes corporate image, influences brand reputation, and creates an emotional connection with customers. The effectiveness of advertising campaigns is a key indicator of the success of marketing activities, so monitoring its results becomes an integral part of the management process.

Monitoring the results of advertising campaigns involves systematic analysis of the achieved indicators in relation to the planned goals. It covers several levels: preliminary, current, and final. Preliminary monitoring is carried out at the planning stage and involves assessing the potential effectiveness of an advertising campaign based on historical data, market analytics, and consumer behavior forecasts. Current monitoring takes place during the campaign and allows for prompt adjustments to its course, responding to changes in market conditions and audience behavior. Final monitoring is carried out after the campaign is completed and includes an assessment

of the results achieved, identification of strengths and weaknesses, drawing conclusions for future campaigns, and developing recommendations for improving effectiveness.

The effectiveness of advertising campaigns is assessed using economic and behavioral indicators. Economic indicators include sales growth, the ratio of profit to advertising campaign costs, return on investment in marketing activities, and the cost of attracting a single customer. Behavioral indicators reflect consumers' response to advertising messages, their interaction with various communication channels, brand awareness, number of views, clicks, shares on social networks, and activity in mobile applications. Comprehensive use of these indicators provides a complete picture of the effectiveness of advertising campaigns.

Modern control methods include both classic and innovative approaches. Classic models such as AIDA (attention, interest, desire, action) and DAGMAR (defining advertising goals for measured advertising results) help formalize the goals of an advertising campaign and evaluate its impact on the audience. The AIDA model allows you to understand at what stage of contact with an advertising message the consumer experiences the maximum impact, while the DAGMAR model allows you to identify specific target results and methods for measuring them. These approaches are the basis for planning and evaluating the effectiveness of any advertising strategy.

The diversification of advertising distribution channels is an important characteristic of contemporary marketing communications. Depending on the objectives of an advertising campaign and the characteristics of the target audience, enterprises may employ television advertising, radio broadcasting, printed media, outdoor advertising, direct mail, search engine advertising, social media platforms, mobile applications, and electronic newsletters. Each communication channel differs in audience coverage, targeting opportunities, consumer engagement, and possibilities for evaluating advertising effectiveness. Traditional advertising channels primarily contribute to increasing brand awareness and creating a recognizable corporate image, while digital communication tools provide additional opportunities for personalized interaction and continuous performance monitoring. Research into the relationship

between offline and online advertising demonstrates that communication channels may produce complementary or substitutive effects, depending on the characteristics of the advertising campaign and consumer behavior. Therefore, the selection of advertising distribution methods should be based on the principles of integrated marketing communications and the systematic evaluation of their effectiveness [61, 67].

Innovative approaches include the use of digital analytics, Big Data, artificial intelligence algorithms, and neuromarketing. The use of big data allows you to integrate information from different communication channels, predict consumer behavior, and optimize media placement. Machine learning algorithms help evaluate advertising effectiveness in real time and adjust campaigns based on audience response. Neuromarketing research, including analysis of emotional response and attention levels to advertising, allows you to create more appealing creatives and increase the effectiveness of communication messages.

Advertising campaign monitoring also includes defining key performance indicators (KPIs) that allow for quantitative assessment of the results achieved. These indicators include audience reach, conversions, number of clicks, social media interactions, sales growth, repeat purchase rate, and brand awareness. It is important that KPIs are specific, measurable, achievable, relevant, and time-bound (SMART), which allows for a more accurate assessment of the effectiveness of advertising activities.

Particular attention should be paid to integrating quantitative and qualitative control methods. Quantitative methods provide accurate data on sales, conversions, and audience engagement, while qualitative methods such as surveys, focus groups, and in-depth interviews help to understand consumer motivations and perceptions, as well as their emotional response to advertising messages and the brand. Combining these methods provides a complete and objective picture of the effectiveness of an advertising campaign.

Thus, the theoretical foundations of advertising campaign effectiveness control form a comprehensive approach to assessing the impact of advertising on consumers, provide a methodological basis for planning, implementing, and evaluating advertising

activities, and allow for increased effectiveness of marketing investments and strategic management of a company's advertising activities.

Monitoring the effectiveness of advertising campaigns involves the use of various methods and tools that allow you to evaluate results and make management decisions. In modern business practice, there are traditional and digital monitoring methods, which complement each other, providing a comprehensive assessment of results.

Traditional methods include consumer surveys, focus groups, experiments, and audience behavior observation. Surveys allow you to assess brand awareness, the effectiveness of advertising messages, and consumer attitudes toward the product. Focus groups provide in-depth qualitative data on emotional responses, behavioral motives, and advertising perceptions. Experimental methods are used to compare the effect of different advertising approaches on control and experimental groups, allowing the impact of specific creative decisions to be assessed. Observing consumer behavior at points of sale and when interacting with advertising makes it possible to assess actual actions, rather than just consumers' stated intentions.

Modern digital control methods include analytics of websites, social networks, mobile applications, and integrated marketing platforms. The use of Google Analytics, Ads Manager, CRM systems, and BI dashboards allows you to track user behavior in real time, evaluate traffic sources, conversions, clicks, interactions, and other performance indicators. Digital methods allow you not only to evaluate the results of a campaign, but also to quickly adjust its course to achieve better performance.

A/B testing is one of the key tools of digital monitoring. It allows you to compare different versions of advertising materials and determine the most effective creatives, messages, formats, and communication channels. The use of A/B testing increases the accuracy of performance evaluation and reduces the cost of ineffective approaches. At the same time, multivariate testing helps to analyze several variables simultaneously, providing an even deeper understanding of the impact of advertising elements on consumers.

An important area of control is the integration of big data and artificial

intelligence algorithms. By analyzing large data sets, it is possible to predict consumer behavior, determine the effectiveness of communication channels, and optimize media budgets. Artificial intelligence allows you to automatically adjust campaigns based on audience response, predict trends, and find hidden patterns that are not visible in traditional analysis.

Social networks and digital platforms open up additional opportunities for control. Social network analytics allows you to evaluate brand mentions, interactions, the tone of feedback, and the impact of the campaign on the company's reputation. Sentiment analysis helps determine the emotional tone of feedback, while engagement rate and reach show the degree of audience engagement. This data allows you not only to evaluate the effectiveness of a campaign, but also to form strategies for further communication impact.

Advertising campaign management also includes defining and monitoring key performance indicators (KPIs). These include audience reach, conversions, clicks, interactions, sales growth, repeat purchases, market share, and brand awareness. KPIs must be clearly defined, measurable, and linked to specific campaign goals, allowing for an assessment of its ultimate effectiveness.

The economic effectiveness of advertising campaigns should be evaluated using a comprehensive system of indicators that reflects both immediate financial results and long-term marketing outcomes. The most frequently applied indicators include return on advertising spend (ROAS), return on marketing investment (ROMI), customer acquisition cost (CAC), conversion rate, customer lifetime value (CLV), and incremental revenue generated by advertising activities. However, the interpretation of these indicators requires consideration of differences between advertising channels and customer segments. In particular, digital advertising performance may vary significantly depending on consumers' previous interactions with the company, their purchasing intentions, and their level of brand awareness. Experimental research provides evidence that the effectiveness of paid search advertising differs across consumer groups, emphasizing the importance of distinguishing incremental advertising effects from purchases that would have occurred without advertising

exposure. Consequently, postal enterprises should combine traditional financial indicators with experimental evaluation methods to improve the accuracy of advertising campaign performance assessment and marketing budget allocation [59].

Internal auditing and reporting are also part of control. Regular verification of the advertising campaign's compliance with planned standards, evaluation of budget allocation efficiency, and analysis of interim results allow you to identify deviations and make timely changes. This systematic approach ensures not only the accuracy of the assessment but also the optimization of advertising planning and implementation processes.

Particular attention is paid to a combined approach that combines quantitative and qualitative control methods. Quantitative indicators allow you to evaluate financial and behavioral effectiveness, while qualitative indicators allow you to analyze consumer attitudes, emotional impact, and brand perception. The combination of these methods creates a comprehensive control system that takes into account both objective data and the subjective perception of the audience.

Thus, modern methods and tools for controlling advertising campaigns provide a comprehensive assessment of effectiveness, allow optimizing costs, increasing the effectiveness of marketing activities, and creating a basis for strategic management of the company's advertising activities.

A certain postal network is one of Ukraine's largest logistics and delivery companies, actively using comprehensive advertising strategies to strengthen its brand and increase consumer awareness. The company's advertising campaigns are implemented in a multi-channel environment, including television advertising, social networks, a mobile application, branding of branches and post offices, as well as online platforms for targeted advertising. The effectiveness of these campaigns is largely determined by a performance monitoring system that allows the company to evaluate the achievement of goals, adjust strategies in a timely manner, and optimize costs.

Advertising campaigns at a certain postal network are monitored through a comprehensive digital analytics system. The use of Google Analytics, CRM systems, BI dashboards, and proprietary tracking tools allows us to obtain real-time data on user

behavior. Each campaign is accompanied by the definition of key performance indicators (KPIs), which include: audience reach, number of clicks, conversions, growth in mobile app usage, new customer acquisition, and repeat orders. Regular monitoring of these indicators allows us to evaluate the impact of each communication channel on the overall campaign results.

Special attention is paid to testing creatives and messages through A/B testing and multivariate experiments. For example, during an advertising campaign aimed at promoting the

“Online Shipping” service, several versions of advertising banners were tested on social networks and on the company's website. The results showed that video creatives with interactive elements demonstrated a 25% higher conversion rate compared to static banners. This allowed the company to optimize its budget and direct most of its media resources to the most effective formats.

In addition to digital analytics, the company actively uses social networks to assess audience response. Monitoring brand mentions, analyzing the tone of reviews, and engagement rates allow us to assess the emotional impact of advertising messages and their impact on the company's reputation. For example, during the “Fast Delivery in 24 Hours” campaign, tracking interactions on Facebook and Instagram showed a high level of positive mentions and user activity, indicating high audience engagement and the effectiveness of the communication strate.

The effectiveness of advertising campaign monitoring at a certain postal network is also ensured by a combination of quantitative and qualitative methods. Quantitative data includes sales growth, number of orders, and conversions, while qualitative assessments are carried out through customer surveys, focus groups, and feedback analysis. This approach allows both actual results and the subjective perception of the audience to be taken into account, making the evaluation of campaigns more objective and accurate.

An important element of monitoring practice is regular internal auditing of advertising campaigns. Marketing department employees analyze the compliance of the campaign implementation with the planned standards, evaluate the effectiveness of

budget allocation and interim results. This allows you to identify shortcomings at an early stage and make adjustments, which increases the effectiveness of campaigns and minimizes the risks of inefficient use of resources.

One of the distinctive features of a certain postal network's practice is the use of integrated strategies that combine traditional and digital channels. For example, during the “Contactless Delivery” campaign, media advertising was accompanied by active social media posts, targeted advertising, and email marketing. Results monitoring included KPI assessment for each channel and integrated analytics to determine the combined effect. This approach allowed the company not only to increase the effectiveness of the campaign, but also to understand which channels have the greatest impact on the audience.

An integrated approach to advertising campaign management involves coordinating traditional and digital communication channels to ensure consistency of advertising messages and strengthen their combined influence on consumer behavior. In the context of postal and logistics enterprises, such integration may include the simultaneous use of outdoor advertising, promotional materials distributed through postal branches, targeted social media advertising, mobile application notifications, and email marketing. Particular attention should be paid to the potential interaction between communication channels, since exposure to advertising through one medium may influence subsequent consumer engagement through another. Empirical research on omnichannel marketing demonstrates that coordinated offline and online promotional activities can facilitate customer movement between communication channels and support purchasing behavior. Therefore, the effectiveness of integrated advertising campaigns should be assessed not only through the individual performance of each channel but also through their combined contribution to achieving marketing objectives [66, 67].

In addition, a certain postal network actively uses predictive models to optimize future campaigns. Analysis of past data, media mix modeling, and consumer behavior forecasting allow for more effective advertising planning and selection of optimal resources to achieve planned KPIs. This approach provides the company with a

strategic advantage in the market, allowing it to quickly respond to changes in market conditions and adapt advertising campaigns to the new needs of the audience.

Thus, a certain postal network's advertising campaign monitoring practice demonstrates a comprehensive, integrated, and innovative approach. The combination of digital tools, traditional evaluation methods, A/B testing, social analytics, and predictive models allows the company to plan and implement advertising activities as effectively as possible, increasing their effectiveness and economic return.

In addition to the approaches described above, the company actively uses audience segmentation to increase the effectiveness of advertising campaigns. Segmentation is carried out according to demographic, geographic, behavioral, and psychographic characteristics, which allows for more accurate targeting of advertising messages and increases their relevance. For example, when promoting the “Document Delivery” service, separate segments were identified: corporate clients, small businesses, and individuals. Personalized advertising messages were created for each segment, and results were monitored using KPIs for specific groups, which made it possible to identify the most effective approaches for each segment.

The effectiveness of advertising communications in the postal services market largely depends on the ability of enterprises to identify differences in consumer needs and develop appropriate communication strategies for individual customer segments. Segmentation may be conducted according to geographical, demographic, behavioral, and economic characteristics, as well as the frequency and purpose of using postal services. For example, individual consumers may prioritize delivery speed, convenience, and service accessibility, while corporate customers may attach greater importance to logistics reliability, contractual conditions, shipment tracking, and integration with electronic commerce platforms. Consequently, advertising messages should reflect the specific benefits valued by each target group. Research on heterogeneous consumer responses to digital advertising confirms that advertising effectiveness can vary substantially across customer segments. Therefore, the implementation of differentiated communication strategies and systematic customer data analysis may improve advertising relevance, reduce inefficient marketing

expenditures, and strengthen relationships with existing and potential customers [59].

Particular importance is attached to analyzing the competitive environment. a certain postal network regularly monitors the advertising activities of other logistics companies, evaluates their effectiveness, and compares them with its own campaigns. This approach allows the company to identify the strengths of its competitors, use best practices, and adapt its own strategies to achieve better results. For example, monitoring competitors' activity on social media allowed the company to change its messages and creatives in a timely manner to increase the engagement of its target audience.

It is also worth noting the use of a comprehensive approach to assessing the financial effectiveness of advertising campaigns. Each campaign is accompanied by a calculation of ROI, the profitability of individual channels, and the cost of customer acquisition. Analysis of these indicators allows for budget optimization, redirection of resources to the most effective channels, and an increase in the overall economic return on advertising. For example, during the “New Mail for Business” campaign, it was found that advertising on social media brings in more new corporate customers than outdoor advertising, which became the basis for revising the media budget.

In addition, the company actively integrates offline and online activities. The combination of billboards, banners in public transport, media advertising with activities in mobile applications and social networks allows creating a single communication space for consumers. The results of such integrated campaigns are monitored through KPI analysis for each channel and an integrated assessment of the combined effect. This makes it possible to understand which channels and formats work synergistically and have the maximum impact on the target audience.

Thanks to all of the approaches described above, A certain postal network ensures the continuous improvement of its advertising campaign monitoring system, creating a platform for strategic planning and increasing the effectiveness of marketing activities in the long term. This comprehensive approach allows the company to achieve high results, minimize risks, and adapt to a rapidly changing market, which is an important factor in its stable development and leadership in the logistics sector.

Monitoring the results of advertising campaigns is an integral part of modern marketing management for any company. It allows you to evaluate the effectiveness of resources spent, measure the impact of advertising messages on the target audience, and adjust strategies in a timely manner to achieve maximum results. A systematic approach to monitoring provides an objective assessment of both economic and behavioral indicators, allowing you to optimize budget expenditures and increase the effectiveness of advertising activities.

An analysis of modern control methods shows that combining classic and innovative approaches provides a comprehensive assessment of campaign effectiveness. Traditional methods, such as surveys, focus groups, and experiments, allow for in-depth research into audience response and brand perception, while digital tools, social media analytics, A/B testing, big data, and artificial intelligence algorithms provide quick access to accurate data and the ability to quickly adjust advertising activities. The combination of quantitative and qualitative methods provides a complete picture of the effectiveness and impact of advertising.

The practice of controlling a certain postal network's advertising campaigns demonstrates the successful implementation of a comprehensive and integrated approach. The use of multi-channel campaigns, creative testing, social media analytics, audience segmentation, KPI assessment, and financial indicators ensure maximum effect from advertising activities. Regular internal audits and the integration of offline and online activities allow the company not only to evaluate results, but also to continuously improve its control system, adapting to market changes and customer needs.

Thus, monitoring the results of advertising campaigns is a strategic tool that allows you to increase the effectiveness of marketing communications, optimize costs, and ensure competitive advantages. A certain postal network's experience confirms that combining creative solutions with modern analytical methods and systematic control ensures high performance of advertising activities and allows companies to effectively achieve their goals.

The results of the study show that a comprehensive approach to advertising control is a prerequisite for a company's success in today's market. Systematic planning, monitoring, evaluation, and adjustment of advertising campaigns ensure stable business growth, increase customer loyalty, and contribute to the formation of a positive brand image. The conclusions of this study can be used as practical recommendations for marketers and managers who seek to increase the effectiveness of advertising campaigns.

In the 21st century, the need for the development of companies' marketing activities is increasing. Today, the main issues facing every business owner are how not only to retain but also to strengthen their market position, attract more loyal customers, and most importantly — lay the foundation for long-term relationships with consumers. It is no surprise that nowadays every manufacturer tries to attract consumer attention to their product through advertising and other means of communication. However, in conditions of strong competition and market oversaturation, the effectiveness of advertising campaigns is declining. As a result, new tools must be found to help differentiate the product.

Despite many innovations, the state-owned Ukrainian postal service still lags behind global standards. Unfortunately, the postal service has not yet learned how to properly use available opportunities, is weak in competing for clients and market share. Poor postal service performance led to the creation and entry of private companies into the postal services market, companies that are adapted to work in market conditions, compete for clients, deliver quality services, and constantly seek new income sources and services. Therefore, it is relevant to improve the marketing system within the company.

It is hard to deny that advertising plays a very important role in the ongoing market competition, which has become particularly intense nowadays. In a short period, advertising has become a necessity and an integral part of the life of every market participant — from manufacturers to traders or consumers. Advertising activity is inherent in every market economy and serves as an essential element and catalyst for the development of market relations.

Advertising is quite important for consumers. Clients are people who can only buy a product after learning about all the products available on the market. Accordingly, if a product is not advertised, no buyer will know what products are available and will not purchase the product — or will purchase a competitor's product instead. In any case, the seller loses. Moreover, advertising helps people find the best products available on the market for themselves, their children, and their families. When they begin to explore the product range, they can compare items and choose the one that best meets their needs, spending their money wisely.

Advertising is also important for the seller and the company producing the goods, as it increases revenue by boosting product sales. If a manufacturing company wants to introduce or launch a new product, advertising builds a strong foundation for market entry. It also informs people about the release of new products, encouraging them to buy from your company — thereby creating brand loyalty.

Advertising is important for society as a whole. It helps educate people. There are also certain social issues addressed by advertising such as child abuse, child labor, alcohol consumption, family planning education, smoking, etc. Thus, advertising plays a very important role in society.

A well-developed institution of advertising activity is key to the successful functioning of a market economy both domestically and internationally. Advertising is one of the main elements, and in particular, it is the driving force behind market development.

Advertising is a dialogue between the consumer and the seller, where one party may or may not show interest in a specific product or service, while the other uses advertising tools to promote their product or service. Thus, if the buyer, as one side of the dialogue, shows no interest in the proposed advertising message, the main goal of advertising activity is considered unmet.

If we look at the origin of the concept of "advertising", its roots go back to ancient times. It is generally accepted that the word "advertising" comes from the Latin verbs *reclamo* (to shout out) and *reclamare* (to call back, to demand). Indeed, advertising as an activity originated in ancient times and has passed through many

stages of human development. The term itself has changed over time but still retains common roots and interpretations across different countries.

Given that advertising is a broad and consolidated phenomenon, it operates at the intersection of many widespread and independent spheres such as culture, economy, social life, politics, and others. This leads to a combination of various functions, goals, and means, resulting in numerous definitions of advertising.

The existence of diverse and sometimes contradictory definitions of "advertising" reflects the complexity of this category and its interpretations. The main definitions are summarized in Table 1.1.

Table 1.1 – Approaches to defining the concept of "advertising"

Definition	Source
Advertising is a non-personal form of communication conducted through paid information dissemination channels with a clearly stated source of funding.	F. Kotler
Advertising is information about a person or product distributed in any form and in any way, intended to create or maintain consumer awareness and interest in that person or product.	Law of Ukraine "On Advertising"
Advertising is paid, impersonal interaction initiated by an identifiable sponsor, using mass media to influence or persuade an audience.	W. Wells, J. Burnett
Advertising is any form of non-personal presentation and promotion of ideas, goods, or services, paid for by a clearly identified sponsor, intended to attract potential buyers' attention to the advertised object using the most effective techniques and methods considering the specific situation.	American Marketing Association

Continuation of table 1.1

Definition	Source
Advertising is the ability to translate the qualities of goods and services, as well as ideas, into the language of consumers' needs and demands.	Ch. Sandiage, W. Fraiburger, A. Rotzoll
Advertising is a means of communication that allows a manufacturing company to convey messages to potential buyers or consumers with whom direct contact has not yet been established.	Jean-Jacques Lambin
Advertising is the ability to embed a unique selling proposition in the minds of as many people as possible while incurring the least costs.	R. Reeves

Source: Compiled by the author based on definitions [56, 64, 65, 68, 69, 73, 75].

Despite differences in formulations, broader or narrower interpretations, if generalized, advertising can be defined as the process of transmitting, distributing, or presenting information through a specific communication channel involving an advertiser and a potential buyer, aimed at persuading the consumer to purchase a product or service. A key feature of any advertisement is the necessity to capture attention in order to achieve the main communicative goal.

There is a rather large number of definitions of the term "advertising", but all scholars agree that advertising activity is a fundamental element of a company's marketing activity, helping to attract potential customers and prompting them to purchase a product or service.

Although advertising is one of the main components of marketing, it is important to remember that without the use of a full range of necessary marketing tools, advertising will not be as effective.

One of the main tasks of advertising a product or service is to attract the buyer's attention to information about its advantages, thereby generating interest from the

consumer. It also contributes to creating a positive image of the manufacturing firm and accelerating the purchase, thus generating demand.

- Economic function – determined by the fact that advertising is an integral part of intensifying any market processes and increasing demand. By advertising new products or services and their main advantages, advertising stimulates the sales of these products or services and improves trade and production, generating good revenue for companies.
- Communicative function – aims to form the buyer's knowledge about the main characteristics of the product. It seeks to persuade the buyer and influence their purchasing decision while providing a link between the buyer and seller markets.

The stimulating function involves creating demand by encouraging the consumer to purchase a particular product or service.

Functions of advertising:

- Stimulating – Persuades the consumer to buy the product
- Economic – Helps increase the company's profits
- Communicative – Conveys information about the product to the consumer
- Aesthetic – Creates the company's image

The main law that regulates advertising activity in Ukraine is the Law of Ukraine "On Advertising" No. 270/96-VR dated 03.07.96, which outlines the complete list of requirements and rules for conducting advertising activity.

According to the law, the key principles of advertising include:

- Accuracy, reliability, legality, and the use of means and forms that do not harm the recipient of such advertising.
- Advertising must not contain images or information that violate moral norms, humanistic and ethical standards, or disregard the rules of decency.
- Advertising must not undermine public trust in advertising and should comply with the principles of fair competition.
- Advertising must take into account the particular sensitivity of children and not harm them.

There are many different approaches to classifying advertising. The main types are presented in Table 1.2:

Table 1.2 – Classification of Advertising Types

	Classification Feature	Types of Advertising
1	By target purpose	Commercial, Social, Political
2	By message format	Oral, Written
3	By emotional impact	Rational (factual), Emotional (associative)
4	By intensity	Low, Medium, High intensity
5	By objective	Informative, Persuasive, Reminder
6	By effectiveness	Intensive, Extensive
7	By functional purpose	Comparative, Combined

Source: author's synthesis of approaches [64, 75].

By target purpose, the following types of advertising are distinguished:

- Commercial advertising, whose main goal is to increase the volume of sales of goods and services and, consequently, the company's profits.
- Social advertising – non-commercial information from public organizations or government bodies aimed at informing the public about issues of social protection and safety, environmental protection, healthy lifestyle, or crime prevention. In this type of advertising, no specific product, service, or manufacturer is mentioned .
- Political advertising differs from the previous types in that its aim is to create a favorable image of specific political figures or parties.

By emotional impact, there are two types:

- Emotional or associative advertising – the message is aimed at emotional perception by buyers and operates through visual images. Most often, advertising messages combine both types of advertising to create a campaign that is more neutral in terms of emotional impact.
- Communication in rational (factual) advertising is usually aimed at providing convincing arguments or appealing to the rational side of the buyer's mind.

By intensity, advertising can be classified into:

- High-intensity advertising – appears most frequently, using a variety of communication channels.
- Medium-intensity advertising – occurs periodically, using several communication channels.
- Low-intensity advertising – distributed through only one communication channel.

By objective, the following types of advertising are distinguished:

- Reminder advertising – aimed at maintaining awareness of an existing product or service, highlighting its key features and advantages.
- Informative advertising – intended to provide information about a new product or service, its features, price changes, current promotional offers, or a detailed description of services provided.
- Persuasive advertising – stimulates demand and aims to convince the buyer to purchase a specific advertised product or service.

By effectiveness, advertising is divided into:

- Intensive advertising – focuses on increasing the number of buyer contacts with the advertising company. The goal of such a campaign is to create a new or refresh an old image of the advertiser or to change its brand image.
- Extensive advertising – emphasizes reaching as broad an audience as possible, supporting the existing image of the company and informing about current products or services.

By functional purpose, we distinguish:

- Comparative advertising – usually designed to convince the consumer that the advertiser's product or service is better than a competitor's equivalent. This supports market competition and encourages creativity and originality among advertisers.
- Combined advertising – the message includes not only a buying incentive but also new information about the product.

Thus, the main goal of advertising activity of any company is to promote its goods or services with the ultimate aim of increasing its competitiveness and, consequently, the company's profits.

Increasing the company's competitivenessInforming about the product or companyIncreasing the company's profitabilityStimulating product sales

The effectiveness of achieving each of these goals determines the possibility of moving on to the next element of the constructed chain, ultimately leading to the final objective. However, one must not forget that advertising campaign goals should be defined individually for each specific enterprise. These goals may vary depending on the market type, product or service type, or the target consumer group.

Thus, the term "advertising" has a fairly broad interpretation as it is a complex, multi-component phenomenon and is key to the development of a market economy. Based on various approaches to interpreting the concept of "advertising," an individual definition of this term has been developed. The main functions were also identified, and a classification of the most common types of advertising was provided.

An advertising tool is considered any instrument through which essential and attractive information about a product or service can be communicated to potential consumers.

Currently, the means of disseminating information about goods or services are undergoing significant changes. Often this happens due to the development of contact marketing; the influence of large, popular mass media is diminishing, while the importance of new communication channels is growing.

In general, advertising tools are divided into main and auxiliary. Main advertising tools include: advertising in the press, on television, on the radio, and

outdoor advertising. Others such as point-of-sale advertising, mail advertising, exhibitions, and others are considered auxiliary tools.

Television advertising refers to commercials, TV bumpers, or advertisements shown as images with added color, sound, and movement. These are mostly targeted at broad audiences. The use of all these elements allows greater engagement of potential consumers and makes the ad more informative and impactful compared to other methods. This type of advertising is one of the most expensive but has the advantage of reaching a wide audience.

One disadvantage of TV advertising is that the viewer's attention must be focused on the screen during the broadcast. Otherwise, the message will not be perceived.

To achieve the highest effectiveness, certain rules must be followed, including the use of psychological techniques such as:

- using bright visual images to attract attention,
- avoiding the use of inanimate objects as the main focus,
- originality is the key to success,
- capturing the attention of potential buyers within the first five seconds.

The effectiveness of TV advertising also depends on broadcast time. Ads are most effective in the morning or evening; thus, most advertisers aim to place their messages during these periods.

– Banner advertising, or media advertising, is a product designed for the visual perception of information about a product or service, aimed at attracting the attention of a potential audience using images, videos, or audio tools.

One of the most common forms of advertising today is social media advertising. However, marketing promotion through social media requires significant investment. In this case, it is almost impossible to predict the timing of achieving the desired results, as well as the amount of costs. Nevertheless, this type of advertising is an effective method for developing a company's or web project's image in the long term. It also provides an opportunity to establish interaction between the company and its target customer audience. This advertising approach is currently one of the fastest-growing.

Its organization can be carried out in several ways:

– First, by placing banner and contextual ads on users' pages. In this method, payment is made only for the number of ad impressions or clicks — i.e., transitions to the advertiser's site.– Second, by creating thematic groups with active engagement of potential consumers — the interested audience. It is worth noting that this audience can be effectively interacted with over time, informing them about new products, services, upcoming promotions, etc.– For companies looking to quickly increase brand attention and promote their products or services, SMM promotion is ideal.

Direct-mail, or so-called email advertising, which until recently occupied a significant share of the market, has now become just one aspect of working with a regular customer base. When used correctly, it can be quite effective. The main thing is to approach the distribution properly, avoiding intrusive wording and one-sided appeals.

Point-of-sale advertising consists of advertising materials that manufacturers use to attract consumer attention to their products or services. This type of advertising often uses concise slogans to inform customers about the unique features of the products or services. Typically, it is placed in locations where consumers can purchase these products or services — such as stores, restaurants, gas stations, banks, and pharmacies.

This type of advertising provides broad opportunities for building effective communications between the commercial offer and the consumer at the points of sale.

The main groups of point-of-sale advertising include:

– POS materials (point of sales) – materials placed to attract consumer attention to products and services and to stimulate sales;– Indoor advertising – advertising placed on special branded structures within shopping areas which aims to inform about the offer and stimulate sales.– Direct advertising – store consultants representing a brand, directly interacting with customers to provide professional consultation.

PR (Public Relations) is a branch of advertising activity whose main goal is to build relationships with various groups of interested clients. Public relations management programs are mainly aimed at such key categories as government and the public, media, financial community, and company employees.

Main PR activities include:

– funding socially beneficial events and sponsorship;

– presentations;

– exhibitions;

– specialized fairs;

– souvenir production;

– press conferences.

It is important to note that PR activities have already become an integral part of most companies' operations.

The largest advertising companies recommend that their clients carry out PR activities in cases such as:– a threat of unfair actions by competitors, making it necessary to widely inform consumers about the company’s reliability;– crisis situations (e.g., mass complaints about product quality, deteriorating relations with consumer groups, etc.);– the need to establish proper relationships between employees and firms/organizations that cooperate with the company;– plans to launch a new product or service on the market.

There is also a division into main and secondary advertising tools. The main ones are primary advertising tools, while the secondary ones support them. For each company, depending on its profile, the primary advertising tools will differ. Secondary tools only serve to support and supplement. When used effectively, the structure of advertising tools should ensure maximum return at minimal cost.

Thus, the goal of any advertisement is to provide informative content about a product or service to potential buyers, aiming to generate demand. This simplifies the consumer’s task, as there is no need to spend time searching for a necessary product or service or information about it.

Therefore, it is essential to use various promotional channels for different types of target customer audiences to ensure messages are delivered to the targeted group. Integrated campaigns should combine both main and auxiliary advertising tools to complement each other, thereby reaching a larger audience of potential consumers and achieving better results.

An advertising message is created to disseminate information about a product or service to consumers and, as a result, generate demand. However, it should be noted that the effectiveness of an advertisement differs for the advertiser and the consumer. The effectiveness for the advertiser is obtaining the highest possible profit from the conducted advertising campaign with minimal placement costs. At the same time, for the potential buyer, the effectiveness of the advertising message is greater if they receive the needed information from the advertisement rather than searching for it themselves or visiting a point of sale, spending their personal time.

Regardless of the size or field of activity, almost every company using this tool faces issues in determining the effectiveness of advertising campaigns. Managerial responsibility in marketing does not end with the execution of an advertising program. Any justified managerial effort is aimed at achieving set goals, which is why evaluation of the advertising campaign results must be carried out to analyze the plan's implementation.

Advertising evaluation, or its effectiveness, involves methods developed to correlate the outcomes of advertising campaigns with generally accepted efficiency standards and objectives, to assess the actual value of advertising activities.

Advertising effectiveness is understood as the degree of influence that advertising tools exert on potential buyers in favor of the manufacturer or intermediary.

In turn, the evaluation of an advertising campaign’s effectiveness is a research activity that, by nature, should establish a cause-and-effect relationship between the expenses incurred during its creation and the results of its influence on consumers. The effectiveness of each advertising campaign is ensured by a set of measures that allow for the most accurate delivery of information to the necessary target customer audience, as well as rational spending of funds.

Various external and internal factors significantly impact the final effectiveness of an advertising campaign. Within each advertising campaign of a market entity, to reasonably determine their effectiveness, it is necessary to identify all the conditions that influence advertising effectiveness for each specific case. It is also essential to

understand their significance and analyze the identified factors both collectively and individually.

It is possible to test the effectiveness of an advertising campaign at any stage of the advertising process. This can be done either during its launch, before the campaign begins, or after its full implementation. Preliminary testing allows for maximum safety since it enables prior evaluation and forecasting of the campaign's outcomes. The main drawback of parallel testing is the loss of a certain portion of the budget, as evaluation is conducted in the course of the advertising process. Post-campaign testing may lead to maximum potential losses if the campaign turns out to be unsuccessful.

The following main approaches to advertising research can be highlighted:– Economic approach —the advertising campaign evaluates advertising expenses, profitability, and the sales increase per thousand customers, among other metrics;

– Behavioral or sociological approach. This evaluates the communicative effectiveness of the advertising campaign and includes such indicators as: understanding, knowledge, emotions, interest, positioning, engagement, loyalty, etc.

Within any of these approaches, the effectiveness of the advertising tools used is analyzed, as well as the expense items of the advertising budget. Advertising messages are tested at various stages of their implementation. Moreover, from the economic perspective, the behavioral approach separates assessment from financial measures, evaluating indicators in monetary terms, yet neither approach considers the structural specifics of the firm.

Evaluation of communicative advertising effectiveness is carried out using the behavioral method. It shows how effectively a specific advertisement delivers the necessary information to the target customer audience or forms a desired opinion for the company.

Approaches to evaluating advertising activity:

- Economic
- Behavioral (Sociological)

Communicative effectiveness does not always lend itself to quantitative measurement, which is why the following evaluation methods are used, shown in Table 1.3:

Table 1.3 – Main Methods for Studying Advertising Effectiveness

Research Method	Main Advantages	Main Disadvantages
Telephone Survey	Relatively low cost and quick interviews	Cannot show images or videos, not feasible in areas with low phone coverage, limited questions
In-home Survey	In-depth research, allows many and complex questions, can show visuals	High cost, time-consuming
Street Survey	Cheap and fast	Low control over interviewers, limited number of questions

Source: Author's synthesis of advertising research approaches discussed in [64, 75].

Communicative effectiveness is the basis for achieving the economic effectiveness of advertising — that is, the ratio between the result achieved and the costs incurred over a specific period.

Evaluation of the effectiveness of an advertising tool is based on the indicators shown in Table 1.4:

Table 1.4 – Indicators for Evaluating Advertising Tool Effectiveness

Indicator	Meaning
OTS	Opportunity To See – frequency of contact with the advertising message
CPT	Cost Per Thousand – cost of the advertising contract per thousand individuals
Rating	Number of viewers in the target audience watching the specific channel at a given time
Share	Indicates viewer preference for a particular program

Source: Summarized by the author [64, 75].

HUT – calculated as the ratio of the total number of viewers currently watching TV to the total number of potential viewers. AIR – average audience of one communication channel. ANL – average lifecycle of one communication channel. CPC – cost per click. ROI – return on investment indicator. ROMI – return on marketing investment indicator. CPL – cost per lead (target action). CR – conversion rate. CPV – cost per video view (in digital advertising).

The higher the values of these indicators (excluding CPC, CPV, CPL), the more effective the advertising campaign. It becomes evident that the greater the communicative component of advertising campaign effectiveness, the more significant and substantial the results of its economic effectiveness will be .

To help identify the most ineffective and vulnerable stages of an advertising campaign, the so-called “sales funnel” is used. It helps understand which actions need to be taken to improve feedback from advertising. Generally, the sales funnel consists of four stages and looks as shown in

The ability to identify weaknesses and shortcomings in promotion is the main advantage of using this tool. The “sales funnel” shows at which stage the effectiveness of working with potential buyers declines. Additionally, the transition from the first stage (identifying the target audience) to the second (informing potential consumers) aims to assess the communicative effectiveness of the campaign’s advertising activity. The transition from the second to the third (actual purchasers of the product or service) assesses commercial effectiveness, and from the third to the fourth (loyal customers) — the level of customer service and personal sales performance by the organization’s staff.

Economic effectiveness also reflects the degree of influence of a company’s advertising campaign on changes in sales volume.

Thus, the generally accepted definition of effectiveness — as the ratio of the result obtained to the costs incurred — can also be used to evaluate the economic success of advertising promotion to the masses.

Thanks to proper assessment of economic effectiveness, a company can:

– Increase its profit share from the sale of goods or services when resources are available, through the implementation of the most effective marketing levers;– Redistribute the advertising budget based on the obtained economic results to gain higher revenue.

To evaluate the impact of advertising on a potential consumer, advertising campaign effectiveness research helps by analyzing a number of indicators, including:

– Understanding and recognition of the advertisement;

– Target audience reach;

– Memorability of the advertising message and elements.

– The persuasive and promotional power of the advertisement;

– Active or passive knowledge of the advertised brand (product or service);

– General attitude toward the advertising message;– Intention to purchase or use the advertised product;

– Formed image of the company .

In general terms, the formula for evaluating the impact of an advertising campaign is as follows (Formula 1.1) :

$$U = P / R, \quad (1.1)$$

where:

R – profitability of the advertising campaign;

P – profit obtained from the advertising campaign; U – advertising campaign expenses.

There is also a formula for calculating the achievement level of the planned financial result for the entire advertising period (Formula 1.2) :

$$K = (Pf / Ppl) \times 100, \quad (1.2)$$

where:

K – percentage of expected income received; Pf – actual profit for the entire advertising period; Ppl – planned profit for the annual advertising period.

The obtained results from evaluating the effectiveness of the advertising campaign allow determining the performance level set by the promotion plan and, if necessary, improving the distribution of the advertising budget.

Since advertising, by its nature, is a long-term investment, a widely used indicator to assess its economic effect is ROI – Return On Investments, i.e., return on investment. In this case, the profitability of the advertising campaign is adjusted by the discount rate (Formulas 1.3, 1.4) :

$$ROI = P / k, \quad (1.3)$$

$P = (П \times 100) / Zr$, (1.4) where: R – advertising profitability, %;П – profit received from the product's advertising; Zr – advertising costs for the given product; k – discount rate.

If the ROI indicator is positive, then the investment in the advertising campaign was successful. If it is negative, the investments did not pay off. This method is quite simple to use and allows for assessing the economic effectiveness of an advertising

campaign both in the long and short term. Additionally, comparing ROI coefficients of different marketing activities allows for building the most effective advertising campaign or improving an existing one.

In the second chapter of this master's thesis, an analysis will be conducted of the advertising activity of one of the largest postal companies, a certain postal network, which operates in the field of service provision – specifically, goods delivery.

The following evaluation methods will be used:

– Economic (research, calculation, and analysis of the main economic indicators of the company's advertising activity);

– Communicative (includes conducting a survey of potential customers and existing clients using the company’s services, to form a general view of the company’s advertising activity and its communications).

From the above, we can conclude that the evaluation of the advertising activity effectiveness of a business entity (goods and services producer) can be considered one of the most important stages of commercial activity.

Although it increases the costs directed at conducting marketing research, it allows for efficient budget use under economic constraints and enables rational planning of advertising activities.

To evaluate all areas of a company's advertising activity, it is necessary to use several different indicators. This will allow for a comprehensive and in-depth assessment of the effectiveness of the advertising campaign. The number and nature of indicators vary for each company and depend on market conditions, brand activity type, company development stage, and more.

Based on the conducted research and analysis of literary sources concerning the definition of "advertising activity," and guided by the opinions of scholars, we agree that advertising or advertising activity is one of the main indicators of a company's marketing activity. It stimulates the purchase of a product or service and helps attract the attention of new potential consumers.

Though there are minor differences in the definitions, generalizing the views of various scholars allows us to define advertising as a process of dissemination,

transmission, and presentation of information about a product or service through a selected communication channel. This involves the advertiser, i.e., the manufacturing firm, and the potential consumer, and is aimed at persuading the customer to make a subsequent purchase. A key feature of advertising is the need to capture attention to achieve its main communicative purpose.

The main functions of advertising include economic, communicative, aesthetic, and stimulating.

There are primary and auxiliary advertising tools.

Among the primary advertising tools, we can identify:

– press advertising– radio advertising– television advertising– outdoor advertising

Others — such as exhibitions, mail advertising, point-of-sale advertising, and more — are considered auxiliary tools. Effective advertising campaigns should incorporate multiple advertising tools that complement one another to achieve better results and reach a broader audience of potential customers.

An important indicator in evaluating the implementation of a company's marketing plan and its goals is the effectiveness of the conducted advertising campaign. For a more comprehensive and deep assessment, it is necessary to use several different approaches. This helps evaluate all areas of the company's marketing activities. Moreover, different indicators should be used to analyze the effectiveness not only of traditional advertising types but also of digital advertising campaigns.

The evaluation of brand advertising effectiveness should be conducted systematically and after each stage of the campaign to timely identify weak points and promptly eliminate them. This, in turn, will help optimize advertising expenditures and achieve their effectiveness, i.e., to increase the reach of potential consumers while reducing advertising activity costs.

The company provides parcel delivery services, oversized cargo transportation, and express document delivery within Ukraine (excluding temporarily occupied territories), as well as abroad (to over 30% of countries).

A certain postal network delivers to both individuals and legal entities under signed agreements. The company's mission is “making delivery easy for life and business.” To achieve this, the a certain postal network team introduces new products and services, improves service, and follows international standards and best global practices.

A certain postal network is a postal and freight company that provides fast and easy delivery to every client — to a branch, a parcel locker, or by courier to the address. The company offers logistics services, delivering everything from small parcels to large cargo. A certain postal network enables thousands of Ukrainian entrepreneurs to build and grow their businesses not only within Ukraine but also abroad through franchise opportunities.

The company is engaged in producing several types of products (both goods and services).

Technological processes and the organization of work at branches and terminals are as close as possible to global service standards in the logistics sector. This allows the company to achieve the highest possible level of customer orientation, guarantee an appropriate level of service quality, and ensure the shortest delivery times among all postal services in Ukraine.

Regarding the distribution of employees by company units, the largest number of employees work at branches and terminals — over 70%. They are mainly engaged in operational tasks: customer service, providing consultations on parcel transportation, loading and unloading work, and monitoring the timely fulfillment of performance indicators.

The performance of each management department is evaluated by indicators that characterize the achievement of set goals and objectives. A hierarchy is formed within each subsystem, while rules are in place that govern the entire organization from top to bottom.

We can conclude that the organization of service delivery in the company is mainly based on the work of the logistics department, as this department bears the

greatest responsibility for the company's effective operations. It is responsible for terminal logistics, urban logistics, intercity logistics, and international logistics.

The main functions related to client work are performed by the sales department. This is the largest department in the company, engaged in delivering services. Its main task is to meet sales targets, service existing clients, and search for new ones while maintaining high customer service standards. Department managers must meet with clients in person, agree on their needs and delivery requirements, support them at all stages of cooperation, and, if necessary, sign contracts.

The finance department works with various client groups and categories, develops and implements financial systems and tools that ensure profit growth for the company. This department has the greatest influence on choosing the strategic direction of the company's activities, developing the portfolio, or planning the expansion of a certain postal network.

The organizational structure of the company is functional. A functional structure is based on the principle of involving highly qualified personnel with narrow specializations in management.

The structure above is characterized by a high level of vertical diversification. The company operates with clear centralization of authority; however, active teamwork and delegation of responsibilities are observed within the branch network (departments).

A distinctive feature of a certain postal network is the clear formalization level between the management levels and postal department staff. All employees must follow defined rules, regulations, and organizational culture norms established by the company's leadership.

- Director:

– Company activity control– Budget approval

- Regional Director:– Managing and controlling the quality of work across 3–4 networks– Approving new department openings– Contract signing
- Territorial Manager:– Monitoring network activities (20–25 departments)– Identifying locations for new departments

- Department/Terminal Head:– Overseeing department operations

• Staff management (5–60 people); • Procurement of consumables for the branch;

Senior Specialist – Operator / Senior Receiver• Supervision of operators' work; • Acting as temporary branch manager;

Operator / Receiver• Processing shipments; • Customer consultation; • Order issuance;

Next, we will perform an economic analysis of the enterprise's activities from 2017 to 2023. This analysis allows us to assess the overall current state of the company and its financial capacity for further development.

The effectiveness of the company's activity is assessed not only by profit indicators but also by profitability indicators. Profitability is a relative metric that shows the efficiency level, i.e., the increase or decrease in the enterprise's income-generating capacity. Profitability more comprehensively reflects the company's final performance than profit alone, as it indicates the ratio of profit to available or already utilized resources.

After analyzing the operations of a certain postal network during 2017–2023, we observe an increase in the overall profitability indicator from 2017 to 2020. However, in the last year, profitability decreased by 4.48%. This was caused by the spread of the coronavirus infection, a reduction in customer visits, and other factors.

Given these indicators, we can conclude that the enterprise has a high level of financial stability and consistently strong market capacity, allowing it to hold leading market positions and maintain high competitiveness.

Income analysis, when separated from other indicators, does not provide a clear understanding of what expenses were involved in achieving that income or which factors influenced it and to what extent. Alongside company profits, expenses must also be analyzed.

The largest share is held by labor costs, followed by the cost of purchased materials. A significant portion also consists of transportation maintenance costs, taxes, depreciation, and others.

Summarizing the above, we can conclude that a certain postal network has rightfully become a leader among all enterprises in the logistics market over the last decade and maintains its leadership position in the field of sustainable development. This enables the company to continue expanding and opening new postal branches beyond Ukraine, offering its services to a wider audience.

The development of the logistics sector in any country, including Ukraine, depends on the state of its economy. Its operators link production chains, ensure interaction among all participants in economic relations and logistics supply chains, and allow each consumer to obtain their desired goods. The volume of services provided in the logistics sector directly depends on production dynamics, the activity level of consumers, and both domestic and foreign trade. Heavy industry remains the leader in freight transport volume for both rail and road transportation. Over the next 3–4 years, the domestic logistics services market will become more optimized and show stable growth of 10–11%. This is influenced by Ukraine's favorable geographic location, allowing it to profit from the transit of goods from Asia to Europe and vice versa, as well as growing product exports. Domestic logistics companies have started actively entering new markets, which is pushing the logistics sector to improve. This means the contract logistics market will grow.

Ukrainian logistics is driving the development of related and interconnected sectors, significantly influencing the country's economic potential and showing positive development trends. Despite being in a developmental stage, the growth rate of Ukraine's logistics services market is slower than in other countries, but it remains potentially competitive.

Currently, the logistics services market in Ukraine is experiencing:

– changes in the structure of transport by mode;

– growth in cargo turnover;

– positive changes in the warehousing service sector;

– an increase in online purchases, which boosts demand for logistics operators' services.

Ukraine’s transport and logistics complex is a strategically important and one of the main segments of the country in economic, political, and social aspects. Logistics makes up about 12% of Ukraine's GDP and provides jobs for 8% of the employed population.

The growth in cargo turnover is mainly attributed to road transport, while other transport modes have only seen changes of 2–3%. One of the risk factors for road freight transport is restrictions on large vehicle movement, which may be imposed due to weather conditions and cause delivery delays.

Implementing these principles by logistics market participants enables the creation of efficient supply chains, ensuring effective supply chain management through the introduction of modern energy-saving, information-based, and economically efficient technologies, as well as the necessary level of service.

Outdated equipment and technologies, a shortage of qualified personnel and modernized machinery, and a lack of funding for improvements and development have led to a decline in service quality. Combined with socio-economic instability in most regions of the country, this has resulted in a drop in production volumes and, consequently, industry revenues.

Certain factors also directly or indirectly influence the development of the logistics market in Ukraine. These factors include:

– international globalization of industrial production (logistics helps companies distribute their products abroad);

– digitalization and modernization of the industry, which facilitates management, production, and service delivery processes;

– growth in the volume of both domestic and international online trade;

– changes in the volume of domestic and foreign trade;

– the level of Ukraine's economic development;

– the dynamics of Ukrainian industrial production;

– the level of political stability.

An additional key factor influencing the development of logistics in Ukraine in 2020 was the onset of the global coronavirus pandemic. Due to the introduction of

quarantine restrictions, the operations of both Ukrainian and European enterprises were fully or temporarily halted. This, in turn, had both positive and negative effects on the development and functioning of the sector.

In Ukraine, the postal services sector has traditionally been monopolized. The collapse of the USSR and the ensuing economic crisis led not only to a decline in industrial production but also to a significant decrease in the volume and quality of core postal services. The lack of a unified management system, shortage of financial resources, and lack of investment attractiveness led to a complete economic decline in Ukraine's postal sector at the beginning of the 21st century.

The largest delivery services in Ukraine are postal operators — a certain postal network and The a certain postal network is a competitor. They deliver nearly all types of goods except ready-made food, and since March 2023, they have also started delivering medications with government approval.

For a certain postal network, recent years have marked a leap in development. From 2016 to 2024, the company opened large sorting terminals in five major cities of Ukraine — Kyiv, Lviv, Kharkiv, Dnipro, and Khmelnytskyi. The branch network expanded from 3,000 to 9,300 locations, and the number of shipments more than doubled during this period.

Clients associate a certain postal network with:

– high service costs;

– fast delivery;

– an extensive network of branches;

– convenience due to automation and integration of various services.

Competition between companies is defined by the types of services offered.

Let us analyze what market share each company holds and which of the mentioned enterprises is the market leader.

Thus, a certain postal network holds the largest market share, exceeding 65%. Its main competitor is The a certain postal network is a competitor, which holds 8% of the market. However, it should be noted that The a certain postal network is a

competitor has a broader geographic presence in Ukraine and a higher number of open branches and parcel lockers.

To understand the directions of the company's current advertising activities, it is necessary to analyze the marketing mix (4Ps). First and foremost is the Product, as it is the first and most important element of the marketing mix (i.e., the main and additional services the company offers to consumers). In addition to the main services provided by the company, already discussed above, the technology behind each of a certain postal network's basic delivery services includes the following additional services:

– packaging of shipments;
– delivery of international shipments;
– storage of items for 7 calendar days;
– automatic return of undelivered shipments;
– fulfillment services;
– cargo arrival notification service;
– shipment inspection;
– redirection;
– loading/unloading of oversized cargo;
– delivery from online stores;
– self-service changes to data in the electronic consignment note;
– self-service options.

As a result, the range of services is quite broad and can meet the needs of both individuals and legal entities. Since the company serves highly diverse consumer groups (e.g., online store deliveries, private shipments, services for marketplace alliances and businesses), it has developed such an extensive list of additional services.

Pricing Policy: A certain postal network provides services at prices significantly higher than its competitors. The cost of services is the highest, which corresponds to the quality of their provision. The company directly influences the express delivery market standards, offers the shortest delivery times, and operates the second-largest network of branches in Ukraine after The a certain postal network is a competitor.

The company also develops a system of special personalized tariff offers for legal entities and business representatives. For these categories, services are provided at contractually agreed prices. Additionally, users of the mobile app (loyalty program members) can benefit from a cumulative discount system — 2 UAH off each shipment. These discounts can be used to pay for delivery or storage services.

Place (Distribution): The main sales points, i.e., points of contact with customers, are branches (cargo, postal, and mini-branches), as well as self-service parcel lockers.

The enterprise aims to be wherever the client needs it, at the right time. This principle is affirmed by the 2017 advertising slogan — "Where you are," and also by real actions — the launch and development of its franchise network, aiming to expand the company and make its services available even in the most remote villages and towns.

Promotion:

Currently, advertising campaigns are image-oriented, as the company is widely recognized and most of the population has used its services at least once. Occasionally, advertising addresses are localized to inform consumers about the launch of new services or the opening of a branch in a specific settlement.

A certain postal network uses almost all common marketing communication channels to promote its services. The main ones are:

– Television advertising;

– Outdoor advertising;

– Social media advertising;

– POS advertising;

– Public Relations (PR).

In conclusion, the successful and coordinated functioning of all four elements of the marketing mix enables the enterprise to maintain its image, preserve leadership in the logistics market, and build a foundation for future development.

Next, we will analyze the company’s strengths and weaknesses using a SWOT analysis:

SWOT Analysis of a certain postal network

Strengths

– Speed and timeliness of delivery;

– Customer service better than competitors: modern and comfortable branches, polite staff, fast service;

– Accessibility of company touchpoints (branches, parcel lockers, terminals);

– Online presence and cooperation with e-commerce platforms;

– User-friendly mobile application.

Weaknesses

– Higher service prices compared to competitors;

– Lack of clearly defined rates for large-sized cargo transportation;

– Decline in service quality during holidays and peak load times;

– Occasional website crashes, automated messaging failures, and app malfunctions.

Opportunities

– Ability to influence express delivery market standards;

– Alliances with major marketplaces and e-commerce leaders;

– Digitalization and modernization of service delivery processes;

– Potential for entering new international markets;

– Expansion of branch network – creation of additional mobile self-service pickup points.

Threats

– Development of in-house logistics networks by major market players;

– Modernization or privatization of The a certain postal network is a competitor by international investors, increasing competition;

– Entry of new companies into the market;

– Deterioration of Ukraine's macroeconomic conditions (legislative changes, political instability, rising fuel prices);

– Monopolization of the express delivery market.

The company’s main advantages lie in providing high-quality services focused on customer needs. A flexible pricing policy will help expand market share and

implement new types of services. An important factor is that a certain postal network is an experienced postal operator. The main threat to the company is the emergence of new competitors who may be more attractive to customers. Therefore, a certain postal network must continuously improve its technologies to maintain competitiveness.

Opportunities for the company include an effective marketing policy (equipment modernization, market expansion, computer technologies). The main disadvantage is the company's high service tariffs.

The SWOT analysis of a certain postal network showed that the company holds stable leading positions in Ukraine's express delivery market. However, the company needs to implement an effective advertising campaign using various media channels to inform customers about its services.

To conclude, the logistics market, especially the express delivery segment in which a certain postal network specializes, will continue to grow due to the closure of offline sales points and the increasing demand for e-commerce. Since this is the company's main business direction, entering the European market will be the most successful strategy.

The study analyzed the organizational structure of the enterprise, as well as the work of all departments in detail. Key indicators of production and economic performance were also assessed.

Analyzing a certain postal network's activities from 2017 to 2023 shows an increase in the overall profitability index from 2017 to 2020. However, in the last year, profitability decreased by 4.48%. The largest expense share is attributed to labor costs, followed by costs of purchased goods, transport maintenance, taxes, depreciation, and other expenses.

A certain postal network rightfully remains a leader in the logistics market over the past decade and leads in the field of sustainable development. This allows the company to continue expanding and opening new postal branches outside Ukraine, offering its services to a broader audience.

Given the main competitors of a certain postal network and the market share it occupies, we propose applying a leader strategy, namely defense and strengthening of

existing positions. The essence of this strategy lies in blocking access to the market for new companies, while the leader strengthens its current positions.

The essence of a defensive strategy lies in maintaining the existing market share, strengthening the current position, and protecting all of the company's competitive advantages. To achieve these objectives, the company must undertake a number of actions.

Firstly, to increase entry barriers in the industry, the company should set lower prices for services, regardless of their quality.

Secondly, the company must continually implement new high-tech services that will provide an advantage over competitors — this is one of the main indicators of success.

Thirdly, in order to fulfill the primary goals, special marketing activities should be introduced. Among the most important are:

1. Customer satisfaction assessment. Twice a year, the company should conduct customer surveys. These should be done through direct contact with customers — one of the most natural ways to obtain information about which services are in high demand and which need improvement. As a result of gathering and analyzing the information, the company will obtain data on demand and customer evaluation of its services, the ratio of service quality to cost. This analysis allows the company to maintain its existing market share.

2. Trade exhibitions. These provide an opportunity for the company to promote new products and services to consumers. Trade exhibitions should be held twice a year. Their purpose is to inform consumers about new developments in postal services and to help the company find ways to collaborate with other firms. They will enable a certain postal network to find new service users among organizations and new partners for its operations. Through annual showcases of its innovations, the company will strengthen its position in the national postal service market.

3. Technological innovations. The primary task of this strategy within the company is the continuous improvement of existing services. Other important objectives include regularly expanding the range of services provided to eliminate any

open niches among main competitors. This allows the company to maintain its competitive leadership and gradually strengthen its market position.

4. Advertising. Unfortunately, the company currently does not use its full advertising potential, which is a major weakness in its marketing department. The company lacks the ability to timely inform customers about innovations, promotions, etc. As a result, it loses customers to competitors because they are unaware that a certain postal network also provides these services. Therefore, it is necessary to implement effective advertising that should appear in TV or radio commercials, on metro billboards, in newspapers and magazines, and on city streets.

Such advertising will allow the company to inform potential customers about the range of available services, thereby strengthening its position in the market.

In conclusion, by implementing the strategy of consolidation and defense...

A certain postal network will increase competitive barriers for those wishing to become leaders in the industry and for new entrants by increasing advertising expenditures, enhancing the level of customer service, and allocating more substantial resources toward research and development of new types of services.

To ensure effective interaction between the company and its consumers, the following should be implemented:

– creation and launch of chatbots for quick customer support;

– a fundamentally new cooperation scheme using more flexible management methods;

– a consumer-oriented business model and the implementation of multichannel communication.

The distribution of advertising informational materials appears to be a very promising direction, both for direct marketing of the company’s own advertising and for providing advertising services to partner companies.

A promising direction for expanding the marketing activities of postal enterprises is the development of addressed and unaddressed direct mail advertising services. Addressed advertising involves delivering personalized promotional materials to specifically identified recipients, whereas unaddressed advertising

provides opportunities for distributing commercial information within selected geographical areas without identifying individual consumers. Postal operators possess important infrastructural advantages for implementing such activities, including extensive branch networks, established delivery routes, and regular interaction with households and business customers. These capabilities create opportunities for providing additional advertising distribution services to commercial enterprises, retail chains, financial institutions, and other organizations interested in reaching geographically defined target audiences. Furthermore, scientific studies indicate that direct mailing can influence consumer behavior beyond traditional offline communication by generating additional interactions with online marketing channels. Consequently, the integration of physical advertising distribution and digital communication technologies may contribute to the diversification of postal enterprises' services and the development of additional revenue-generating activities [67].

Over the past 10 years, the postal service has engaged in any activity that could bring profit. Among them are advertising services, which were never considered sufficiently profitable or promising. However, today it is worth paying attention to this type of service, as there is now a demand in Ukraine for a company that has a large database for distributing advertising materials. And what other company, if not a certain postal network, is better suited to fill this market niche? No existing company has a system capable of covering the entire territory of Ukraine.

Over the years, the post has accumulated information about the location of enterprises and residents and possesses accurate and complete addresses of various entities throughout Ukraine. It is only necessary to properly organize and set up a database system at the post office, and the company will become a leader in the market for distributing advertising informational materials, generating profits from this type of service.

In addition, a certain postal network has potential in the unaddressed advertising mail market. One of the key goals in this area is to attract corporate clients who have already cooperated with the post and offer them this new service.

This will help increase the number of followers and promote the page more actively.

To summarize, based on the weaknesses and strengths of a certain postal network and comparing the company with its main competitors, the following advertising activity program is proposed:

Social orientation– Develop a discount system for goods delivery for the elderly, Armed Forces of Ukraine (AFU) members, and people with disabilities (20% discount);

– Reduce the commission rate on money transfers.

– Expand cooperation with domestic and international online stores;

– Create custom branded merchandise (in addition to the existing one).

Enhancing customer focus

– Develop a loyalty program with discounts for every 10th shipment within 30 days;

– Expand fitting room services;

– Implement discount systems for regular clients;

– Improve functionality and reliability of parcel lockers;

– Launch the sale of gift certificates.

Building brand cooperation

– Develop alliances with major marketplaces;

– Cooperate with other e-commerce leaders;

– Create joint advertisements with other popular brands;

– Promote co-branded campaigns.

Moreover, it is recommended to extend discount programs to men and women serving in the Armed Forces of Ukraine due to increased demand for sending humanitarian aid and goods to the military.

For mobile app users, I suggest developing a loyalty program in the form of a promotion: “Every 10th shipment within 30 days is free.” According to statistics, 70% of a certain postal network customers are not regular users and use the services 2–6 times a month. Therefore, this promotion is aimed at increasing the number of regular users and encouraging new ones.

Last year, the company announced the availability of fitting rooms at its branches. Currently, they are present in only 20 Kyiv branches and 30 across Ukraine. Given their relevance and usage rate, it is proposed to expand the fitting room system.

To increase brand recognition, I propose developing company-branded merchandise. Currently, only notebooks and pens are available, which do not attract as much attention as, for example, hoodies or tote bags. Therefore, to promote the brand, I suggest designing a tote bag that can be conveniently used not only for picking up parcels but also for shopping and daily use, along with branded T-shirts and sweatshirts.

Let us develop an advertising campaign program for the upcoming year 2023 and assess the effectiveness of the proposed measures. First, we will consider the possibility of introducing a 20% discount for vulnerable social groups. The discount would be available under the following conditions:

– Use of the mobile application, where age/status/category of the person is confirmed;

– Sending or receiving from any branch (excluding cargo branches and parcel lockers).

The markup on services and goods sold is 22%, so introducing a 20% discount is considered fair. The proportion of people of retirement age, individuals with disabilities (Groups I and II), and veterans (AFU) among the total population of Ukraine is 26% (10,834,100 people). Considering the frequency with which these groups use a certain postal network's services (pensioners – 10%, persons with disabilities – 1–2%, combatants (AFU) – 5%, and this share is currently growing), we can increase this percentage through the planned campaign. One must also consider that most pensioners prefer using services of main competitors due to lower prices. However, if delivery or receipt is urgent, they choose acertain postal network services because delivery times are 5–7 days faster than the main competitor, JSC The a certain postal network is a competitor.

We propose running this campaign from March 1 to March 31, 2023, with promotional messaging starting a week prior (Figures 3.2–3.3). Over the 31-day period, we will be able to track the change in visitor share from these population categories

and their interest in reduced service prices. It is anticipated that about 70% of pensioners, who prioritize delivery time, packaging quality, and overall service, will choose a certain postal network — especially if service pricing becomes comparable with major competitors.

A certain postal network's hotline frequently receives customer requests to install fitting rooms at pickup points, as a large portion of shipments are clothing. Although package inspection is allowed at the branch, trying on clothing is not possible. As a result, customers often need to return items at their own expense, rather than at the sender's or the company's cost.

Therefore, it was proposed to expand the existing network of fitting rooms in major Ukrainian cities. Most of the company's cargo branches are quite spacious and can allocate 2 m² of total area for modular fitting room installations. We propose gradually installing mobile fitting rooms during the summer (over 3 months) at branches and occasionally conducting surveys (via the mobile app) to assess customer satisfaction with clothing pickup conditions.

One of the most effective brand awareness tools is merchandise creation. Clients who trust a brand are willing to pay the brand to showcase their loyalty and make the company's image part of their daily life. The key idea behind merchandise is to demonstrate loyalty and share the company's values. After all, a company's image projects a certain lifestyle and worldview. Merchandise reflects the brand's essence and must align with its identity. If the selected merchandise items are practical and useful, customers will use them frequently and regularly, thus increasing brand exposure and recognition.

As a result of developing proposals to improve the advertising activities of a certain postal network, we conclude that one of the main tools for promoting the company is advertising. Given the highly competitive logistics market in Ukraine, the requirements for organizations are constantly increasing. The development of competitive relationships creates tough conditions, necessitating the use of new, creative promotion methods via modern information technologies.

To attract new customers and convince them of the quality of services provided, it is necessary to build a customer loyalty system. This gives new consumers a chance to be convinced that a certain postal network is both high-quality and affordable. This builds trust, turning them into regular clients.

Therefore, we conclude that by following the proposed recommendations, a certain postal network has every chance to maintain its leading position in Ukraine's logistics services market for as long as possible.

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5. Economic efficiency of tourism enterprises through integrated digital marketing management

Tourism enterprises operate at the intersection of market demand, service capacity and customer expectations. Unlike many tangible products, tourism services are intangible, time-sensitive and frequently purchased under substantial information asymmetry. Customers evaluate accommodation, tours, restaurants and destination experiences before consumption through digital content, prices, reviews, recommendations and perceived trust. Consequently, marketing is not merely a communication activity: it affects the utilisation of enterprise resources and therefore has a direct relationship with economic performance.

The relevance of this relationship has increased as tourism becomes progressively data-driven. Search engines, social media, booking platforms, customer relationship management systems and digital payment infrastructure generate a continuous flow of behavioural information. For a tourism enterprise, the economic question is not whether digital activity produces attention, but whether attention can be transformed into qualified demand, profitable transactions, repeat purchases and long-term customer value.

The Ukrainian tourism sector provides a particularly important context for such an approach. According to the State Agency for Tourism Development of Ukraine (DART), tourism-sector tax payments amounted to UAH 4,426.2 million in 2025, compared with UAH 2,938.4 million in 2024. DART notes that part of this increase resulted from the inclusion of NACE 79.90, 'booking services'; excluding this newly added category, 2025 tax payments amounted to UAH 3,987.8 million, still representing a 35.7% increase compared with 2024 [76].

Local fiscal effects also increased. In 2025, tourist-tax revenues reached UAH 359 million, 31.5% more than in 2024 [77]. The agency also reports that ten million paid overnight stays subject to tourist tax were recorded in Ukraine in 2025 [78]. These indicators do not directly measure enterprise profitability, but they demonstrate continued economic activity and the relevance of demand management in tourism.

The purpose of the study is to develop a comprehensive conceptual and managerial framework for increasing the economic efficiency of tourism enterprises through integrated marketing management. The objectives are to: identify the economic role of tourism marketing; systematise performance indicators; develop a strategic architecture connecting marketing with enterprise economics; formulate a customer-value cycle; and adapt the framework to the Ukrainian tourism environment.

The research combines systemic, process, economic and marketing approaches. The systemic approach treats the tourism enterprise as an open socio-economic system interacting with customers, suppliers, intermediaries, destinations, regulators and digital platforms. The process approach follows the transformation of resources into market responses and economic outcomes. The economic approach focuses on revenue, variable costs, contribution margin, profitability, cash flow and resource productivity. The marketing approach incorporates segmentation, positioning, value proposition, communication, customer experience, retention and relationship management.

The methodological toolkit includes synthesis, comparison, logical generalisation, structural modelling and indicator analysis. The proposed models are conceptual and managerial rather than econometrically estimated. Their purpose is to establish a coherent logic that enterprises can operationalise through internal data.

This approach is consistent with contemporary tourism research, which increasingly considers digitalisation and customer experience as interconnected elements of tourism competitiveness [79–82]. The digital environment has also changed the customer journey: a traveller may discover a destination through social media, compare accommodation on a platform, read reviews, visit an enterprise website and only later complete a booking. The resulting attribution problem means that single-channel indicators are insufficient for economic evaluation.

Economic efficiency in enterprise management reflects the relationship between achieved results and resources consumed to obtain them. In tourism, the concept is closely connected with capacity utilisation because service capacity is frequently perishable. An unsold hotel room for a particular night or an unused place on a

scheduled excursion cannot normally be stored for future sale under identical conditions.

Marketing therefore affects enterprise economics through several mechanisms: it can increase demand, improve the quality of demand, increase conversion, raise transaction value, reduce customer acquisition costs, stimulate repeat purchases and support reputation. The economic effect is cumulative rather than limited to the moment of advertising exposure.

A simplified marketing-efficiency ratio can be represented as: $ME = \Delta CM / MI$, where ME is marketing efficiency, ΔCM is the incremental contribution margin associated with marketing activity, and MI is marketing investment. This formulation shifts attention from gross revenue to contribution margin because variable service and distribution costs may differ substantially across products and channels.

The distinction between communication effectiveness and economic effectiveness is fundamental. Reach, impressions, likes and clicks are useful diagnostic indicators, but they do not demonstrate profitability. Economic evaluation requires integration with booking, CRM and accounting data.

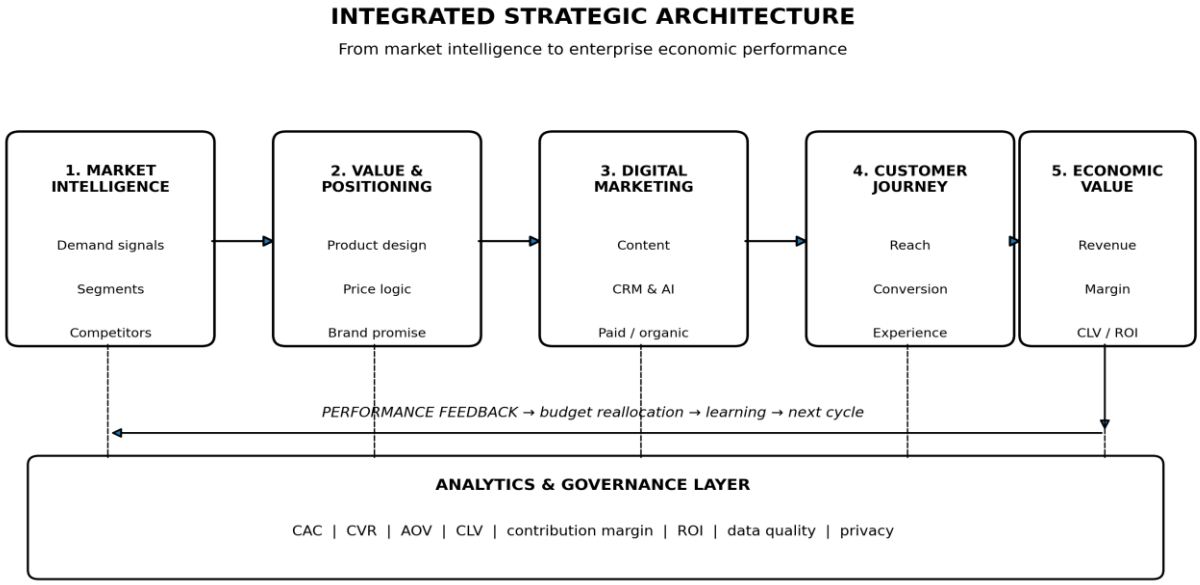


Figure 1. Integrated strategic architecture of economic and marketing management in a tourism enterprise

Source: developed by the author based on [79–84].

Figure 1 presents the central architecture of the study. Market intelligence provides the information base for value positioning; marketing instruments communicate the value proposition; the customer journey transforms communication into commercial response; and economic indicators reveal whether the generated demand creates enterprise value. The analytics and governance layer connects all stages and provides feedback for budget reallocation.

An integrated indicator system should be sufficiently broad to capture the customer journey but sufficiently focused to support managerial decisions. Table 1 combines marketing, commercial and economic indicators.

Table 1. Integrated system of marketing and economic indicators

Indicator	Measurement logic	Primary meaning	Decision level
Customer Acquisition Cost (CAC)	Marketing + attributable sales costs / new customers	Cost of acquiring a customer	Channel / campaign
Conversion Rate (CVR)	Bookings / qualified visits or leads × 100%	Funnel productivity	Digital / sales
Average Transaction Value (AOV)	Revenue / number of transactions	Value of one transaction	Product / pricing
Customer Lifetime Value (CLV)	Expected contribution across customer relationship	Long-term customer value	CRM / strategy
Contribution Margin (CM)	Revenue − variable costs	Value available for fixed costs and profit	Product / channel
Marketing ROI	Incremental contribution / marketing investment × 100%	Financial return of marketing	Budget

Continuation of table 1

Indicator	Measurement logic	Primary meaning	Decision level
Repeat Purchase Rate	Repeat customers / total customers × 100%	Retention capacity	CRM
Capacity Utilisation	Used capacity / available capacity × 100%	Resource utilisation	Operations

Source: developed by the author based on [79–83].

The indicators should not be interpreted independently. For example, a decrease in CAC is not automatically positive if it is accompanied by lower customer quality and reduced CLV. Similarly, a high conversion rate can be economically unattractive when achieved through excessive discounting. The managerial objective is therefore to optimise the relationships among indicators rather than maximise a single metric.

The conversion mechanism explains how marketing expenditure becomes an economic result. The first stage creates market exposure; the second identifies qualified demand; the third converts demand into transactions; the fourth generates customer value; and the fifth determines the financial contribution of the activity.

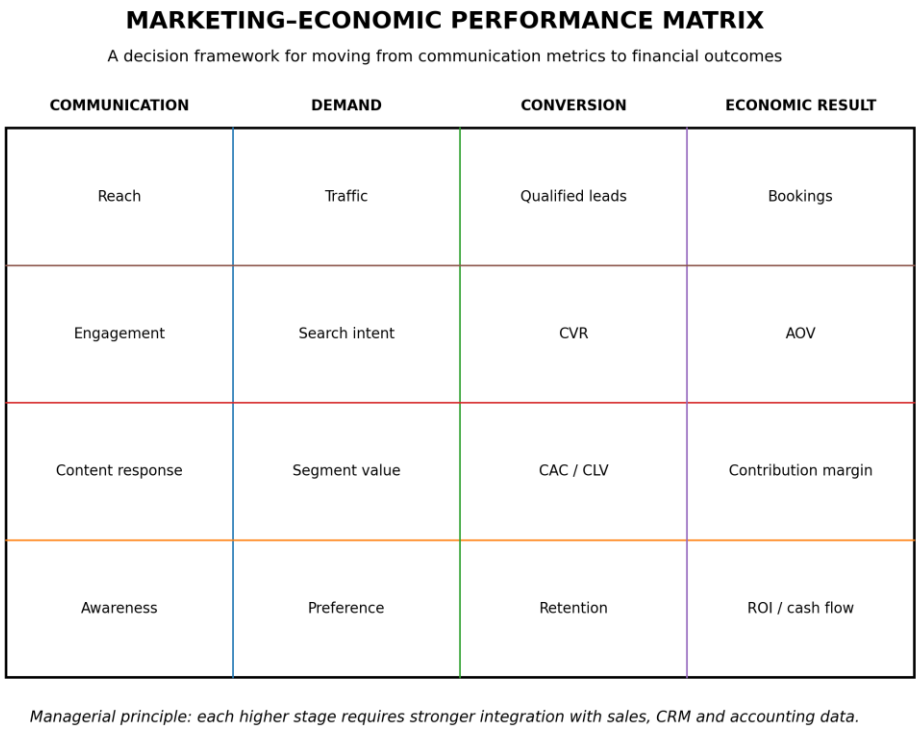


Figure 2. Marketing–economic performance matrix

Source: developed by the author based on [79–83, 85].

The matrix in Figure 2 demonstrates the progressive integration of marketing and economic information. At the communication level, management observes reach and engagement. At the demand level, it evaluates traffic, search intent and qualified leads. At the conversion level, it evaluates bookings and transaction value. At the economic level, it evaluates contribution margin, retention and ROI. This progression prevents management from treating communication indicators as direct substitutes for financial indicators.

Customer value provides a bridge between short-term marketing results and long-term enterprise economics. A customer who makes one low-margin purchase may be less economically valuable than a customer who returns repeatedly, purchases additional services and recommends the enterprise to others. This is why CLV should complement CAC.

A simplified CLV formulation can be expressed as: $CLV = \Sigma[(R_t - VC_t) \times P_t]/(1+d)^t - CAC$, where R_t is expected revenue in period t, VC_t represents variable

costs, P_t is the probability of customer retention, and d is the discount rate. The model can be simplified for small enterprises, but its management principle remains stable: acquisition expenditure should be assessed against expected future contribution.

For tourism enterprises, customer value may also include cross-selling. A hotel customer may purchase accommodation, breakfast, transfer, spa services and excursions. A tour operator can sell additional activities, insurance or future trips. CRM therefore becomes an economic instrument rather than simply a communication database.

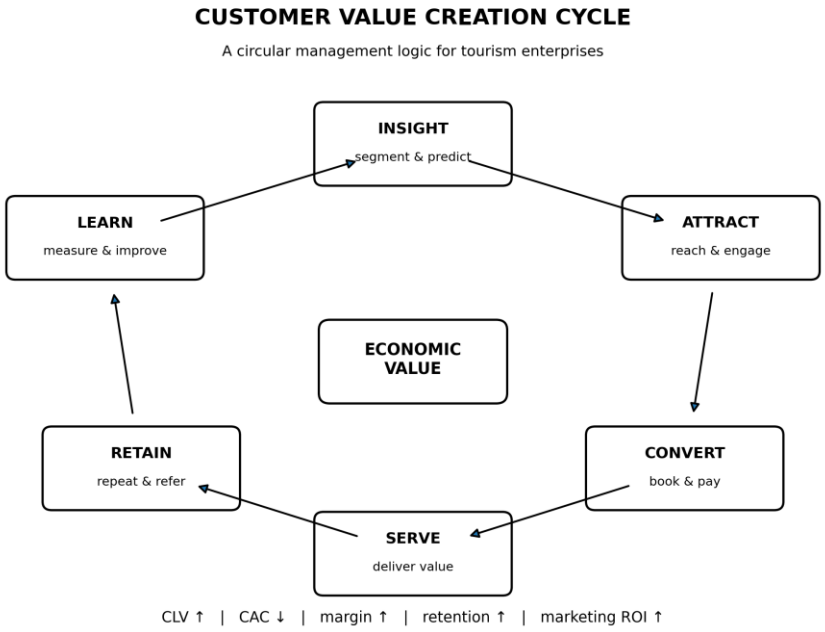


Figure 3. Customer value creation cycle in tourism enterprises

Source: developed by the author based on [80–84].

Search visibility is important because tourism demand frequently begins with information search. Potential customers search for destinations, accommodation, transport, prices, reviews and service conditions. High-quality content reduces information costs and can move the customer from awareness to consideration.

Social media provides visual communication, community building and rapid interaction. Nevertheless, high engagement should not be interpreted as a financial result. Social-media performance becomes economically meaningful when traffic and leads can be connected with bookings, transaction value and customer retention.

CRM systems enable segmentation based on purchase history, interaction behaviour and preferences. Personalised communication can improve relevance and reduce wasted promotional expenditure. Artificial intelligence can additionally support recommendation, forecasting, content adaptation and analysis of customer feedback. UN Tourism and Saxion University identify personalisation, machine learning, natural language processing, data privacy and responsible AI as relevant considerations for tourism AI adoption [84].

The economic value of digitalisation therefore depends on integration. A booking engine without reliable analytics, a CRM system without customer data quality, or an AI tool without managerial interpretation may create technology expenditure without proportional economic benefit.

The dashboard should be designed as a management instrument rather than as a collection of platform statistics. Table 2 proposes a dashboard structure that connects each metric with a management question.

Table 2. Tourism marketing performance dashboard

Dashboard block	Core indicators	Management question	Data source
Acquisition	CAC, traffic, qualified leads	Which channels generate economically relevant demand?	Analytics / advertising
Conversion	CVR, booking value, abandonment	Where is demand lost in the funnel?	Website / booking system
Customer value	AOV, CLV, repeat rate	Which customers generate long-term value?	CRM / sales
Profitability	CM, ROI, variable cost	Which products and channels create contribution?	Accounting / BI
Capacity	Occupancy, utilisation, cancellations	How effectively is capacity monetised?	PMS / operations
Reputation	Rating, review volume, response time	Does service quality support future demand?	Review platforms / CRM

Source: developed by the author based on [79–84].

The Ukrainian tourism market illustrates the importance of integrating marketing and economic management under uncertainty. DART reports that 2025 tourism-sector tax payments reached UAH 4,426.2 million. After adjusting for the newly included booking-services category, the comparable figure was UAH 3,987.8 million, 35.7% above 2024 [76].

The local fiscal contribution also increased. Tourist-tax revenues reached UAH 359 million in 2025, up 31.5% year-on-year [77]. DART further reports that 10 million paid overnight stays subject to tourist tax were recorded in Ukraine in 2025 [78]. These figures provide a useful contextual signal for enterprise managers, although fiscal indicators should not be confused with enterprise profitability.

The structure of demand requires regional and segment-specific marketing. The 2025 DART report highlights the concentration of tourist-tax receipts in Kyiv, Lviv, Ivano-Frankivsk, Kyiv and Zakarpattia regions [77]. For enterprises, this supports the use of differentiated regional positioning and cooperation with destination stakeholders.

Wartime uncertainty also increases the value of transparent communication. Customers require accurate information about accessibility, operating conditions, cancellation rules and available services. Marketing that reduces uncertainty can support conversion and reduce economically costly cancellations.

Table 3. Managerial responses to marketing-economic problems in tourism enterprises

Problem	Diagnostic signal	Marketing intervention	Economic control
High CAC	Acquisition cost rising faster than CLV	Segment audiences; test channels; improve organic visibility	CAC / CLV
Low conversion	High qualified traffic, few bookings	Improve value proposition and booking UX	CVR / revenue per visit

Continuation of table 3

Problem	Diagnostic signal	Marketing intervention	Economic control
Low margin	Sales growth without profit growth	Review discounting, commissions and variable costs	Contribution margin
Weak retention	Low repeat rate	CRM, personalised offers, post-trip communication	CLV / repeat rate
Intermediary dependence	High commission share	Develop direct channels where feasible	Net revenue / commission
Demand volatility	Large booking fluctuations	Scenario planning and flexible campaigns	Cash flow / utilisation

Source: developed by the author.

The proposed managerial model consists of seven interconnected stages: market diagnosis; value proposition design; acquisition; conversion; service delivery; economic evaluation; and organisational learning. The model is cyclical rather than linear because performance data must influence the next allocation of resources.

Table 4. Five-stage managerial model for integrated tourism marketing and enterprise economics

Stage	Key managerial question	Primary tools	Output
1. Diagnosis	Who creates economically attractive demand?	Segmentation, competitor analysis, data	Priority segments
2. Value proposition	Why should customers choose the enterprise?	Positioning, product design, pricing	Market offer
3. Acquisition	Which channels reach target customers?	SEO, content, social media, partners	Qualified demand

Continuation of table 4

Stage	Key managerial question	Primary tools	Output
4. Conversion	How can interest become a profitable booking?	UX, CRM, offers, booking system	Transactions
5. Experience	Does service delivery support repeat purchase?	Service standards, reviews, personalisation	Satisfaction / retention

Source: developed by the author.

The proposed approach develops the traditional understanding of tourism marketing efficiency in three ways. First, it moves evaluation from communication metrics toward contribution margin and customer lifetime value. Second, it treats customer experience as an economic variable because service quality affects retention, reputation and future demand. Third, it places analytics and governance at the centre of decision-making rather than treating digital technologies as isolated tools.

The framework also addresses the attribution problem. A customer can interact with multiple channels before booking, meaning that last-click attribution may overstate or understate the value of particular activities. Tourism enterprises should therefore compare channel performance using several perspectives and reconcile digital data with actual transactions.

A further issue is the relationship between marketing and sustainability. Sustainable tourism communication has economic relevance when it reflects real operational practices such as local sourcing, resource efficiency, accessibility and community engagement. In this case, sustainability can contribute to differentiation and trust. Conversely, unsupported claims can create reputational risk.

The main limitation of the study is its conceptual nature. The proposed relationships require empirical testing using enterprise-level observations. Future studies should estimate the relationship between marketing expenditure and

contribution margin, test CLV models for Ukrainian tourism customers, and examine the economic effects of AI-supported personalisation.

The study substantiates an integrated economic-marketing approach to tourism enterprise management. Marketing should be considered a component of enterprise economics because it influences demand, capacity utilisation, conversion, customer value, retention and ultimately financial results.

The developed architecture connects market intelligence, value positioning, digital marketing, customer experience and economic value. The proposed indicator system combines CAC, CVR, AOV, CLV, contribution margin, ROI and capacity utilisation. The performance matrix and customer-value cycle provide practical instruments for linking marketing activity with managerial decisions.

For Ukrainian tourism enterprises, the approach is relevant to conditions of uncertainty, regional differentiation and digital transformation. Official 2025 data demonstrate continued fiscal activity in tourism and significant growth of tourist-tax revenues [76–78]. The key managerial implication is that marketing budgets should be evaluated through the economic value of customers and products rather than through communication volume alone.

Further empirical research should validate the proposed framework through enterprise-level data and develop industry-specific benchmarks for hotels, tour operators, travel agencies and destination businesses.

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6. Development of ecological marketing in agricultural and processing enterprises

The genesis of marketing science over the past five decades demonstrates a continuous transformation of its fundamental paradigm — from the classical concept of commercial effort intensification and sales orientation to complex socio-ethical and sustainable management models. The progressive exacerbation of global environmental challenges has become a key catalyst for these changes: the climate crisis, the depletion of natural resources, the degradation of the biosphere, and the critical accumulation of persistent anthropogenic waste. In response to these biospheric imperatives, a specific independent field has emerged in economic thought — ecological marketing, the evolutionary path of which reflects a shift in public perception regarding the limits of economic growth.

The theoretical understanding of ecological marketing was not a single, instantaneous event; rather, it is the result of a long-term diversification of scientific views. Research into the evolution of scientific approaches suggests that the essence of this concept has evolved from a narrow, technical, and isolated understanding (as an end-of-pipe tool for minimizing industrial pollution) into an integral, systemic worldview that currently serves as the operational baseline for the circular economy and bioeconomy.

For a profound understanding of the essence of the investigated phenomenon, it is expedient to systematize the key developmental stages and comparative characteristics of the scientific approaches that dominated different historical periods. Based on a critical analysis of global economic literature, a unified matrix of the evolution of scientific thought in the field of ecological marketing was developed.

A detailed examination of the first stage indicates that the definition of "ecological marketing" originated within the discussions surrounding the Club of Rome’s "Limits to Growth" concept. The scientific approach of this period was distinctly reactive. Environmental factors were viewed by corporate management as external threats and state-imposed regulations rather than potential market

opportunities. The authors of the first fundamental works, notably K. Henion and T. Kinnear (1976), defined ecological marketing as the study of the positive and negative aspects of marketing activities in the context of environmental pollution and energy resource depletion. That is, at the initial stage, the scientific community perceived marketing as a source of environmental problems, and the greening of business as an enforced financial obligation [90].

A qualitative leap in the development of the theory occurred in the late 1980s, marking the transition to the concept of "green marketing." This period is characterized by a shift from end-of-pipe industrial treatment technologies to the development of preventive ecological innovations at the consumer goods level (FMCG segment). The key theoretical contribution of the researchers of this era (particularly K. Peattie and J. Ottman) was the substantiation of the relationship between an individual's environmental awareness and their purchasing behavior. Ecological marketing began to be interpreted through the lens of a market-needs approach — as a specific type of managerial activity aimed at identifying, predicting, and satisfying the needs of environmentally conscious consumers without damaging the environment. However, it was during this stage that a serious conceptual conflict arose, known in scientific literature as "green marketing myopia," where companies focused excessively on the environmental attributes of a product while ignoring its core consumer properties (quality, functionality, and affordability).

The current stage of the evolution of scientific thought (from the beginning of the 21st century to the present) is based on the paradigm of sustainable marketing. Contemporary researchers view ecological marketing not merely as a separate function of the sales department, but as an integral management concept that permeates all levels of corporate strategic planning. Within the framework of the systems approach, the essence of ecological marketing is defined as a process of creating, promoting, and delivering value to consumers in a way that ensures the long-term preservation of natural, human, and economic capital. At this stage, ecological marketing merges with the principles of the circular economy, where the object of management becomes not

the product itself, but its entire life cycle — from the extraction of bio-raw materials (in the context of the bioeconomy) to their reintroduction into production cycles.

Thus, the evolutionary analysis confirms that the concept of ecological marketing has transformed from a tool for risk minimization and reactive compliance with environmental legislation into a proactive business model. Modern ecological marketing acts as a driver for introducing innovative bioproducts to mass markets, as it allows for converting the environmental value of renewable bioresources into long-term economic competitiveness of an enterprise on the basis of transparency, certification, and minimization of the global carbon footprint [87, 89].

The specificity of forming an ecological marketing system in the agricultural and processing sectors is determined by the unique nature of their interaction with the natural environment. Agricultural enterprises simultaneously act as the primary users of natural resources (land, water, biological) and as the entities most vulnerable to climate destabilization. Processing enterprises, on the other hand, close the value chain by transforming primary biomass into finished products, bearing the mission of minimizing secondary waste and decarbonizing logistical flows. Consequently, the methodology of ecological marketing in the agri-food sector goes beyond classical market tools and transforms into a comprehensive management system for ecological-economic trade-offs.

Forming a coherent ecological marketing system at agricultural and processing enterprises requires a clear classification of methodological approaches, principles, and specific functions that account for industry specificities — ranging from the biological cycle of crop cultivation to the cascading processing of raw materials. A critical analysis of the methodological foundations reveals a key regularity: the formation of an ecological marketing system in agri-food enterprises cannot occur in isolation at the level of an individual marketing department. It demands a systemic restructuring of the enterprise's entire business model architecture.

The first level of the methodology — the ecosystem approach — requires agricultural producers to recognize that land, water, and biomass are not merely free factors of production, but exhaustible capital assets. The traditional marketing

orientation toward maximizing gross crop yields at any cost (through excessive chemical application, pesticide use, and soil depletion) leads to a long-term loss of the enterprise's market value. In contrast, ecological marketing based on regenerative agriculture offers tools to capitalize on preserved natural potential by promoting products with a certified low carbon footprint [86].

At the level of processing enterprises, the circular approach comes to the fore. Here, the methodology of ecological marketing transforms into the concept of a cascading biorefinery. This means that processing by-products (such as pulp, distillers' grains, whey, or husks) are no longer viewed as waste requiring disposal costs. The enterprise's marketing service identifies and develops new target markets for these sub-products, transforming them into biogas, organic fertilizers, feed proteins, or biocomposite packaging materials. In this manner, the core principle of the circular economy is realized — converting environmental costs into additional revenue streams.

The principle of traceability holds a special place in the methodology. The modern global market for food and bioresources is characterized by a high degree of information asymmetry. Consumers in the mass market cannot visually distinguish an ecologically clean product from a product of traditional intensive farming. The methodological solution to this problem within the ecological marketing system is the tool of end-to-end "farm-to-fork" certification. The utilization of digital product passports and QR coding on packaging allows consumers to instantly verify the geographic origin of raw materials, the volume of fertilizers used, and the verified Life Cycle Assessment (LCA) report of the product. This eliminates the risks of unfair competition from manufacturers utilizing pseudo-ecological marketing (greenwashing) tools.

Thus, the methodological foundations for forming an ecological marketing system in the agricultural and processing sectors are based on integrating ecological imperatives into the technological and commercial processes of enterprises. Transitioning from a linear sales model to the systemic management of the ecological value of bioresources represents the only viable mechanism for ensuring the long-term

competitiveness of the domestic agri-food sector under the conditions of European integration and adaptation to the stringent requirements of the European Green Deal [88].

The implementation of the ecological marketing concept at enterprises of the agro-industrial complex (AIC) and the processing industry is characterized by a profound specificity that fundamentally distinguishes it from implementation in the service sector, heavy industry, or the IT sector. This specificity stems from the fact that agricultural production is directly integrated into natural ecosystems and biological cycles, while the processing industry acts as the primary transformer of living biomass into finished fast-moving consumer goods. Consequently, ecological marketing in this context ceases to be exclusively a communication or sales tool and transforms into an end-to-end management philosophy where the market interests of a business are synchronized with the natural laws of biosphere self-regeneration.

A key feature of ecological marketing in the agricultural sector lies in the dual role of natural resources. For an agriculturalist, land, water, and biocenoses are not merely elements of the external environment, but direct, exhaustible means of production and capital assets. Traditional marketing, oriented toward maximizing short-term profit through excessive chemical application, soil depletion, and the intensification of monocultures, leads to the rapid degradation of these assets. Ecological marketing, conversely, guides the producer toward regenerative practices. The commercial value of an agricultural product in this paradigm is formed not only by its physical volume but also by certifying the preservation of the ecosystem in which it was cultivated (e.g., biodiversity conservation, humus restoration, and minimization of the water footprint).

Another crucial feature is the high level of information asymmetry in the market. The average consumer, at the stage of purchasing food products or biomaterials, is unable to distinguish visually or by touch ecologically clean production from the goods of intensive, chemical-heavy farming. This creates a high risk of unfair competition and the spread of greenwashing (pseudo-ecological labeling). Ecological marketing in the AIC solves this problem through specific tools — mandatory verification and

certification by third parties in accordance with international standards. The marketing department of an agricultural enterprise works not with abstract advertising slogans, but with legally protected eco-labels, which serve as a "passport" to premium segments of the mass market and major retail chains [87].

At the level of the processing industry, the specificity of implementing eco-marketing shifts into the dimension of product life cycle management and its by-product streams. The processing enterprise is located at the center of the value chain and receives raw materials that already possess their own environmental footprint. The feature of the marketing strategy here lies in the transition from a linear model to the principles of a circular bioeconomy. This means that processing waste (such as pulp, distillers' grains, husks, or whey) is no longer viewed as a liability requiring disposal costs. Marketing activity transforms these sub-products into independent commercial goods: organic fertilizers, biogas, high-protein feed additives, or biocomposite packaging.

The effective functioning of the ecological marketing system in the agricultural and processing sectors is possible only under the condition of adhering to a system of specific principles that determine the vector of the enterprise's strategic development (Fig. 1).

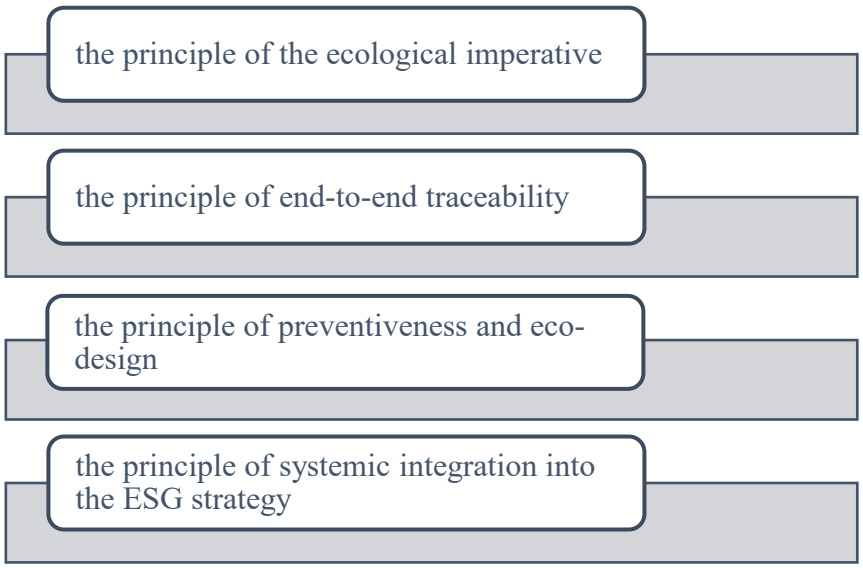


Fig. 1. The system of principles determining the vector of an enterprise's strategic development

The principle of the ecological imperative requires that any marketing decision (introducing a new product to the market, altering packaging, or selecting a distribution channel) be evaluated through the prism of its environmental consequences. Ecological safety and carbon footprint minimization hold priority over instantaneous cost reduction. Long-term profitability is achieved through the capitalization of the "green premium" and the reduction of environmental fines or fiscal pressure (e.g., carbon taxes).

The principle of end-to-end "farm-to-fork" traceability. The implementation of eco-marketing requires complete transparency across the entire supply chain. The modern consumer seeks to know not only the manufacturer's brand but also the origin of the primary raw materials, labor conditions on the farm, the volume of fertilizers utilized, and the logistical route. The integration of digital technologies (QR coding, digital product passports) becomes a fundamental principle in forming the enterprise's communication policy.

The principle of preventiveness and eco-design (Cradle-to-Cradle). Instead of dealing with the consequences of pollution (such as disposing of used packaging), ecological marketing requires incorporating environmental solutions as early as the product design stage. For the processing industry, this translates into developing packaging from biodegradable polymers based on agricultural biomass, which, after use, return to the biological cycle as fertilizer, closing the resource loop.

The principle of systemic integration into the ESG strategy. Ecological marketing cannot exist as an isolated activity. It must be synchronized with the general corporate governance strategy (Environmental, Social, and Governance). This means that the company's environmental declarations within the promotional space must fully correspond to its actual investments in equipment modernization, energy efficiency, and the social development of the rural territories where its facilities are located.

The implementation of ecological marketing in the agricultural and processing sectors is an objective necessity dictated by global climate changes and the stringent requirements of international markets, particularly in the context of Ukraine's European integration processes and adaptation to the European Green Deal. Understanding

industry-specific features, such as the biological dependence of production, and strictly adhering to the principles of traceability and circularity allow AIC enterprises to transform environmental constraints into sustainable market advantages, ensuring the high competitiveness of eco-products in the mass market [86].

In modern economic conditions, the classical model of strategic analysis of the marketing environment undergoes a significant transformation. While previously the environmental component was viewed as a secondary element of the macro-environment (within traditional PEST analysis), today it transforms into an independent, critically important vector that directly determines the market competitiveness level of enterprises. For entities in the agricultural sector and processing industry, environmental factors are of decisive importance, as their operational cycle is directly tied to the utilization of natural resource potential and biomass. The impact of these factors is dual in nature: on the one hand, they form rigid constraints and threats, and on the other, they unlock unique market opportunities for capitalizing on the environmental value of bio-products.

It is expedient to classify the environmental factors of the marketing environment for AIC and processing enterprises into two main groups based on their origin level and impact mechanism (Fig. 2).

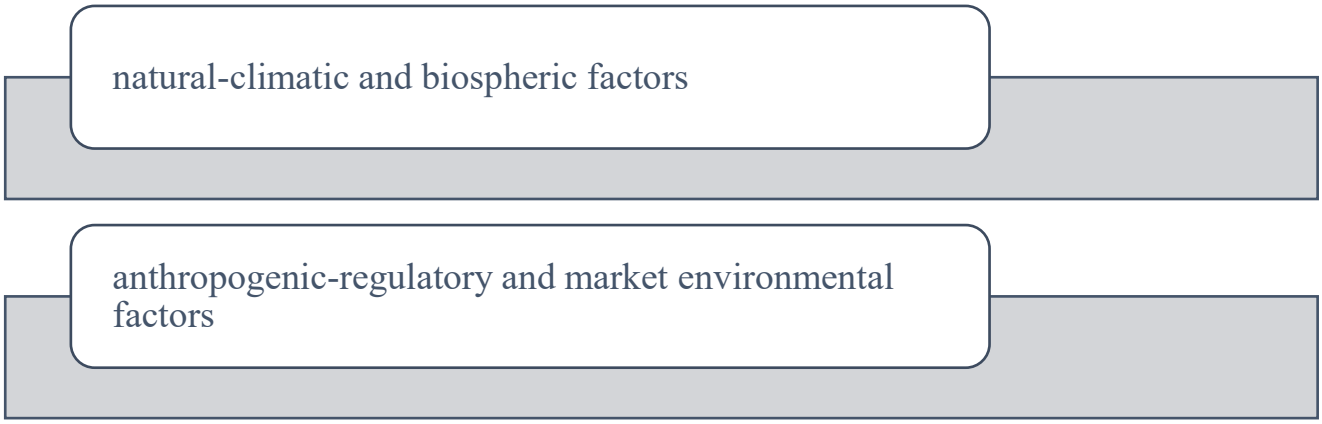


Fig. 2. Environmental factors of the marketing environment for AIC enterprises

Natural-climatic and biospheric factors include progressive global climate changes, anomalous weather phenomena (droughts, prolonged periods of heat,

protracted downpours), degradation and declining fertility of agricultural lands, deficits and deteriorating quality of water resources, as well as shifts in the biological cycles of plant pests and diseases. These factors are objective in nature and directly impact the production reliability of the agricultural sector, determining the stability and quality of the raw material base for the processing industry.

Anthropogenic-regulatory and market environmental factors. This group is formed under the influence of public reaction to the environmental crisis. It includes: the tightening of national and international environmental legislation (CO_2 emission standards, restrictions on the use of pesticides and nitrogen fertilizers), the implementation of carbon border adjustment mechanisms, the strengthening of environmental requirements by transnational retailers, and the evolution of consumer preferences toward "green", organic, and certified products.

The impact of the aforementioned factors on the competitiveness of agricultural and processing enterprises is realized through three key market dimensions: cost, regulatory-distributional, and reputational [90].

Negative changes in the physical macro-environment (for instance, climate aridization and declining soil humus content) compel agribusinesses to increase capital and operational expenditures. The necessity of investing in drip irrigation systems, purchasing drought-resistant seed materials, microfertilizers, and precision agriculture tools substantially raises the cost of primary biomass. For processing enterprises, environmental factors exert pressure on the expenditure side via fiscal instruments: increased fees for water use, rising environmental taxes for waste landfilling, and severe fines for discharging untreated industrial wastewater. Consequently, enterprises that ignore ecological modernization rapidly lose their price competitiveness.

Environmental factors of the institutional environment currently act as the primary regulator of access for AIC products to mass domestic and international markets. The European integration processes of Ukraine and adaptation to the standards of the European Green Deal transform environmental requirements into powerful non-tariff barriers. The availability of a verified Life Cycle Assessment (LCA) of the product, confirmation of zero deforestation during raw material

cultivation, and certification under systems such as ISCC PLUS or GlobalG.A.P. are becoming mandatory conditions for entering major retail chains. Enterprises incapable of documentarily confirming the ecological sustainability of their processes are pushed into low-margin market niches, which significantly limits their scaling potential.

In the B2C segment, environmental factors transform into a tool for building intangible business assets. Environmental responsibility of the brand, transparent communication regarding the actual reduction of the carbon footprint, the use of packaging made from biodegradable polymers, and active participation in programs for the regenerative restoration of territories allow an enterprise to forge sustainable loyalty among mass consumers. This ecological status makes it possible to differentiate the product on retail shelves and legitimize the "green premium" — a price markup that conscious consumers are willing to pay for a guarantee of environmental safety and ethical production.

The environmental factors of the marketing environment are no longer an external backdrop that can be ignored; they have become dynamic forces directly reshaping the competitive landscape in the AIC and processing industry. The successful adaptation of enterprises to these challenges requires marketing departments to transition from passive observation to proactive environmental management. Long-term competitiveness will belong to those economic entities capable of integrating environmental risks into their strategic plans and converting biospheric constraints into new commercial advantages through the promotion of ecologically clean, circular solutions based on renewable bioresources [87].

The transformation of environmental challenges into sustainable market advantages requires the management of agricultural and processing enterprises to transition from fragmented tactical eco-measures to the development and implementation of a comprehensive, ecologically oriented marketing strategy. Such a strategy is a systemic model of long-term corporate management that integrates ecological imperatives, circular bioeconomy principles, and low-carbon development requirements into all elements of strategic planning — from selecting target market segments to forming competitive product positioning based on renewable bioresources.

The process of architecting an ecologically oriented marketing strategy in the AIC and processing industry is cyclical and multi-tiered, spanning several successive strategic stages (Fig. 3).

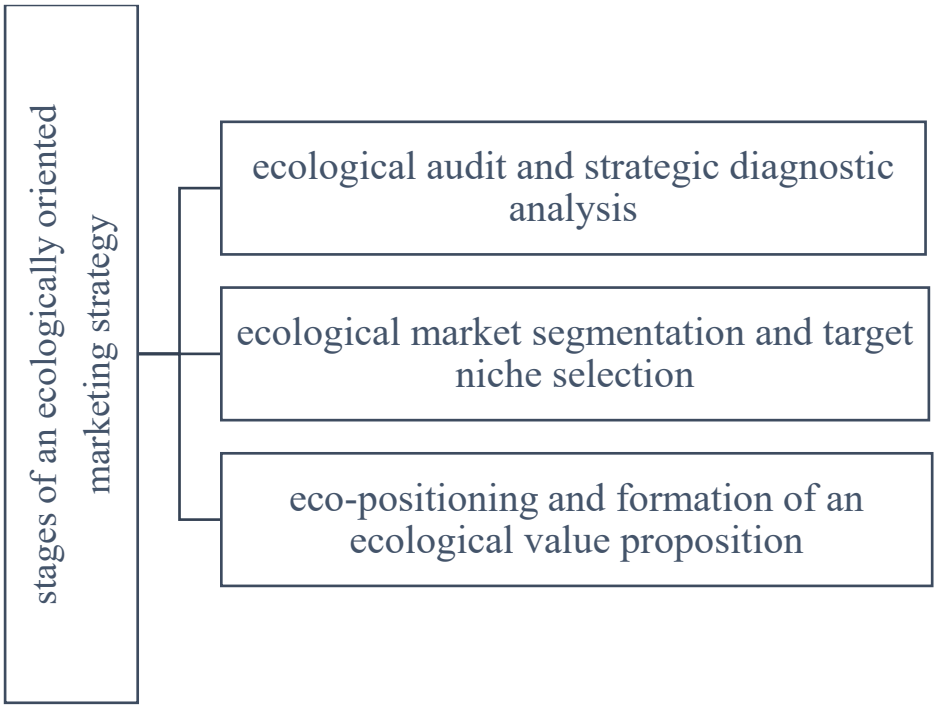


Fig. 3. Stages of an ecologically oriented marketing strategy

At the first stage of ecological audit and strategic diagnostic analysis, the marketing department, in cooperation with production engineers, conducts an end-to-end assessment of the enterprise's environmental footprint. For agricultural enterprises, the intensity of nitrogen fertilizer application, pesticide load, and the dynamics of soil degradation are analyzed. For processing enterprises, specific energy and water consumption, volumes of secondary waste generation, and the environmental safety of packaging materials are evaluated. The obtained data are integrated into a SWOT analysis matrix to identify specific environmental threats (e.g., the introduction of carbon taxes, tightening retailer requirements) and market opportunities.

The second stage supplements the classical approach to segmentation based on demographic or geographic characteristics with psychographic and behavioral criteria of environmental awareness. The consumer market is differentiated by the level of

readiness to purchase eco-products (ranging from radical "eco-activists" to passive consumers). The strategic task for AIC enterprises is to move beyond narrow eco-product niche markets and scale solutions to the mass market by attracting segments oriented toward a balance of environmental safety, high quality, and a fair price [88].

At the third stage of eco-positioning and forming an ecological value proposition, a unique concept for consumer brand perception is developed. The positioning of an agricultural or processing company is built not on abstract declarations of environmental safety, but on verified and scientifically substantiated facts. The foundation for positioning consists of international certificates (Organic, GlobalG.A.P., ISCC PLUS) and quantitative indicators of CO_2 emission reductions based on Life Cycle Assessment (LCA). This enables the company to differentiate itself from competitors and protect the brand from accusations of greenwashing.

Depending on the level of technological readiness, financial potential, and market ambitions of the enterprise, various types of marketing strategies are implemented in the agricultural and processing sectors (Fig. 4).

Types of marketing strategies	the strategy of ecological leadership
	the strategy of ecological differentiation
	the defensive (reactive) ecological strateg

Fig. 4. Types of marketing strategies

The strategy of ecological leadership is characteristic of large agrifood holdings and high-tech processing enterprises that strive to shape new market standards. It involves large-scale investments in regenerative (restorative) agriculture, cascading deep processing of raw materials on a "zero waste" principle, complete decarbonization of logistical chains, and the exclusive use of biodegradable packaging derived from

agricultural biomass. The marketing focus shifts toward dictating "green" trends and displacing petrochemical analogs from the mass market.

The strategy of ecological differentiation is oriented toward creating specific product lines with enhanced environmental characteristics in parallel with conducting traditional production. For instance, a processing enterprise launches a separate sub-brand of organic dairy or meat products certified according to EU standards. Marketing efforts concentrate on capitalizing on the "green premium" within high-margin retail segments.

The defensive (reactive) ecological strategy aims at risk minimization and adaptation to minimum legislative requirements and retail chain standards. The enterprise undertakes ecological modernization only when a direct threat of market loss or the imposition of severe fiscal sanctions arises. Marketing communications are restrained in nature and focus on proving the legality and basic safety of the products.

The formation of the strategy concludes with the eco-modulation of the traditional operational marketing mix. Within the innovative product, the principle of circular eco-design is embedded. Pricing policy is optimized through the internalization of environmental costs, where a higher initial cost is offset by long-term value for the consumer and savings on disposal fees. Within the distribution system, priority is given to shorter logistical chains and decarbonized transport. Marketing communications are based on the principles of absolute transparency, end-to-end "farm-to-fork" traceability via QR coding, and fostering an ecological consumption culture among the mass audience.

The formation of an ecologically oriented marketing strategy at agricultural and processing enterprises represents an alternative-free vector for integrating the domestic agri-food sector into global sustainable value chains. Transitioning from fragmented eco-initiatives to systemic strategic planning enables enterprises to hedge climate and financial-regulatory risks, optimize expenditures by implementing circular models of biomass processing, and ensure sustainable long-term competitiveness of eco-products in mass domestic and European markets.

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7. Innovative marketing tools in the system for ensuring the competitiveness of enterprises in the context of digital transformation

The current phase of the domestic agricultural sector's development is characterized by intensifying macroeconomic, geopolitical, and market-related challenges. The rapid transformation of global food markets, stricter environmental requirements for agricultural products, and increasing price volatility for agricultural raw materials and resources are ultimately undermining the effectiveness of extensive farming models. Under these circumstances, a strategic imperative for the survival, economic stability, and increased competitiveness of agricultural enterprises is their large-scale reorientation toward an innovative development path.

At the same time, the practice of domestic agricultural production reveals a profound imbalance: the innovative activity of most economic entities remains fragmented and is primarily of a material-technical nature (the purchase of machinery and equipment), while issues such as scientific research, the intellectualization of capital, and systematic marketing support for innovations receive only secondary attention. Most agricultural enterprises continue to rely on outdated products and sales concepts, leading to information asymmetry, declining business margins, disruptions in value chains, and dependence on intermediary structures.

Overcoming the inefficiencies of traditional, informal channels for obtaining marketing information has become particularly important. The dynamic nature of the market environment, the geographical dispersion of counterparties, and changing consumer patterns require agricultural enterprises not only to implement individual technological innovations in the production process but also to develop a fundamentally new system of interaction with stakeholders. The use of innovative marketing tools - including information and communication technologies (ICT), big data analytics, digital marketing channels, and e-commerce- is becoming a critically necessary prerequisite for optimizing operating costs, streamlining sales and pricing policies, and entering high-margin market segments.

Thus, the objective need for a theoretical and methodological rethinking and practical justification of effective mechanisms for integrating modern marketing tools into the activities of agricultural enterprises in the context of the digital transformation of the economy underscores the high relevance, timeliness, and scientific and practical significance of the chosen topic.

According to the current national classification of economic activities (KVED), the production capacities of the agro-industrial sector, which are focused on the deep processing of raw materials of plant and animal origin and the production of a wide range of food products, constitute a specialized group of enterprises within the food processing industry. This segment plays a strategic role in the structure of the national economy, as it generates added value from primary agricultural raw materials, ensures the physical and economic accessibility of food products, and accounts for a significant share of foreign exchange earnings from agricultural exports. A systematic assessment of the state, dynamics, and vectors of innovation within this group of enterprises enables identification of current structural distortions and imbalances in the processes of their technological and market modernization.

A synthesis of analytical and statistical observations, and comprehensive monitoring of industry trends as of 2025, indicates that the category of innovation-active food processing enterprises comprises only about 131 business entities. On a national scale, this group accounts for nearly 16.8% of innovation-driven enterprises in the domestic industrial sector and 14.6% of all industrial manufacturers in Ukraine. These figures demonstrate that the domestic agri-food sector lags significantly behind the average European level of receptiveness to innovation, where the share of innovation-active producers typically exceeds 40–50%. This indicates a pronounced inertia among most market players, who are forced to operate under conditions of high resource uncertainty, energy, and military challenges, limiting themselves primarily to strategies of operational survival rather than long-term innovation.

Particular attention should be paid to an in-depth structural analysis of the vectors of innovation activity in the sector for 2025, which clearly demonstrates the critical dominance of material and instrumental modernization over the production of original

scientific results and the generation of intellectual capital:

1. Generation of in-house scientific results (in-house R&D): Only about 5 enterprises in the food processing sector (representing a critically low 3.8% of the studied population of innovation-oriented entities) directly funded and carried out their own research and development activities. This indicates the near-total elimination of the industrial sector of applied research, a shortage of scientific laboratories, and a significant disconnect between corporate management and academic science. Enterprises are largely unwilling to bear the risks of long-term scientific research with an unpredictable payback period.

2. Contracting out external research: only 6 enterprises (4.6%) allocated investment resources to fund and pay for third-party research services provided by specialized institutes and universities. This trend illustrates the weak institutional capacity of the Open Innovation model in the Ukrainian agribusiness sector and the lack of effective platforms for commercializing scientific discoveries, as a result of which a significant volume of academic research remains outside the production cycle.

3. Acquisition of external intangible assets and intellectual property rights: Only 5 business entities (3.8%) facilitated the transfer and purchase of external knowledge, including patents for inventions, technology licenses, industrial design rights, and know-how. This indicates a conservative approach to attracting advanced intellectual resources and an underdeveloped culture of intangible asset management.

4. Implementation of innovations through the purchase of machinery and automation equipment: the vast majority of innovators - 79 business entities (60.3%) - focused their financial resources exclusively on the purchase of ready-made machines, equipment, specialized production lines, and basic digital software.

The identified structural asymmetry indicates that domestic enterprises are implementing an adaptive-catch-up model of innovative development, under which the modernization of production boils down to importing machine complexes and technologies that have already been tested abroad. Although the purchase of high-tech imported equipment enables the domestic agro-industrial sector to quickly overcome physical wear and tear and obsolescence-related deterioration of fixed assets, increase

labor productivity, and stabilize basic quality parameters, it also entrenches its technological dependence on foreign developers and component suppliers.

To summarize the parameters presented, the total number of food processing enterprises that have directly implemented innovative solutions in business practice as of 2025 is estimated at 119 (17.3% of the total number of entities in the relevant industry group). Of these 119 enterprises, more than half - 65 entities (54.6%) - commercialized and brought to the consumer market fundamentally new or significantly improved scientific and technical products.

However, the high proportion of innovative products brought to market (54.6%) - amid an almost complete lack of spending on marketing and applied research - poses serious commercial risks. Without conducting in-depth marketing research into consumer preferences, developing modern digital communication channels, and formulating a value proposition, the launch of new products faces a high risk of market failure. Thus, overcoming the technological and market inertia of agricultural processing enterprises requires a fundamental restructuring of the management philosophy: a shift from focusing exclusively on equipment upgrades to building a balanced innovation portfolio in which a systematic set of innovative marketing tools supports technological investments.

A study of meso-level management practices indicates significant structural and functional shifts in the market orientation of agricultural producers in response to exogenous shocks. Studying these processes using the Kyiv region as a case study is of particular scientific and practical interest. The agricultural sector of the capital region operates under specific conditions: on the one hand, there is a high concentration of powerful logistics and distribution hubs, proximity to the country’s largest domestic market with strong purchasing power, and a well-developed digital infrastructure; on the other hand, there is the direct impact of active hostilities and the prolonged effect of the legal regime of martial law.

Military aggression has created several critical barriers for agribusiness in the Kyiv region: the destruction and damage to warehousing, processing, and grain elevator infrastructure; the need to survey and clear part of the cropland of mines; the blockade

or increased cost of traditional logistics routes; power outages; and a severe shortage of skilled workers. Under these conditions, marketing has transformed from a tool for expansion into an adaptive mechanism to ensure operational survival, safeguard business processes, and diversify risk.

However, even amid the challenges of war, the use of marketing tools in the Kyiv region remains inconsistent. The results of selective analytical monitoring and a sociological survey of managers and specialists at over 240 agribusiness entities in the Kyiv region (farms, agricultural companies, and integrated processing facilities) reveal the following pattern of adaptation:

- Only 22.5% of the surveyed enterprises are implementing a comprehensive and continuous marketing strategy. These are predominantly large corporate agricultural entities and agricultural holdings that have managed to quickly relocate or restore management structures, attract alternative sources of financing, and establish their own analytical and digital systems for sales management and customer interaction;
- 48.3% of enterprises are characterized by forced, situational marketing. Their market activity is limited to rapidly responding to the extraordinary challenges of wartime: a piecemeal search for new local buyers to replace lost export contracts, spontaneous price cuts to free up storage space urgently, or the sale of surplus inventory through barter arrangements;
- nearly one-third of enterprises (29.2%) are scaling back their marketing activities. Due to strict budget constraints and a shortage of working capital, marketing activities at these enterprises have been reduced to minimal documentation required for the mandatory shipment of raw materials at reduced purchase prices to traders or local procurers.

This situation in the capital region underscores the necessity of hybridizing marketing tools - a synthesis of adaptive anti-crisis solutions, proven traditional approaches, and the latest digital technologies:

- Communication strategy under martial law: a shift from standard commercial promotion toward strengthening reputational capital and building a high level of trust. It has become crucial to publicly demonstrate corporate social responsibility (contributing

to the region's food security, charitable and volunteer initiatives, and support for communities), as well as to shift partnership interactions to secure digital channels, cloud services, and electronic B2B communication platforms;

- sales strategy: a fundamental restructuring of logistics chains and distribution channels. The loss of some foreign markets has forced agricultural producers in the Kyiv region to accelerate their entry into the capital's domestic retail market, reduce intermediary chains, make more active use of e-commerce platforms, create joint product pools with other producers to form large shipments, and make extensive use of outsourced transportation and logistics services.

The transformation of agricultural producers' operational systems requires a clear identification of the key drivers prompting management to abandon routine sales management methods in favor of the latest approaches. A comprehensive systematization of the determinants that justify the feasibility and objective necessity of integrating modern marketing tools into the activities of agribusiness entities is presented in Fig. 1.

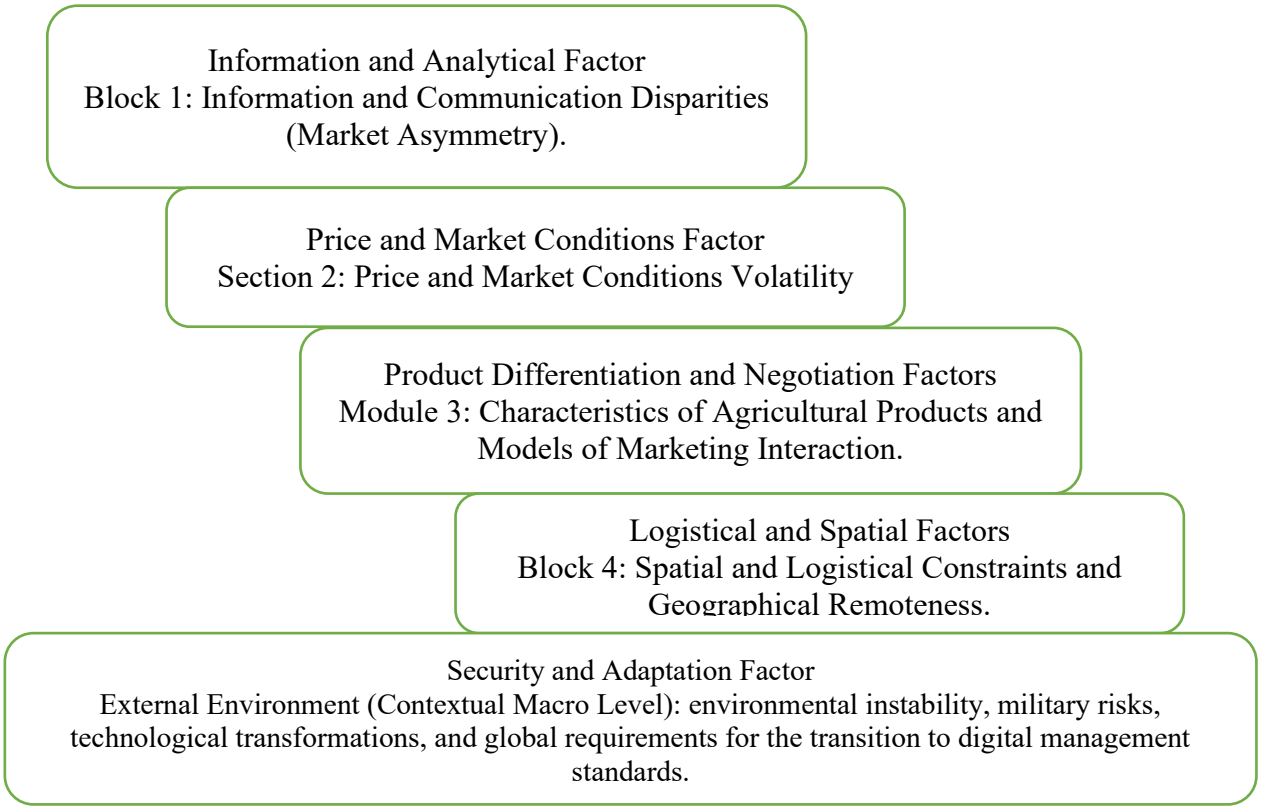


Fig. 1. System of determinants for the implementation of innovative marketing tools in the activities of agribusiness entities

According to the presented structural-logical model (Fig. 1), the transition of agribusiness enterprises to innovative marketing is the result of the interaction of a complex of external and internal factors, each of which shapes specific requirements for the enterprise's marketing subsystem:

1. Exploitation of the potential of informal communications and overcoming information asymmetry. For a long time, the operations of agricultural enterprises were based on informal connections, verbal agreements, and local knowledge of market conditions. However, in a highly dynamic market, such channels of information transmission prove ineffective, as they lead to distorted market signals, delayed producer responses to actual demand, and a lack of objective information. The integration of marketing information systems and digital analytical databases eliminates information asymmetry, providing management with timely information on the balance of supply and demand.

2. High price volatility and market turbulence. Agricultural products are subject to significant price fluctuations due to seasonal production patterns, macroeconomic instability, and exchange rate volatility. Traditional fixed or reactive pricing methods result in a loss of added value to intermediaries. The use of modern marketing analytical tools creates the conditions for implementing flexible pricing, hedging price risks, rationally planning the timing of sales of commodity lots, and optimizing pricing policies in accordance with the quality indicators of agricultural product lots.

3. The heterogeneity of the product portfolio and the specifics of B2B contracting. The product range of agricultural enterprises encompasses goods of various types: from high-volume standardized raw materials (grains, oilseeds) to high-value-added processed products or perishable foodstuffs. Different types of products require differentiated commercialization approaches. While trading platform monitoring systems serve as the primary tool for mass-market exchange-traded products, in segments with a high proportion of direct contracting—where sales involve multi-stage negotiations - it is most appropriate to implement information and communication technology tools (CRM systems, video conferencing platforms, and

electronic document management systems), which streamline the negotiation of commercial terms and reduce the time required to close deals.

4. Geographical dispersion of markets and fragmentation of supply chains. A distinctive feature of agricultural production is the spatial remoteness of farms from key urban consumption centers, port infrastructure, and terminals. The existence of remote sales markets, combined with rising fuel and lubricant costs, makes traditional offline searches for business partners economically unfeasible. The use of digital platforms and marketing tools enables remote monitoring of alternative markets, identification of profitable geographic niches, coordination with logistics operators, and consolidation of shipments with other local producers.

5. Security and Adaptation Challenges Under Martial Law. Operating under the legal framework of martial law heightens the need to minimize transaction costs, protect commercial information, and quickly restore disrupted sales channels. Moving negotiation and marketing processes to a digital format serves as a protective barrier, ensuring the continuity of business communications regardless of physical restrictions or threats to staff mobility.

Thus, the identified set of interrelated determinants demonstrates that the adoption of innovative marketing technologies by agricultural enterprises is an indispensable prerequisite for ensuring operational stability, reducing sales costs, and establishing sustainable competitive advantages in a volatile market environment.

The systematization of scientific findings and the results of applied research provides grounds for considering information and communication technologies (ICT) as one of the most effective and versatile tools in the modern marketing architecture of agricultural producers. The implementation of digital tools catalyzes the optimization of resource use, the streamlining of sales operations, and the enhancement of the strategic adaptability of agribusiness.

The current trajectory of the global agribusiness sector’s evolution is inextricably linked to the paradigm of sustainable development, which requires a transition to the principles of “smart” and environmentally balanced agricultural production. This transformation is driven by the need to address the depletion of natural resource

potential, the growing threat of climate change, and the imperatives of decarbonization and adaptation to international environmental safety standards (in particular, ESG standards and the initiatives of the European Green Deal). Under these circumstances, the priority areas for technological modernization in the industry are the comprehensive integration of biological methods into mineral nutrition and plant protection systems, the restoration of soil fertility, and the rational and sustainable use of natural resources.

Of particular importance is the scaling up of the latest agrobiotechnologies—the use of plant residue biodegraders, bacterial inoculants, biological fungicides, and entomophages—which significantly minimize the chemical burden on agroecosystems. At the same time, the segment of urbanized agricultural production is undergoing dynamic development, as represented by innovative vertical farms and hydroponic and aeroponic systems for soilless crop cultivation. Such closed-loop agricultural systems enable food production in proximity to urban consumption centers, reducing "food miles," mitigating the impact of seasonal and climatic factors, and saving 90–95% of water resources compared to traditional field farming.

However, the operation of such knowledge-intensive environmental complexes requires a fundamentally new level of operational control. Effective management of complex technological processes, maintenance of an optimal microclimate, control of nutrient solution balance, and monitoring of plant growth are made possible only through the integration of end-to-end information and communication platforms and "Agriculture 4.0" digital ecosystems. The convergence of Industrial Internet of Things (IoT) devices, sensor networks for monitoring humidity and nutrient levels, geographic information systems, and artificial intelligence facilitates the transition from intuitive agricultural production to precise, algorithm-based management of biological assets.

At the same time, the technological sophistication of "smart" and environmentally friendly farming does not, in and of itself, guarantee automatic economic sustainability without adequate market positioning. The successful commercialization of products grown using sustainable technologies depends critically on digital communication channels and marketing analytics. It is precisely these information and communication

tools that enable agricultural producers to establish a transparent "farm-to-table" supply chain traceability system (based on blockchain registries or dynamic QR codes), verify the authenticity of a product's organic or eco-friendly origin, convey this value proposition to discerning consumers, and justify a fair price premium (Green Premium), thereby transforming technological innovations into a strategic market advantage.

The key functional benefits of implementing digital and information and communication technologies in the business and marketing activities of agricultural enterprises are summarized in Table 1.

Table 1. Strategic Benefits of Applying Information and Communication Technologies in the Innovative Marketing System of Agricultural Enterprises

Functional area (ICT advantage)	Characteristics and economic implications for an agribusiness entity
Optimization of logistics processes and reduction of transportation costs	Digital services enable an enterprise to obtain up-to-date market information remotely, without incurring costs associated with physical presence in territorial markets. This provides a basis for consolidating sales batches with neighboring farms, optimizing the utilization of storage and processing infrastructure, and eliminating vehicle downtime. End-to-end monitoring of freight and transportation operations is ensured throughout the entire value chain, from the field and primary processing to cargo insurance and response to supply disruptions.
Rationalization of operational planning and pricing flexibility	Creates an analytical platform for conducting equitable B2B negotiations with traders and retail chains that traditionally possess more comprehensive market information. Access to quotation databases makes it possible to model pricing scenarios, scientifically substantiate the timing of commodity-batch sales, promptly reposition products toward more profitable regional markets, and contract the most economically advantageous freight forwarding and transportation services.
Optimization of material and technical supply and resource management	Digitalization significantly simplifies the verification, selection, and direct communication with suppliers of production inputs, including seeds, crop protection products, fertilizers, fuels and lubricants, and machinery. Agribusiness enterprises gain tools for comparative analysis of prices and quality certificates, which reduces transaction costs associated with procurement, prevents counterfeit products, and ensures resource efficiency throughout production cycles.

Continuation of table 1

Diversification of sales markets and reduction of information asymmetry	Expands access to analytical insights into domestic and international sales markets, enables transparent assessment of the solvency of potential counterparties, and facilitates access to direct contracts with industrial processors and major operators of the wholesale food market.
Promotion of innovation partnerships and cross-sectoral collaboration	Creates conditions for establishing sustainable horizontal and vertical linkages, including the integration of producers into digital cooperatives, engagement of research institutions in joint testing of agricultural technologies, and implementation of partnership programs with financial institutions, such as agricultural receipts and digital factoring.

Thus, the deployment of information and communication infrastructure not only modernizes the internal business processes of an agricultural enterprise but also transforms its market interactions. The practical implementation of these functions requires a shift from fragmented digital interactions to the systematic use of structured digital marketing tools and channels (Table 2).

Table 2. Comprehensive Characteristics of Digital Channels for Promotion and Interaction Among Agricultural Market Participants

Digital channel (instrumental block)	Channel components	Content characteristics and mechanism of action	Specific features and practical application in agribusiness
1. Content marketing and reputation management	SEO (Search Engine Optimization)	On-page and off-page optimization of a web resource for targeted search queries to achieve high positions in organic search engine results without direct payment for clicks.	Attracting wholesale buyers of agricultural products, traders, and processors through queries related to wholesale prices, seed varieties, gluten content, or oil content.
	SERM (Search Engine Reputation Management)	Systematic monitoring and suppression of negative or inaccurate information about a company from the first pages of search engine results.	Protecting the business reputation of an agricultural supplier before banks, investors, and international partners when entering into forward contracts.

Continuation of table 2

	SMM (Social Media Marketing)	Brand positioning on social media platforms, generation of professional content, and two-way interactive engagement with the target audience.	Demonstrating cultivation processes (“from field to table”), promoting the brand, and communicating with end consumers and professional farmers.
	Content PR (Native PR)	Publication of expert columns, analytical reviews, case studies, and press releases in leading business and industry-specific online media.	Establishing the farm's expert status, highlighting innovative approaches (precision farming, eco-certification), and strengthening trust within the agricultural and industrial environment.
	E-mail marketing	Direct personalized communication through segmented contact databases with regular customer information updates.	Prompt distribution of indicative prices, updated elevator price lists, and special offers for crop protection products or seed material.
	ORM (Online Reputation Management)	Comprehensive monitoring and management of reviews, ratings, and mentions on third-party portals, forums, maps, and rating aggregators.	Preventing reputational crises, for example, regarding the quality of seed material or the timeliness of lease payments for land shares, and building the loyalty of land-share owners and B2B clients.
2. Targeted and contextual Digital advertising tools	Contextual advertising (SEA / PPC)	Displaying text or graphic advertisements in search engines to users who demonstrate direct demand at a particular moment.	Rapid sale of remaining batches of agricultural products and attracting farmers during sowing or harvesting campaigns through high-intent queries such as “buy ammonium nitrate wholesale” or “elevator in Kyiv region.”
	Targeted advertising	Displaying advertising creatives on social media to audiences selected according to demographic, geographic, and professional characteristics.	Targeted outreach to agronomists, farm managers, land-share owners, or distributors within a specific region or defined logistics-accessibility radius.

Continuation of table 2

	Display (banner and video) advertising	Use of audiovisual and banner formats on specialized portals and partner networks to build broad brand awareness.	Introducing new food-product brands to the market, launching new seed hybrids, or promoting agricultural consulting technologies.
3. Multichannel (omnichannel) promotion	Integrated cross-channel model / Performance marketing	Convergence of all digital touchpoints into a single managed system based on performance-based payment (CPA/CPL: cost per lead, call, or completed order).	Creating a seamless customer experience for B2B buyers, from the first advertising interaction and retargeting to submitting an application for the supply of a wholesale batch of grain or processed agricultural products.
4. Analytical support (Web analytics)	Web and product analytics systems (Google Analytics, CRM analytics)	Collection, monitoring, and analysis of quantitative and qualitative indicators of user behavior on the company's platforms and competitors' resources.	Assessing the efficiency of marketing budgets, calculating the customer acquisition cost (CAC) for a wholesale contract, and identifying bottlenecks in digital sales funnels for agricultural products.

An analysis of these tools (Table 2) shows that digital marketing channels do not operate in isolation. Their effectiveness is maximized only when integrated into a unified marketing ecosystem, where trust-building tools (SEO, content, PR, and SMM) are harmoniously combined with the incentivizing mechanisms of performance advertising and end-to-end analytics. For agricultural enterprises, this approach makes it possible to significantly reduce dependence on traditional intermediary structures, cut transaction costs associated with finding sales markets, and diversify the customer base in both domestic and international markets.

The global agribusiness sector is undergoing a qualitative structural transformation driven by the convergence of the concepts of Smart Agriculture and Agriculture 4.0. The primary driver of its dynamic progress is the systematic implementation of applied artificial intelligence (AI), machine learning (ML), and large-scale automation of production and distribution processes. Instead of routine algorithms, businesses are increasingly integrating autonomous, multi-component

technological systems: high-precision satellite geolocation systems, robotic units, unmanned aerial vehicles (UAVs), 3D food printing technologies, distributed ledgers (blockchain) for auditing supply chains, and industrial Internet of Things (IoT) infrastructure.

The widespread adoption of these knowledge-intensive tools ensures long-term competitiveness for producers of all sizes and ownership structures through the following aspects:

- ensuring continuous growth in the operational efficiency of agricultural production and multi-level management, as well as significantly mitigating production and commercial risks and factors of exogenous uncertainty;
- scaling up integrated, sustainable agroecological ecosystems by creating a unified repository of heterogeneous digital data synchronized with internal and external environments;
- in-depth digitalization, on-board computerization, and telematic retrofitting of the machinery and tractor fleet through the use of smart sensors and digital controllers.

The implementation of global navigation satellite systems (GNSS) in the modern agricultural sector creates a sustainable foundation for generating additional added value through autonomous autopilot subsystems, differentiated application of resources, and the minimization of technological overlaps. At the same time, the market for unmanned aerial systems is undergoing a noticeable transformation: the global market for agricultural UAVs in 2025 grew nearly sixfold compared to the baseline year of 2020, reaching $6.3 billion. This confirms the transition of drones from experimental solutions to essential production and analytical assets.

At the same time, the digitization of production requires a simultaneous restructuring of businesses' marketing architecture, as the market environment is undergoing significant institutional shifts. According to research by Gartner, the direction of marketing changes is driven by the following challenges:

- high volatility in consumer patterns, a transformation in selection criteria, and the emergence of new consumer value demands;

- tighter regulatory standards regarding personal data protection, trade secret preservation, and database cybersecurity;
- a profound reorganization of marketing departments, leading to the integration of specialists in data science, web analytics, and predictive modeling into the company's organizational structure;
- end-to-end algorithmization and comprehensive automation of key operational and marketing cycles.

Based on these patterns, a conceptual algorithm for the phased implementation of digital marketing has been developed for modern agricultural enterprises.

Stage 1: Information and analytical processing and diagnosis of consumer behavior. The initial stage involves designing a system for comprehensive monitoring and decomposition of datasets on product consumers: analysis of triggers and barriers during their purchasing decisions (at the B2B contracting level or the B2C end market), structuring of counterparties' digital footprints, as well as targeted training of staff in new methods of predictive analytics with the implementation of rigorous internal audit and control tools.

Stage 2: Feedback Architecture and Cross-Functional Integration. This stage involves consolidating disparate channels of incoming data (web traffic, phone inquiries, CRM system data, and results from trade shows and field activities) into a unified information space. To overcome interdepartmental barriers, flexible cross-functional teams are formed within the company (bringing together marketers, agronomist consultants, analysts, logistics specialists, and sales managers). Combining internal transactional data with external digital data enables a comprehensive assessment of customer behavior, the automation of personalized communications, and a significant reduction in the time required to develop and scale marketing campaigns.

Stage 3: Organizational and technological institutionalization of digital marketing. The final phase involves the complete integration of innovative marketing tools into the agricultural enterprise's management paradigm. At this level, a comprehensive audit of the effectiveness of each digital channel used is conducted (based on calculations of ROI, ROMI, customer acquisition cost—CAC, and lifetime

value - LTV), and the customer journey map is verified from initial interest to repeat orders. Thanks to tools for hyper-personalization and the automation of routine operations, a dual effect is achieved: an increase in sales margins while simultaneously reducing non-production transaction costs.

To achieve the maximum synergistic effect from the implementation of innovative marketing practices in agribusiness, a multi-level set of adaptive and stabilizing measures has been developed:

1. A system for preventive monitoring and rapid response to changes in the business environment:

- organizing continuous analytical monitoring of macro- and microeconomic fluctuations, energy challenges, and logistical barriers;
- developing adaptive crisis response plans in case of disruptions to critical infrastructure or blockages of distribution corridors;
- shifting from rigid long-term planning to flexible tactical planning with a short decision-revision horizon;
- conducting systematic empirical studies of demand structure and assessing the solvency of processors and traders.

2. Streamlining budget policy and conducting financial optimization audits:

- cutting non-priority areas of spending and concentrating resources on high-margin projects;
- economically sound temporary suspension, reconfiguration, or winding down of capital-intensive research and development or technological initiatives with long payback periods under unfavorable market conditions;
- a technological audit of production cycles and the reengineering of logistics routes to minimize the cost of finished agricultural products;

3. Hybridization of the workspace, human capital development, and workplace ergonomics:

- deployment of cloud services and platforms to ensure uninterrupted remote work for administrative and analytical staff;

- implementation of flexible work schedules in accordance with production seasonality, field requirements, and energy schedules;
- ensuring end-to-end information support for employees via secure communication channels;
- ensuring the safety and well-being of workers in high-risk areas;
- systematically enhancing the skills of the workforce through webinars, digital courses, and training sessions on modern analytical software.

4. Institutionalization of corporate social responsibility and development of ecosystem-based partnerships:

- strengthening ethical standards in business conduct and increasing individual accountability for the sustainable development of local communities;
- launching humanitarian and food assistance programs to support vulnerable populations and national defenders;
- targeted implementation of charitable initiatives and socially oriented local development projects;
- consolidation of joint efforts with related agribusiness partners (joint procurement pools, consortia for forming export shipments, mutually beneficial processing projects).

5. Strategic flexibility in marketing communications and pricing:

- extensive use of real-time marketing tools to quickly capitalize on short-term market opportunities;
- rebranding and repositioning of agricultural brands to reflect growing demand driven by patriotism and environmental concerns;
- adapting communication messages to consumers' psychological state and priorities;
- aligning marketing efforts with the company's overall innovation development plan;
- implementing algorithmic and multi-level pricing that accounts for fluctuations in global market prices and individual terms of cooperation.

6. Optimization of the communications infrastructure:

- focusing on interactive digital channels to engage the target audience;
- strengthening the company's professional presence on social media (SMM) by demonstrating transparency in the production chain, quality standards, and the company's social contribution.

7. Managing the portfolio of innovative products and services:

- diversifying the product offering by creating high-tech, value-added processed products with a high share of added value;
- optimizing the product range by removing low-margin or logistically vulnerable items;
- actively introducing remote consulting and online agrotechnological services for B2B partners.

8. Scaling e-commerce and transforming trade marketing:

- developing proprietary digital storefronts and integrating them into agricultural platforms and marketplaces;
- full digital tracking of product batches and their presentation on online platforms;
- use of differentiated systems of price incentives, bonuses, and volume-based and prepayment discounts;
- stepping up promotional campaigns on digital B2B platforms to support direct sales.

The current turbulence in global markets, geopolitical shifts, and the need to overcome the systemic consequences of the crisis have made it necessary for agricultural enterprises to develop scientifically sound, flexible, long-term guidelines. The transition of information flows to the digital realm makes digitalization a cross-cutting feature of agricultural enterprises' operations.

The innovative trajectory of an agricultural sector entity is fundamentally determined by two factors:

- the depth of monitoring market changes occurring at the macro- and micro-levels;

- the dynamic capacity of the enterprise's internal system to reorganize its existing potential in response to these fluctuations (through restructuring the product portfolio, updating service policies, reformatting the logistics and distribution network, and organizational restructuring).

In light of this, the development of an overall strategy emerges as a central element of long-term strategic management for an agricultural enterprise. The formulation of a marketing strategy plays a particularly important role in this process. In academic discourse, it is often reduced to a purely functional level; however, in the modern practice of innovative agribusiness, the marketing strategy permeates all levels of strategic planning, serving as a fundamental connecting mechanism between the enterprise's internal resource potential and the dynamic external environment [96].

The development of a marketing strategy is an integral foundation and an organic subsystem of the enterprise's overall corporate development strategy. Its functional purpose is to optimize the allocation and synchronization of internal resource potential with dynamic market impulses, thereby ensuring long-term growth in commercialization volumes and the establishment of a sustainable level of net profit.

Within the system of internal corporate management, the strategy plays a conceptual and guiding role and serves as a core component of the company's comprehensive marketing plan. It formulates the strategic vision, directional trajectories, and benchmarks for the business entity's future market progress. These goals are put into practice through the development of detailed tactical measures, programs, and implementation schedules that govern the day-to-day operations of the marketing and sales departments.

Developing an effective marketing strategy in the agribusiness sector cannot rely on standardized templates; it requires taking the following factors into account:

- the tactical objectives and current operational goals of the agricultural enterprise, which are dictated by the production cycle and the fieldwork schedule;
- the entity's current competitive position within the industry (scale of land use, yield indicators, level of technological equipment);

- qualitative and quantitative parameters of the resource base (availability of working capital, staff qualifications, fleet of specialized equipment, and grain storage and processing capacities);
- an in-depth analysis of long-term market trends and forecasting of likely strategic maneuvers and countermeasures by competing producers.

Based on a systematic identification of these prerequisites, the key strategic vectors and target imperatives of the marketing strategy for agricultural enterprises are as follows:

- Expanding the customer base and scaling up the customer acquisition funnel. Identifying and converting potential interest into a stable pool of solvent counterparties (industrial processors, trading operators, exporters, and distributors of seeds and plant protection products).
- Strengthening contractual relationships and increasing physical sales volumes. Stimulating the conclusion of direct agreements and forward contracts, and increasing the volume of one-time and recurring orders for product supply.
- Developing a value proposition and improving product presentation. Creating an attractive commercial appearance and market image for agricultural products (standardization of grades, availability of GlobalG.A.P. or Organic Standard safety certificates, high-quality labeling and packaging), which increases the consumer value of the product for discerning buyers.
- Maximizing added value and increasing operating profitability. Ensuring a high economic return on implemented marketing programs through direct access to high-margin segments, cost optimization, and an increase in the overall return on invested capital.
- Expansion and diversification of market share. Gradually increasing our presence in strategic geographic and product segments, and expanding into adjacent product niches in both domestic and cross-border food markets.
- Achieving and maintaining competitive leadership. Securing a dominant position in selected target segments through technological differentiation, digital services, and a strong reputation for reliability.

The modern agribusiness sector operates in a state of constant flux, driven by high market volatility, climatic fluctuations, disruptions to global logistics routes, and geopolitical challenges. Under such circumstances, rigid, static management models lose their effectiveness. The key to ensuring an agricultural producer's competitiveness and economic viability lies in developing a highly adaptive, flexible marketing strategy capable of rapid reconfiguration in response to unpredictable shifts in the macro- and microenvironments.

A fundamental prerequisite for the success of strategic marketing planning is moving away from one-size-fits-all approaches in favor of deep industry- and product-specific specialization. The design of strategic directions must be directly based on the specific characteristics of a particular farm, covering the following key parameters:

- production and industry orientation and scale of operations: the functional priorities of highly specialized crop farms (growing grains or industrial crops), livestock complexes, fruit and berry farms, or diversified agricultural holdings differ significantly. While the priority for the large-scale commercial sector is to scale up exchange sales and optimize costs, for niche farms the key focus is on added value and building direct relationships with retailers;
- characteristics of product range and quality: the quality characteristics of biological assets, the level of standardization, shelf life, and the seasonality of ripening and transportation require specific marketing behavior models. The sale of bulk exchange-traded commodities (wheat, corn, soybeans) involves focusing on global prices and forward contracts, whereas the sale of perishable, certified organic, or processed products requires the establishment of personalized communication channels, the development of brand recognition, and ongoing customer support for counterparties;
- position in the value chain and infrastructure capabilities: the formulation of strategic guidelines is closely linked to the availability of in-house facilities for primary processing, grain storage, deep processing, or packaging of raw materials, which determines the enterprise's ability to enter the market during periods of peak, most

profitable prices rather than being forced to sell the harvest “straight from the combine.”

The development and implementation of an agricultural enterprise’s marketing strategy is a continuous process of harmonizing its internal technological and resource capabilities with the dynamic parameters of target market niches. Taking this set of individual characteristics into account protects the farm from the irrational allocation of its marketing budget and creates a solid foundation for long-term market leadership.

An empirical analysis of the domestic agro-industrial environment reveals significant asymmetry in the depth and quality of strategic planning among different categories of commodity producers. The development, implementation, and systematic refinement of innovative marketing strategies remain the prerogative of a relatively limited group of entities—primarily integrated agro-industrial holdings and large corporate entities. Such enterprises possess the necessary investment funds, access to international financial markets, a staff of qualified business analysts, and their own digital infrastructure for collecting commercial data.

In contrast, the vast majority of small and medium-sized agribusinesses continue to operate within the confines of outdated concepts of market orientation:

- Production orientation: The focus shifts exclusively to minimizing costs and optimizing the technology of field operations, based on the fundamental assumption that the market will readily absorb any volume of standardized raw materials. This makes such farms vulnerable to low prices during the peak harvest season.
- Commodity orientation: The focus is primarily on the quantitative and qualitative characteristics of the crop itself (protein content, oil content, grain grade), while almost no attention is paid to the needs of end consumers, building brand recognition, or providing additional value-added services.
- Sales (commercial) concept: This remains the most widespread model of behavior among domestic farmers. Its essence boils down to finding any available channels for the immediate sale of already harvested produce. This model lacks a strategic perspective and is entirely subject to the price dictates of large intermediary

organizations and grain traders, leading to the loss of a significant portion of marginal income.

Overcoming this structural inertia and making a qualitative leap from ad hoc sales to long-term partnerships requires scaling up digital technologies. At the same time, the conceptual framework in this area requires a clear distinction between theoretical and methodological approaches. A systematic review of scientific research has revealed that, within the modern scientific paradigm, the phenomenon of "digitization" takes on a binary, marketing-oriented meaning:

1. As a process-technological construct, digitalization is viewed as a dynamic process of convergence and application of the unique capabilities of modern IT tools, information and communication networks, and big data processing systems, aimed at the unconditional fulfillment of an enterprise's strategic and operational goals. In this context, digitalization acts as a catalyst for modernizing the system of economic relations, eliminating subjectivity in supply chains, optimizing management transactions, and transforming routine commercial processes into transparent, automated workflows.

As a systemic-institutional construct, digitalization takes the form of an interconnected set of measures, tools, and software platforms that facilitate the transfer of real-world physical and business objects into the digital space (including the creation of digital twins of fields, equipment-tracking systems, digital catalogs, and contracting platforms). This forms a fundamentally new institutional architecture of economic relations, in which direct contact between the producer and the end market becomes seamless, free of unnecessary intermediaries, and managed in real time.

The synthesis of these two complementary dimensions allows us to characterize digitalization as an integrated management philosophy. It serves as the basis for creating a customer-oriented agribusiness model, in which the digitization of production assets operates in continuous synergy with digital marketing tools, ensuring high market capitalization and the sustainable operation of the enterprise.

The convergence of digitization across the production sector and marketing activities is emerging as the main driver of innovation and modernization for

agricultural enterprises. The integration of modern digital marketing technologies enables overcoming the institutional inertia of traditional sales, transforming the enterprise into a highly adaptive system focused on market demands.

The systematic implementation of internet marketing techniques is a key element in developing a digital-oriented strategy for agricultural enterprises. However, the effectiveness of this approach is not constant and depends on the specific characteristics of the industry environment. The following factors determine the effectiveness of online marketing tools:

- the type of target market and the form of contracting: the scale and channels of interaction vary significantly depending on where the enterprise operates—in the B2B sector (supplying raw materials to wholesale traders, processing plants, or exporters) or the B2C sector (selling finished food products to end consumers through branded channels);
- the quality and consumer characteristics of the product portfolio: the depth of digital support directly depends on the product characteristics - whether they are standardized exchange commodities (grains, oilseeds), high-value seed and plant protection products, or perishable certified organic products;
- the dynamism and aggressiveness of the competitive environment: the level of saturation in the digital media space by competing providers determines barriers to entry and requires flexible, adaptive behavior, optimization of advertising budgets, and the use of tools to differentiate the value proposition.

In the digital marketing ecosystem, timely access to verified data and the speed with which it is communicated to stakeholders have become critical competitive advantages. A telling practical example of the effective implementation of digital tools in the agricultural sector is the experience of one of the leading domestic agricultural enterprises. The systematic adoption of modern digital platforms has provided the company with several tangible strategic and operational advantages:

- a qualitative transformation of customer service: a shift from transactional sales to comprehensive agronomic and consulting support for customers through remote digital services and mobile applications;

- establishing seamless interactive communication: organizing omnichannel communication with customers through personal online accounts, chatbots, and messaging apps, which reduces the operational burden of feedback and accelerates the commercial decision-making process;

- brand capitalization and corporate image building: enhancing the company's public recognition and positioning its products in the digital space as those of a reliable, technologically mature partner;

- flexible pricing strategies: using digital channels to promptly communicate current indicative prices, conduct transparent electronic auctions, and offer personalized commercial discounts;

- ensuring transparency in business processes: openly disclosing the origin of raw materials, laboratory quality control standards, and compliance with environmental safety regulations, which builds a high level of trust among investors and partners;

- increasing customer retention: turning one-time buyers into regular, long-term customers through a personalized approach, cumulative bonuses, and automated support for repeat purchases.

The integration of internet marketing technologies into the operations of agricultural entities of various sizes - from small farms to large agricultural holdings - serves as a universal catalyst for optimizing resource flows and strengthening market resilience. The use of online tools by agricultural producers enables the fulfillment of a range of specific functions:

- systematic research and analysis of market conditions: continuous collection and multifactorial analysis of data sets regarding price fluctuations, the balance of regional and global supply and demand, consumer preferences, and the activity of competing agricultural producers;

- optimization of procurement logistics and material and technical support: verification and direct contracting with suppliers of high-quality seed, fertilizers, fuels and lubricants, plant protection products, and equipment without overpaying intermediary organizations;

- streamlining the commercialization channels for agricultural products: selecting the most profitable sales channels, organizing flexible shipment batches, and ensuring direct contact with industrial processors, retail chains, or international traders;

- targeted promotion and highly effective advertising communications: launching targeted digital campaigns online to build awareness of the company's product brands and quickly attract inquiries from solvent counterparties.

To implement these functions, agricultural producers should utilize a structured set of basic digital resources and channels:

- corporate website (official site): the primary platform for presenting the agricultural enterprise, showcasing its production capacity, certification standards, product lineup, current price indicators, and a feedback form for promptly receiving commercial inquiries;

- targeted email marketing services: establishing regular communication based on segmented customer databases to notify clients about the formation of product batches, the terms of forward contracts, and special offers;

- specialized online bulletin boards, B2B agri-marketplaces, and electronic exchanges: using specialized online platforms to post trade offers and participate in electronic auctions promptly;

- automated databases and mailing lists: using structured databases to establish direct communication with agricultural producers, service providers, and logistics operators;

- search analytics and digital monitoring tools: actively searching for current regulatory changes, technological solutions, and new market niches using search engines and specialized aggregators.

The practical implementation of modern internet services creates a range of new strategic opportunities for farms:

1. Institutionalization and consolidation of long-term B2B partnerships: the systematic distribution of commercial offers and the posting of structured information on specialized digital platforms create a stable communication framework for interacting with reliable partners, grain elevators, and logistics companies.

2. Aggregation of strategic business information: The use of press clipping services, regular monitoring of digital government registries (such as the State Agrarian Registry), departmental analytical portals, and commercial resources enables the timely identification of market trends and the forecasting of regulatory changes.

3. Scaling financial and commercial transactions in e-commerce: The integration of modern financial technologies, factoring services, digital bank guarantees, and specialized online trading platforms accelerates working capital turnover and minimizes payment risks for agribusiness entities.

To summarize, the agricultural sector has significant potential for the systematic application of online marketing tools and internet services, on par with other sectors of the economy. At the same time, the practical implementation of digitalization technologies is a capital-intensive, long-term investment process: it requires allocating financial resources for software purchases, developing digital infrastructure, and staff retraining, and entails a time lag before the investment pays off.

Given these circumstances, it is advisable to structure the marketing policies of agricultural enterprises in the context of digitalization based on the key classical components of the marketing mix (4Ps), adapted to the requirements of the digital environment (Table 3). The transformation of marketing management in the agro-industrial sector under the influence of digitalization requires structural adaptation of each functional element of the marketing mix (Product, Price, Place, Promotion). The proposed matrix of strategic decisions aims to overcome market barriers, maximize added value, and build a digital ecosystem for stakeholder interaction.

Table 3. Recommended set of strategies for agricultural enterprises based on the 4Ps in the context of digital transformation

Marketing mix component (strategic focus)	Recommended marketing strategies	Practical implementation mechanism in agribusiness under digitalization
Product Policy	Selective concentration and market positioning strategy	Focusing on priority domestic and international target segments with high quality requirements, forming homogeneous product batches, and certifying products according to international standards (GlobalG.A.P., ISO, ISCC).

Continuation of table 3

	Product portfolio diversification and optimization strategy	Expanding the range of processed, high-margin products with a high share of value added instead of relying exclusively on a raw-material sales model.
	Production and logistics outsourcing strategy	Transferring auxiliary operations (storage, elevator-based processing, transportation, and insurance) to reliable specialized contractors through digital contracting and transportation management platforms (TMS).
Price Policy	Differentiated and market-based pricing strategy	Setting flexible prices depending on the target segment, quality parameters, and commodity market trends: maintaining competitive average prices for major exchange-traded crops (winter wheat and barley) while applying premium pricing to high-margin and high-oil-content crops (rapeseed, high-oleic sunflower hybrids, and niche legumes).
	Customer loyalty and dynamic discount strategy	Developing digital partnership programs, including retroactive bonuses, volume- and purchase-cycle-based cumulative discounts, and personalized price preferences through referral programs that encourage existing customers to attract new B2B clients.
	Algorithmic pricing and risk-hedging strategy	Applying digital tools for monitoring global commodity prices to enable the timely conclusion of forward contracts and the hedging of currency and price risks during periods of market volatility.
Place Policy (Distribution Policy)	Hybrid distribution network development strategy	Combining direct corporate sales through in-house representatives with a network of accredited regional distributors, thereby reducing dependence on unreliable intermediaries.
	E-commerce expansion and online distribution strategy	Creating fully functional corporate online platforms, including websites and B2B portals with customer accounts, and integrating them with national and cross-border electronic agricultural marketplaces for direct contracting.
	Integrated supply chain strategy	Digital dispatching and optimization of freight delivery routes using tracking devices and cloud-based monitoring services to track the movement of raw materials from the field to the final processing or export destination.
Promotion Policy (Communication Policy)	Social capital and transparency development strategy (ESG communications)	Systematic communication of the company's corporate social responsibility initiatives, including community support, participation in demining activities, contribution to regional food security, and charitable and volunteer projects under martial law, thereby fostering a sustainable, positive image and public trust.

Continuation of table 3

	Omnichannel digital information and expert positioning strategy	Promotion through the corporate website, targeted email campaigns, and social media activities (SMM); presentation of innovative cultivation technologies, confirmation of quality standards, and professional dialogue with market stakeholders.
	Preventive crisis reputation management strategy (ORM/SERM)	Prompt monitoring and management of brand mentions in the digital environment, mitigation of disinformation, and protection of business reputation among financial institutions and business counterparties.

The system of strategic guidelines presented (Table 3) illustrates that the implementation of digitalization in the marketing practices of agricultural enterprises goes far beyond purely advertising activities. It serves as a cross-cutting framework that reshapes the product portfolio in favor of high-margin categories, replaces static pricing with dynamic, multifactorial analysis of market signals, shortens the path from product to customer through e-commerce platforms, and converts the enterprise's reputational and social initiatives into sustainable customer loyalty.

The systematic synchronization of these guidelines provides agricultural enterprises with the necessary operational flexibility, reduces commercial risks, and lays the foundation for long-term innovative competitiveness in both domestic and international markets.

The implementation of online marketing tools into the operational practices of agricultural businesses directly transforms the structure of a company's operating expenses, generating a significant economic effect in two fundamental dimensions:

1. Optimization of payroll, administrative, and management expenses. Thanks to the automation of lead generation, the shift of initial consultations to digital channels (chatbots, automated CRM systems, and client dashboards), and the centralized management of digital advertising, the company eliminates the need to maintain a bloated staff of low-performing sales representatives, sales managers, and intermediary agents. Routine operations involving initial order processing and customer base

monitoring are delegated to algorithmic systems, which reduces transaction and labor costs per closed commercial deal.

2. Minimizing barriers to cross-border and interregional expansion. For an agricultural enterprise to enter high-margin international markets using traditional methods requires large-scale investments in opening overseas representative offices, extended business trips abroad, participation in costly international trade shows, and engaging international consulting intermediaries. Internet marketing tools (multilingual websites, verification on global online agricultural exchanges, cross-border targeting) enable overcoming geographical and information barriers at minimal financial cost, ensuring direct contact with international traders, processors, and importers of agricultural products.

This study makes it possible to formulate a comprehensive system of conceptual, theoretical-methodological, and scientific-applied generalizations regarding the patterns, barriers, and priority areas for the use of innovative marketing tools in the operations of domestic agricultural enterprises in the context of the economy’s digital transformation:

1. A conceptual shift in the agribusiness management paradigm. It has been established that the current stage of operations for agricultural producers is shaped by a complex of destabilizing exogenous factors: high turbulence in food markets, price volatility, disruptions to traditional supply chains, and severe security and operational challenges posed by martial law. Under these conditions, the historically dominant production-, commodity-, and purely sales-oriented management concepts have definitively lost their effectiveness, relegating agricultural producers to the role of raw-material suppliers with low profit margins and high dependence on intermediary structures. It is argued that modern internet marketing and digital communications are transforming from a supplementary sales tool into a strategic subsystem of overall enterprise management, facilitating the transition from passive market observation to proactive modeling of market behavior, timely identification of consumer trends, and targeted influence on counterparties' demand.

2. Overcoming Structural Asymmetry in Innovation Development. An analytical review of practices for modernizing the production and distribution base revealed a significant imbalance: more than 90–95% of the innovation activity of agricultural and processing enterprises is focused on the purchase of machinery, equipment, and specialized technology, while spending on in-house R&D, the acquisition of intellectual property rights, and systematic marketing remains critically low (not exceeding 3–5%). Such an adaptive, catch-up model perpetuates the industry's technological dependence. It has been proven that high commercial returns from the implementation of innovations (revenue exceeding costs by a factor of 1.46) can be scaled only if the innovative product is supported by systematic marketing at all stages of its life cycle - from pre-project analysis of market niches to entry into target markets.

3. Cost Optimization and Economic Efficiency of Digital Tools. The high economic effectiveness of integrating internet marketing technologies into the operations of businesses of various sizes has been demonstrated. The economic impact manifests itself in two main areas:

- intra-organizational: reduction of administrative and management costs and payroll expenses through the automation of lead generation, the implementation of CRM systems, the shift of initial consultations to remote digital services, and the elimination of the need to maintain a large staff of sales intermediaries and agents;
- external economic: minimizing transaction barriers to interregional and international expansion, where, thanks to verified digital platforms, multilingual online portals, and targeted B2B communication tools, a company gains direct access to foreign importers and processors without significant investment in physical infrastructure for an overseas presence.

4. Hierarchy and Interaction of Digital Marketing Channels. An analysis of the available tools has shown that the most effective approach for agricultural enterprises is a synergistic combination of three key digital components:

- social media marketing (SMM): serves as the foundation for building institutional trust capital, highlighting social responsibility (support for the Armed

Forces of Ukraine, local communities, and charitable causes), promoting environmentally friendly farming practices, and transparently demonstrating the origin of raw materials (“from farm to table”);

- search engine optimization (SEO): ensures a stable flow of long-term organic B2B traffic based on commercial queries from wholesale buyers, traders, and processors without additional financial costs per click;
- Highly targeted contextual and targeted advertising: enables a rapid response to seasonal fluctuations in demand, ensures the quick clearance of remaining inventory, and precisely targets commercial decision-makers within specific geographic and logistical corridors.

5. Strategic convergence based on the 4P model in the era of digital transformation. It has been concluded that the fragmented use of individual online services does not provide sustainable competitive advantages. It is essential to develop a comprehensive, digitally oriented marketing strategy that permeates all elements of the traditional marketing mix: reorienting the product portfolio toward high-margin and certified categories; transitioning from static pricing to algorithmic, multifactorial pricing and loyalty programs; scaling distribution channels through e-commerce platforms and logistics outsourcing; and transitioning to omnichannel ESG communications and proactive reputation management (ORM/SERM).

A comprehensive marketing strategy built on the principles of digitalization integrates the agricultural enterprise’s internal potential with modern “Agro 4.0” trends, ensuring high adaptability to crisis conditions, protection of market positions, expansion of market share, and sustainable innovation in the long term.

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8. Marketing principles of managing logistics processes and sales activities of agro-industrial enterprises

In the current context of the transformation of the national economy, intensifying competition and an unstable external environment, the issue of managing logistics processes and sales activities in agro-industrial enterprises is taking on particular significance and importance. The deepening of integration processes, the increasing digitalisation of market relations, constant changes in consumer behaviour, as well as the negative consequences of military hostilities in Ukraine, are having a significant impact on the formulation and implementation of logistics strategies, the organisation of sales channels, and the structuring of supply chains and distribution systems for manufactured products. Under these conditions, agro-industrial enterprises are compelled to rethink traditional approaches to the organisation of logistics and sales, moving from the piecemeal management of individual operations to the comprehensive management of logistics processes based on a systematic, flexible and consumer-oriented approach.

Problematic aspects manifest themselves in a lack of coordination between logistics and marketing decisions, and insufficient integration of the processes of supply, production, warehousing, transport and sales; this leads to increased material and financial costs, wasted time, a decline in service levels, and the accumulation of excess stock that does not correspond to actual demand. Additional factors complicating logistics and sales operations include disruptions to transport infrastructure, changes in the geography of sales markets, fluctuations in demand, interruptions in the supply of necessary raw materials and supplies, and stricter requirements regarding delivery times and the quality of customer service. A significant proportion of domestic agro-industrial enterprises lack well-established mechanisms for responding promptly to such challenges, which negatively affects their market competitiveness and financial performance. Furthermore, against a backdrop of dynamic transformations in the national economy, intensifying competition, an unstable external environment, a volatile domestic environment,

climate-related challenges and the consequences of a full-scale war, improving the management system for logistics and sales operations is of particular importance for Ukraine's agribusiness enterprises. It is logistics and marketing that ensure an inseparable link between production and technological processes and agri-food markets, shaping the final outcome of economic activity in the agricultural sector.

Traditional approaches to organising the supply, storage, transport and sale of agricultural and food products are proving insufficiently effective in the face of resource constraints, the destruction of transport infrastructure and the risks posed by the war. The need to identify new management solutions, digitise processes, optimise supply chains (SCM) and implement innovative marketing strategies underlines the high theoretical and practical relevance of the chosen research topic.

Consequently, the relevance of this research stems from the need to improve the system for managing logistics processes and sales activities of agro-industrial enterprises, taking into account current development trends and the challenges of the market environment, logistics concepts and digital technologies. In practice, there is often a lack of a unified logistics strategy, poor coordination between the departments responsible for procurement, production, sales, marketing and finance, and insufficient use of analytical tools and supply chain modelling. All this leads to rising logistics costs, a service level that falls short of customer expectations, a loss of market share and a decline in the organisation's overall operational efficiency. At the same time, agribusiness enterprises are tasked with ensuring continuity of supply, optimal stock levels, timely fulfilment of orders, shortening the 'order–delivery' cycle, the rational use of transport and warehousing resources, and improving the transparency and manageability of operational processes. Achieving these objectives requires the implementation of modern approaches to logistics and sales management, the use of information and communication technologies, ERP and CRM systems, and tools for planning, forecasting and controlling, as well as the establishment of effective distribution channels and interaction with business partners.

In the field of marketing management of logistics processes and the sales activities of organisations, a significant body of academic work has been accumulated

by both domestic and foreign researchers. Issues relating to the theory and practice of logistics, supply chain management, sales policy, and the optimisation of goods, information and financial flows are reflected in the works of such Ukrainian scholars as V. Alkemy, L. Balabanova, I. Babiy, O. Vinogradova, N. Goncharova, T. Derkach, O. Krykavskyi, A. Kalchenko, I. Lanska, O. Lebedeva, O. Moroz, O. Mnykh, N. Reshetnikova, H. Savitska, O. Sumets, L. Frolova, L. Shevchenko, O. Shubin and others. Foreign researchers have also made a significant contribution to the development of concepts in logistics, supply chain management, sales and marketing logistics: in particular, D. Bauersox, D. Kloss, M. Christopher, F. Kotler, D. Lambert, R. Stock, J. Heskett, M. Porter, K. Christofferson, S. Chopra, P. Minon and many others.

The works of these scholars explore the nature of logistics and distribution activities, and provide a theoretical basis for the logistics concepts of ‘just-in-time’, ‘lean logistics’ and ‘green logistics’; and examine integrated logistics systems, the principles of building effective distribution channels, approaches to managing stock, transport and warehousing, as well as the interrelationship between logistics, marketing, finance and production. Considerable attention is paid to the development of logistics strategies, strategic supply chain management, the establishment of partnership networks, the implementation of CRM and ERP systems, and the use of digital platforms for managing operational processes and customer service.

However, despite substantial theoretical and practical developments, a number of important aspects of managing logistics processes and sales activities in agro-industrial enterprises remain under-researched, particularly in the context of Ukraine’s transitional economy and the ongoing prolonged state of martial law. Issues relating to the comprehensive integration of logistics and sales into a single system of strategic and operational management for the company—one that would combine planning, forecasting, organisation, motivation and control of logistics and sales processes based on common objectives, performance indicators and customer service quality criteria—have not been sufficiently addressed. The mechanisms for coordinating decisions between the procurement, production, sales and marketing departments require in-

depth study, taking into account resource constraints and rising logistics costs.

In the current context, the impact of military threats, infrastructure constraints, the relocation of production facilities and changes to logistics corridors on the formulation and implementation of logistics and distribution strategies for agro-industrial enterprises remains under-researched. Models for the operational restructuring of logistics schemes, the diversification of sales channels and multi-channel distribution systems in the context of sharp changes in supply and demand have not been fully developed. The issue of developing a system of indicators for assessing the effectiveness of managing logistics and sales processes has also not been explored in sufficient depth. The issue of establishing organisational and managerial mechanisms for coordinating logistics and sales functions within the structure of agro-industrial enterprises remains inadequately addressed: the distribution of powers and responsibilities between departments, the introduction of cross-functional teams, the establishment of logistics departments or logistics and sales centres, and the development of internal regulations, incentive schemes and control systems geared towards the performance of the entire supply chain. Practice shows that domestic agro-industrial enterprises often suffer from a fragmented approach to the marketing management of logistics and sales processes, as well as a lack of a unified strategy and a systematic approach, which necessitates the development of appropriate methodological recommendations. These unresolved issues necessitate further in-depth scientific research and applied development aimed at improving the mechanisms for managing logistics processes and sales activities of agro-industrial enterprises in the current environment.

Consequently, the aim of the study is to provide a theoretical basis and develop practical recommendations for improving the management system in the areas of marketing, logistics and sales activities of agricultural and processing enterprises on an innovative basis, with a view to enhancing their competitiveness and economic efficiency.

To achieve this objective, the following main tasks were addressed:

- to examine the theoretical and managerial aspects of the development of

logistics processes in business activities;

- to investigate the theoretical foundations for establishing and managing the sales network of agro-industrial enterprises;
- to identify methodological approaches in management for conducting scientific research in the field of marketing logistics and sales;
- to analyse the functioning of the logistics process management system in Ukraine under martial law;
- to investigate the specifics of organising the management of sales activities for agricultural and processing enterprises in the Ukrainian context;
- to assess the impact of the logistics and sales management system on the overall operational efficiency of agro-industrial enterprises;
- to justify the potential for utilising digitalisation, automation, logistics IT systems and artificial intelligence technologies in the logistics and sales operations of agro-industrial enterprises;
- to develop a strategy for the innovative development of marketing logistics and sales for agricultural and processing enterprises.

The object of the study is the marketing processes involved in managing the logistics and sales activities of agricultural and processing enterprises in modern market conditions.

The subject of the study is the set of theoretical, methodological and practical principles for the formation and improvement of the marketing management system for logistics and sales in agricultural and processing enterprises on an innovative basis.

In the course of the research, a range of general scientific and specialised methods were employed, in particular:

- abstract-logical – for the theoretical generalisation of concepts relating to logistics and distribution networks, and for drawing conclusions;
- a systems approach and structural-functional analysis – for the study of logistics infrastructure and the interrelationships between elements of marketing management;
- economic, statistical and comparative methods – for analysing export

trends, sales performance indicators and assessing effectiveness;

- modelling and forecasting – to develop a marketing and sales strategy model and implement IT solutions;
- SWOT-analysis and expert assessments – to monitor the internal and external environments of enterprises and identify logistical risks.

The information base for the study comprised official data from the State Statistics Service of Ukraine, materials from the Ministry of Economy and the Ministry of Agrarian Policy and Food of Ukraine, analytical reports from sector-specific associations, data from domestic and international academic publications, legislative and regulatory acts of Ukraine, as well as the results of the author's own generalisations and calculations, presented in the study.

The practical significance and value of the results obtained lie in the fact that the conclusions and recommendations are of an applied nature and can be directly utilised in the management of logistics processes and sales activities of agro-industrial enterprises. The theoretical generalisations and scientific and methodological approaches developed in this study build upon existing research in the field of marketing management of logistics and sales, and contribute to the improvement of organisational and economic mechanisms for managing flow processes in the context of an unstable market environment and military challenges.

The study identifies the key features of how the logistics and sales management system operates at agro-industrial enterprises in the current Ukrainian context, and highlights the main problems and constraints associated with disruptions to supply chains, changes in the geography of sales markets, rising logistics costs and increasing demands for service quality. A thorough analysis has been carried out of the impact of the logistics and sales management system on the operational efficiency of agro-industrial enterprises, which makes it possible in practice to assess the effectiveness of management decisions and identify opportunities for enhancing competitiveness. The practical value also lies in the proposed approaches to improving logistics and sales processes on an innovative basis, in particular through the use of digitalisation, automation, the implementation of logistics IT systems, artificial intelligence

technologies, and ERP, CRM, TMS and WMS systems. The recommendations developed regarding the integration of logistics and sales functions, the establishment of effective sales channels, and the optimisation of stock levels, transport and warehousing operations can be utilised by the marketing management of agro-industrial enterprises to improve service levels, reduce costs and enhance resilience to risks.

The findings and proposals may serve as a basis for developing corporate strategies for the logistics and sales development of agro-industrial enterprises, as well as programmes for the digital transformation of supply chain management. The research findings are best utilised in the practical work of managers and specialists in the logistics, sales, marketing and planning and economic departments of agro-industrial enterprises, as well as in the teaching of management, logistics, marketing, project management and the digital economy.

1. Theoretical and managerial foundations of marketing-based management of logistics processes and the sales network of agro-industrial enterprises

In the modern economy, logistics is an integral part of effective business operations. It encompasses such key management functions as planning, organising, monitoring and controlling the movement of physical resources, information flows and related services from the primary supplier to the end consumer, whilst minimising costs and maximising customer satisfaction. It is logistics that determines how quickly, efficiently and cost-effectively products or services reach their consumers.

The word ‘logistics’ has ancient Greek origins and originally meant ‘the art of calculation’. In the modern sense, logistics is a system for managing flows (material, financial, production, information, etc.) that ensures the achievement of an organisation’s strategic objectives at minimum cost. According to the definition of the European Logistics Association, logistics is the process of strategically managing the supply, procurement, movement and storage of materials, components and finished products, as well as accompanying information, from the point of origin to the point of consumption [106, 107].

The current operating conditions for agro-industrial enterprises are characterised

by a highly dynamic market environment, increasing competition, and growing consumer demands regarding quality, speed and reliability of service. Under these conditions, traditional approaches to organising supply, production and sales prove to be insufficiently effective. Logistics takes on key importance as an integrated tool for managing material, information, financial and service flows, ensuring the coordination and continuity of all processes taking place within and beyond the enterprise. The process of logistics management comprises various components that define its logistics activities (functions) and the flow of logistics operations.

The organisation of logistics management depends on the natural, human, financial and information resources available for inbound flows. At the same time, logistics processes cover a wide range of business and management operations: the procurement of raw materials and supplies, inventory management, the organisation of production flows, warehousing, transport, sales, after-sales service, as well as related information and financial operations. In this context, logistics is not only a functional area of activity but also an important component of an enterprise's management system.

It should be noted that the evolution of logistics in business has gone through several stages. In the early stages, it was viewed as a subsystem responsible for the transport and storage of material resources. Subsequently, as market relations became more complex and demands for timely deliveries increased, logistics transformed into a tool for coordinating material flows within production and sales [108, 109]. At the present stage, it is regarded as the concept of integrated supply chain management, which unites the activities of suppliers, manufacturers, intermediaries, logistics operators and consumers into a single system aimed at creating added value.

From the perspective of modern management theory, logistics processes are the subject of strategic, tactical and operational management. The strategic level of management involves formulating the enterprise's logistics strategy, and aligning it with corporate and functional strategies (marketing, production, financial, etc.). The tactical level encompasses the planning of procurement volumes, production, and stock levels; the selection of distribution channels; the determination of routes and means of

transport; and the formulation of the logistics budget. The operational level involves the day-to-day management of orders, deliveries, warehouse operations, product dispatch and the administration of logistics information flows. This is precisely why the effective functioning of the national economy of any democratic country requires ensuring sufficient infrastructure coverage of the logistics processes taking place within it. Since each type of market infrastructure, in the vast majority of cases, performs complex functions and is characterised by a lack of autonomy, this makes it possible to clearly distinguish between different types of market infrastructure

The development of logistics infrastructure within the market infrastructure system and in business activity is based on a number of key principles, among which the following are worth highlighting.

Firstly, there is the principle of systemicity, which involves viewing logistics as a holistic system of interrelated elements that influence one another. Any decisions relating to procurement, production or sales must be assessed in terms of their impact on overall costs, service levels, speed of service and resource utilisation.

Secondly, the principle of integration, which means the coordination of logistics operations between the enterprise's various functional departments and its contractors.

Thirdly, the principle of optimisation, aimed at minimising overall logistics costs whilst maintaining quality and reliability standards.

An important theoretical and managerial foundation is the principle of customer focus. Logistics is viewed as a tool for ensuring a high standard of customer service, which includes timely deliveries, order completeness, product reliability and safety, flexible delivery terms, and the simplicity and transparency of logistics services. The organisation of logistics processes must be geared towards the objective of establishing long-term, mutually beneficial relationships with customers, which directly influences the enterprise's competitiveness.

Logistics performs a number of key management functions in business operations: planning logistics flows and resources; organising coordination between different departments and partners; optimising costs associated with transport, storage and packaging; inventory management, which helps to avoid surpluses or shortages of

goods; ensuring the quality of customer service; and providing real-time information support for all logistics processes [110].

Consequently, the management of logistics processes reflects the interconnection between the core functions of management: planning, organisation, motivation and control. Planning in logistics involves formulating a logistics strategy; developing plans for procurement, production, warehousing, transport and sales; and determining requirements for resources, capacity and personnel. Organisation involves establishing the organisational structure of logistics management (setting up logistics units, a procurement department, warehouses, a transport service and logistics centres), and the allocation of powers and responsibilities. Motivation is aimed at encouraging staff to achieve logistics objectives, and at introducing bonus schemes for reducing costs and improving service quality. Control ensures the monitoring of the implementation of logistics plans, the analysis of deviations, and the adoption of corrective decisions.

A diverse range of infrastructure is organically integrated into logistics processes designed to facilitate the physical movement of materials and products. By applying management procedures for cross-functional and cross-organisational logistics coordination, logistics management directs the actions of the company's departments and its contractors towards achieving the conceptual objective of logistics. Logistics management, in terms of its strategic and operational goals and objectives (management of the procurement of material resources, production and sales of finished products), is closely linked to all functional components of enterprise management (investment, innovation, production, finance, information and human resources).

Logistics management involves the integration of logistics functions, processes, areas of activity and so on. Many of the enterprise's departments are involved in carrying out logistics functions: marketing, materials and technical supply, planning and economics, production, sales, finance, as well as transport and warehousing. Therefore, the logistics department or team must work closely with the company's various departments to manage logistics processes effectively. The integrative mission

of logistics alters the nature of the activities of individual functional departments and reorients the work of functional managers towards the integration of efforts [111, 112].

Establishing an effective system for managing logistics processes requires a clear understanding of their structure. As a rule, the following main subsystems are identified in business operations: procurement logistics, production logistics, sales logistics, transport logistics, warehousing logistics, information logistics, inventory logistics and service logistics. Procurement logistics aims to provide the enterprise with the necessary resources in the required quantities, of the appropriate quality, at the specified time and at a reasonable price. Production logistics organises flows within production, ensuring efficient capacity utilisation, process continuity and the minimisation of downtime. Distribution logistics ensures the delivery of finished products to consumers, the establishment of distribution channels and the provision of logistics services. Information logistics plays a distinct role, ensuring the collection, processing, transmission and storage of data on the movement of material and financial flows. Information forms the basis for management decisions regarding orders, deliveries, stock levels, production schedules and shipments. Without reliable information support, it is impossible to ensure coordination between different departments, or to reduce the risk of errors in the planning and execution of logistics operations.

The current development of agro-industrial production is characterised by a highly dynamic market environment, intensified competition, changes in the structure of demand, the transformation of product distribution channels, and increasing consumer expectations regarding product quality, safety, affordability and timely delivery. For agribusiness enterprises, these trends are of particular significance, as the specific nature of agricultural production necessitates the continuous flow of material, financial, information and goods from the producer to the end consumer [113, 114].

In such conditions, the efficiency of an enterprise’s operations is determined not only by production volumes and levels of crop yield or productivity, but also by its ability to establish an effective system of marketing management for logistics

processes and the sales network. This involves the need to move away from the traditional understanding of logistics as a set of operations involving the transport, storage and movement of products, towards an integrated management system that combines market research, demand planning, product range development, supply organisation, inventory management, warehousing, transport, the selection of distribution channels, communication with customers and the evaluation of the effectiveness of sales operations.

In the modern management paradigm, marketing and logistics should not be regarded as separate functional areas of a company's operations. Marketing shapes an understanding of market needs, identifies target segments, defines product policy and pricing guidelines, forecasts demand and establishes a system for interacting with consumers. Logistics ensures the physical movement of products, resources and information, creating the conditions for the implementation of marketing decisions. This is precisely why there is a direct functional interconnection between marketing and logistics activities. It is appropriate to define the marketing management of logistics processes as a systematic process of forming, organising, coordinating and controlling the flow of goods, materials, information and financial resources, based on the results of marketing analysis, with the aim of ensuring alignment between the enterprise's supply and the needs of target markets, whilst simultaneously optimising costs and improving the level of customer service [115].

This interpretation implies that the starting point for logistics management is not the act of production itself, but rather established or forecast demand. Accordingly, the logistics system of an agro-industrial enterprise must be geared towards ensuring the required volume of produce, of the necessary quality, in the right place, at the specified time and at economically justifiable costs. Conceptually, the marketing and logistics process can be represented as a sequence: 'market research → demand forecasting → production planning → organisation of product flows → inventory management → warehousing → transport → selection of distribution channels → product sales → after-sales interaction → analysis of results'.

An important feature of this approach is the presence of feedback. Data on

actual sales volumes, consumer behaviour, stock levels, product turnover rates, logistics costs and the profitability of distribution channels must be fed back into the planning system and used to adjust marketing and logistics decisions.

The logistics of an agro-industrial enterprise have a number of distinctive features linked to the seasonality of production, the biological nature of agricultural produce, the dependence of production outcomes on natural and climatic conditions, the irregularity of produce inflows, and the need for its prompt movement, processing or storage.

Unlike many industrial enterprises, where the production cycle may be relatively standardised, agricultural production depends to a large extent on the natural cycle. This complicates the synchronisation of production and demand. For example, the period of mass harvest of cereals, oilseeds or fruit and vegetable crops may not coincide with the period when they can be sold at the most favourable prices. Therefore, warehouse logistics becomes not only an operational function but also an important tool for managing market supply. It is advisable to structure the logistics processes of an agro-industrial enterprise along the following lines:

– supply logistics – supplying the enterprise with seeds, fertilisers, plant protection products, fuel, machinery, packaging materials and other resources;

– production logistics – coordinating material flows directly within the production and processing processes;

– warehouse logistics – receiving, sorting, storing, kitting and dispatching products;

– transport logistics – organising the movement of products and resources;

– distribution logistics – managing the movement of finished products to wholesalers, retailers and end consumers;

– information logistics – the provision of information to support the management of flows;

– export logistics – organising the international movement of products, documentary support, customs clearance and interaction with international partners.

For an agro-industrial enterprise, it is of fundamental importance to ensure the integration of all the elements listed above. Optimising a single logistics operation

without taking the overall system into account may fail to deliver the expected economic benefits. For example, reducing transport costs by using a cheaper carrier may increase delivery times and result in a loss of product quality. Similarly, increasing warehouse stock levels may reduce the risk of shortages, but at the same time lead to higher storage costs and an increased risk of product spoilage. Consequently, the criterion for optimisation should not be the minimisation of individual costs, but rather the maximisation of the overall performance of the logistics system, taking into account service levels, product quality, delivery speed and risks.

Consequently, the theoretical and managerial aspects of the development of logistics processes in business cover a wide range of issues related to the formulation of a logistics strategy, the establishment of an organisational structure for logistics management, the integration of logistics with other management functions, the digitalisation and innovative development of flow processes, risk management and ensuring sustainable development. The efficiency of logistics processes determines an enterprise's competitive position, its ability to respond promptly to changes in market conditions, to meet consumer needs, and to make optimal use of resources. This is precisely why logistics is now regarded as one of the key areas for improving management systems and the strategic development of enterprises across various sectors of the economy.

In turn, effective sales activities are a key component of a company's management system in modern market conditions, as it is sales that determine a company's ability to sell its products, ensure a stable income, and build mutually beneficial relationships with consumers and strategic partners. The development and management of a sales network encompasses a range of organisational, economic, marketing and logistical decisions aimed at creating optimal sales channels, identifying target markets, ensuring a high standard of customer service and maintaining the enterprise's competitiveness.

A company's distribution network is regarded as a combination of organisational structures, product distribution channels, customer communication

technologies, marketing tools and logistical support, all aimed at bringing the final product offering to market. It comprises both tangible and intangible elements that form an integrated management system capable of ensuring the efficient flow of goods from the manufacturer to the end consumer. Establishing a distribution network requires a comprehensive study of the market, consumer segmentation, an assessment of the competitive environment and the determination of the optimal channel structure [116, 117]. The concept of a distribution network reflects the process and mechanism of product distribution, including all activities related to the physical movement of goods, information exchange, service provision, communication support and the management of partner relationships.

Managing an enterprise's distribution network is a purposeful process of organising, planning, controlling and coordinating the movement of goods from the manufacturer to the end consumer through an extensive system of distribution channels. The theoretical foundations of the approach to forming a distribution network are based on the concepts of logistics, marketing, supply chain management, consumer behaviour and the theory of efficient markets. To determine the effectiveness of sales activities, it is important to identify the factors that influence their performance. These include the state of the commodity market, the structure of demand, the geographical location of distribution centres, the types of distribution channels, the level of information technology utilisation, staffing levels, the composition of the partner network and the logistics infrastructure. A generalised classification of factors influencing the formation of an enterprise's sales network is presented below (Table 1).

Table 1 – Classification of factors influencing a company's sales activities

Group of factors	Description
External economic	General economic situation, purchasing power, market conditions
Competitive	Level of competition, barriers to entry, availability of similar products
Marketing	Pricing policy, advertising support, brand positioning
Logistics	Warehousing capacity, transport infrastructure, delivery speed
Technological	ICT solutions, CRM systems, sales automation
Human resources and organisational	Staff professional competencies, incentive schemes, channel management

Source: compiled by the author.

A sales network management system involves selecting models for the of products. In business theory and practice, a distinction is made between direct, indirect and combined sales channels. Direct channels involve the manufacturer selling products directly to the consumer; indirect channels involve the use of intermediaries. Combined channels involve the simultaneous use of both of these approaches. The sales management system should be understood as the set of established organisational and legal frameworks through which the overall management of sales activities is carried out at all stages, as well as the economic levers employed to increase sales volumes and foster the enterprise's development on the basis of competitiveness. The key criteria for justifying the choice of distribution models at a systemic level are promotion costs, the speed of product delivery to the end consumer, market coverage, the level of control over pricing, and sales volumes. The development of sales channels requires the optimisation of logistics operations, which involves reducing the number of intermediaries and minimising the costs of transporting and storing goods.

An organisation's sales network management model is based on the principles of effectiveness, adaptability, systematic approach and optimisation. Effectiveness characterises the sales network's ability to deliver planned sales volumes and achieve market share. Adaptability reflects the system's level of flexibility in response to changes in economic and behavioural factors. Systematicity implies the coordination of all elements of the distribution mechanism and their integration in terms of information and logistics. Optimisation means striking a balance between sales volumes and the resources expended on ensuring distribution.

A system of economic indicators is used to assess the effectiveness of a company's sales activities. The most common of these are presented in Table 2.

Table 2 – Key performance indicators for a company's sales activities

Indicator	Characteristic	Method of assessment
Sales volume	Overall financial results of sales	Trends over time
Profitability of sales	Profit-to-sales-expenses ratio	Cause-and-effect analysis
Market coverage ratio	The company's share of the overall market	Marketing surveys
Inventory turnover rate	Time taken for goods to move from the warehouse to the customer	Logistics calculations
Average number of repeat purchases	Level of customer loyalty	CRM analysis

Source: compiled by the author based on [118].

Modern concepts of sales network management involve the widespread use of digital technologies, which enable the automation of sales processes for manufactured products, integration with marketing platforms, the generation of real-time management analytics, the development of e- -commerce systems, the implementation of omnichannel strategies and the strengthening of customer engagement [119]. At the same time, there are various options for organising sales within an enterprise, which suggests that the concepts of sales channels and distribution may be equated.

In today's environment, the sales management system is based on a combination of concepts, models and methods developed by the academic disciplines of marketing, logistics, behavioural economics, digital management and customer relationship management. It is regarded as an interdisciplinary field that brings together strategic planning, business process optimisation, consumer behaviour models, data management and technological infrastructure [120].

1. A marketing approach to sales management. The marketing approach is based on the concept of customer orientation. Sales are viewed not as the final stage of the production process, but as a mechanism for creating and delivering customer value. The main components of this approach include: market segmentation and the selection of target consumer groups; product positioning in line with consumer needs; the formulation of pricing, product, communication and distribution policies; and the integration of sales and marketing activities [121]. An important feature of this approach is its systematic nature, which is manifested in sales management through a comprehensive marketing mix (4Ps/7Ps), product life cycle analysis, the development

of sales systems tailored to specific segments, and the use of marketing analytics methods to forecast demand [122].

2. The logistics approach to sales activities. The logistics approach views sales as part of the supply chain and as a system for managing flows. Its basic principles are: optimising the physical movement of goods from the manufacturer to the consumer; minimising total logistics costs; integrating transport, warehousing, commercial accounting and service; and managing stock at the retail and distributor levels. This approach is based on the concept of the 'value of logistics services', where the key indicators are delivery speed, reliability, minimisation of stock shortages and surpluses, and the adaptability of logistics systems. It also involves the use of ABC/XYZ analysis tools, EOQ models, and methods for optimising warehouse and transport logistics.

Modern management theory views sales activities not as an isolated function, but as an integrated system combining marketing, logistics, finance and production. This approach is known as marketing logistics or distribution logistics. Marketing logistics is based on the application of a systematic, integrated approach to the production and distribution of agri-food products. It involves:

- the integration of marketing and logistics decisions – aligning pricing policy, product range and distribution channels with the capabilities of the logistics system;
- optimisation of supply chains – minimising costs for transport, storage and order processing whilst maintaining product quality;
- a consumer-focused approach – ensuring timely deliveries, complete orders, and reliable and flexible service;
- the use of digital technologies – CRM systems, ERP platforms, e-commerce and data analytics for demand forecasting and inventory management.

Research has shown that the logistics processes and sales activities of agricultural enterprises are closely interlinked, as commercial and physical distribution, storage, transport and product sales form a single, integrated value chain.

Managing an enterprise's marketing, sales and logistics strategy is becoming

not only a means of stabilising the operations of agricultural enterprises, but also a key factor in their competitiveness and sustainable development.

3.The concept of value chain management. The management of the distribution network is viewed as part of the system for creating value for the customer at every stage of the product's journey. Under Michael Porter's approach, all of the company's processes are divided into core and support processes: marketing and sales; logistics and service; technical support; and management infrastructure. Sales management aims to establish the shortest and most efficient route for goods to reach the customer, whereby each additional element must add value rather than increase costs. This concept aligns well with economies of scale, as well as Kaizen, Lean Supply and Just-in-Time systems.

4. A partnership (network) approach to sales activities. The latest trends in sales reflect a shift from a transactional sales model to a partnership model, based on long-term relationships between the manufacturer, intermediaries and customers. Key principles: cooperation with distributors and retail chains; collaboration on marketing, logistics, pre-sales and after-sales service; integration of partner companies' business processes; exchange of commercial information and demand data. The partnership approach helps to increase customer loyalty, reduce marketing costs and improve the quality of management decisions.

5. The CRM approach. In the context of digitalisation, sales activities are increasingly based on technological principles of the CRM approach involves: creating a unified customer database; recording the history of interactions with customers; building models to forecast repeat sales; and automating communications and personalising offers. CRM systems enable sales performance to be assessed not by aggregated indicators, but by metrics relating to each customer's behaviour, such as the churn rate, LTV (lifetime value), CAC (customer acquisition cost) and other analytical metrics.

6. A digital (omnichannel) approach to sales management. Omnichannel sales are based on the integration of traditional and digital sales channels: offline shops and retail outlets; online shops (e-commerce); marketplaces; mobile apps; social media; and last-mile logistics. The key features of the omnichannel approach are as follows:

unified pricing across all sales channels; a synchronised communications and branding policy; end-to-end tracking of goods and stock via ERP and CRM systems; and dynamic models for the reallocation of goods flows. Omnichannel sales ensure the best possible level of customer engagement and are considered one of the key trends in B2C and B2B sales systems.

7. A Big Data and data analytics-based approach. Sales management is increasingly based on algorithms that analyse large volumes of market and behavioural data. The following are utilised: machine learning for demand forecasting; customer clustering; price elasticity modelling; and buyer lifecycle analysis. The Big Data approach enables greater planning accuracy, reduces marketing costs, forecasts the profitability of sales channels, and builds automated real-time recommendation and communication systems.

8. A KPI-driven approach and sales performance metrics system. Sales management in the context of modern business is impossible without clear analytical metrics. The KPI system includes: market share; inventory turnover rate; sales plan fulfilment rate; conversion rate of potential customers to actual customers; and indicators such as and profitability by channel. The OKR and BSC methodologies are used for strategic sales planning and performance monitoring.

Among the current theoretical approaches, the concept of consumer value chain management stands out; this focuses on establishing the most efficient distribution channels whilst taking customer needs into account. The theory of marketing partnerships proposes viewing the distribution network as a system of long-term relationships with trade intermediaries, transport organisations and logistics operators. The concept of integrated logistics management aims to minimise logistics costs at every stage of the goods' movement [123, 124]. The choice of a distribution network management model must be based on economic justification. To this end, methods such as economic and mathematical modelling, function-cost analysis, business process mapping, ABC/XYZ analysis, SWOT analysis and risk assessment are applied. The use of such tools makes it possible to identify opportunities for cost reduction, determine the optimal configuration of distribution channels, increase

productivity and enhance the effectiveness of sales activities.

Sales network management involves the implementation of planning, organisation, control and regulation functions. Planning defines the parameters and objectives of sales policy; organisation encompasses the structuring of channels and the allocation of authority and resources; control assesses the effectiveness of achieving results; and regulation adjusts the system's parameters in line with changes in the market environment. The theoretical foundations for the development of distribution networks highlight the need for a comprehensive approach that takes into account organisational, economic, marketing and information factors, as well as the use of analytical tools to assess the effectiveness of a company's distribution activities [125].

In general, the managerial aspects of developing logistics and distribution processes within an enterprise are increasingly linked to the concept of supply chain management (SCM). This concept posits that an enterprise is not an isolated entity, but forms part of a network of interconnected organisations, each of which influences the final value of the product for the consumer. The task of management is to establish effective interaction between suppliers, manufacturers, logistics operators, intermediaries and customers, which requires the coordination of not only internal but also external logistics processes. The sales activities of an agro-industrial enterprise encompass a range of managerial and operational decisions relating to product sales, the development of distribution channels, the search for buyers, the establishment of contractual relationships, the organisation of deliveries, pricing policy and the monitoring of sales performance. In the traditional model, an enterprise often focuses primarily on finding a buyer for products that have already been produced. The marketing approach follows a different logic: first, the needs and characteristics of the target market are identified, after which product, pricing, logistics and sales policies are formulated.

The sales activities of an agricultural enterprise are regarded as a set of organisational and economic measures aimed at selling agricultural and processed products to end consumers or intermediaries with the aim of generating profit and

ensuring the enterprise's financial stability. In management theory, sales are traditionally regarded as the final stage of the production cycle; however, in the current market economy, sales activities are evolving into a tool for creating consumer value, building long-term relationships with customers and securing the enterprise's competitive advantages. For agricultural enterprises, sales activities have a number of specific characteristics related to:

- the seasonality of production – agricultural produce is produced at specific times of the year, which leads to an uneven flow of produce onto the market and necessitates the development of storage and sales strategies;
- the biological nature of the produce – many types of agricultural produce have a limited shelf life and require special transport and storage conditions (cold chain, humidity control, etc.);
- dependence on weather conditions – crop yields and product quality are largely determined by climatic factors, which complicates the planning of sales volumes;
- the high proportion of raw materials in exports – a significant proportion of Ukrainian agricultural produce is sold as raw materials (grain, oilseeds), which limits opportunities for adding value and branding;
- dependence on intermediaries – many agricultural enterprises operate through traders, wholesale buyers and processors, which reduces control over pricing and the end consumer;

Agri-food processing enterprises have somewhat different sales characteristics. This is because they work with finished food products, which have a longer shelf life and can be packaged, labelled and branded, opening up more opportunities for marketing differentiation and direct sales to end consumers. However, processing enterprises also face specific challenges:

- the need to ensure a stable supply of raw materials – processing requires regular deliveries of agricultural raw materials of the appropriate quality;
- strict requirements regarding product quality and safety – food products are subject to rigorous scrutiny by state authorities and require certification and

compliance with standards;

- competition from imports – the domestic market for processed products is saturated with imported goods, which puts additional pressure on prices;
- dependence on retail chains – a significant proportion of processed products is sold through large retail chains, which dictate the terms of cooperation.

In this context, the distribution network should be viewed as a set of interconnected channels, counterparties, intermediaries, infrastructure facilities and management procedures through which products are moved from the manufacturer to the end consumer.

An agribusiness enterprise may utilise the following channels:

– direct sales to the end consumer;

– sales via wholesale buyers;

– cooperation with retail chains;

– sales via distributors;

– e-commerce;

– contract supplies to processing plants;

– exports via trading partners;

– sales via specialised agricultural platforms;

– a combined multi-channel system.

The choice of a specific channel depends on the type of product, its shelf life, batch sizes, market geography, buyers' purchasing power, transport capabilities, the level of competition and expected profit margins.

Consequently, the marketing management of logistics and sales activities in today's environment requires a comprehensive approach that combines strategic planning, digital transformation, partnership-based cooperation and flexible methods of analytical decision support. The systematic application of various theoretical approaches enables the formulation of an adaptive sales policy, the optimisation of costs, the enhancement of sales channel efficiency and the assurance of the enterprise's sustainable development in the face of growing competition and a volatile market environment.

2. Methodological approaches to the integration of marketing and logistics-sales management

The development of scientific research in the field of logistics and a company's sales activities necessitates the use of comprehensive methodological approaches that enable a thorough assessment of the processes, phenomena and patterns governing the functioning of logistics systems and sales networks. Management methodology is based on the integration of economic, managerial, marketing, systems and information theories, which ensures the formation of a coherent scientific platform for the development of effective solutions. Research into logistics and distribution in the current environment must take into account the multifactorial nature of the market environment, the need to optimise resources, balance the interests of supply chain participants, enhance customer focus, and address current trends in digitalisation.

The methodological basis for formulating management decisions in the field of logistics and sales involves considering such key elements as the object of study (logistics and sales processes), the subject of study (patterns and mechanisms for managing flows of resources and goods), the research objectives (improving efficiency, minimising costs, optimising service) and the toolkit (analytical methods, forecasting methods, mathematical modelling, marketing and organisational approaches) [126]. Traditionally, logistics as a scientific discipline is based on a systems approach, according to which logistics processes are regarded as elements of an integrated enterprise structure that interacts with the external environment and is capable of adaptation. An organisation's logistics system can also be represented as a corresponding hierarchical structure: the first level of decomposition comprises subsystems and modules; the second comprises logistics technologies; the third comprises business processes; followed by logistics functions; and the lowest level comprises logistics operations.

It is precisely this systems approach that enables the identification of internal interrelationships between individual departments, the stages of supply, order processing,storage and dispatch of goods, as well as the assessment of sales effectiveness in terms of overall business results.

An important component of the methodology is the use of a comprehensive approach, which involves combining various methods of scientific inquiry to form a comprehensive analysis of logistics and sales processes. This comprehensive approach involves synthesising technical, economic, organisational, marketing and financial assessments, which enable well-founded decisions to be made regarding the improvement of mechanisms for managing goods flows and sales [127]. To a certain extent, conducting a logistics audit will facilitate research into and the assessment of various operational aspects of the organisation within the enterprise's logistics system.

The study of strategic aspects of the organisation within the logistics system primarily involves the use of the following classical (traditional) strategic tools: SWOT analysis; the product life cycle concept; the BCG matrix; the BCG ABB model; the value chain concept; Porter's sector model; the Pareto chart; the enterprise's logistics profile; and the 4M (fishbone) diagram. The management of logistics processes and sales from a scientific methodological perspective involves the application of supply chain theory, which regards sales as the final link in the integrated flow of goods from the manufacturer to the end consumer.

The theoretical principles of supply chain management involve the study of material, information, financial and service flows, as well as various models of interaction between market participants: manufacturers, suppliers, logistics operators, distributors, trade intermediaries and end customers. In contemporary logistics research, the process-based approach is widely used; this is based on viewing logistics and sales operations as interrelated processes, each of which has its own indicators, objectives and outcomes. The process-based approach enables the structuring of logistics functions and their optimisation by identifying 'bottlenecks', redundant operations or unjustified expenditure of time and resources. The application of this approach is an important component of the praxeology of management.A general classification of scientific methods used in research into logistics and a company's distribution activities, their specific applications and typical results are presented in Table 3.

Table 3 – Classification of scientific methods in research into logistics and a company's sales activities

Group of methods	Content and characteristics of application	Typical results
General scientific	Used for a systematic analysis of the problem and for defining the object and subject of the study	Formulation of theoretical propositions, a system of concepts and definitions
Economic and statistical	Analysis of indicators relating to the movement of goods, material flows, costs and logistics coefficients	Identification of patterns, trends and deviations
Structural and functional	Study of the internal organisation of logistics processes and the functions of sales departments	Development of management models and diagrams
Comparative	Analysis of approaches and practices across different organisations, countries and sectors	Justification of the advantages of specific logistics models
Modelling and forecasting	Development of mathematical and economic models of the movement of resources and goods	Optimisation of distribution channels, minimisation of costs
Expert	Assessment of the professional judgements of specialists, logistics managers and partners	Identification of risks and development priorities
Management decision-making methods	SWOT, PEST, GAP, ABC analysis, scenario planning methods	Formulation of a sales strategy

Source: compiled by the author based on [126–129].

The development of various methodological approaches in logistics and sales research has largely led to the emergence of improved and new management concepts, amongst which the customer-oriented approach is particularly noteworthy. According to this approach, the key objective of logistics and sales operations is to ensure maximum customer satisfaction through product availability, service quality, prompt delivery and the personalisation of the offering. The scientific value of the customer-oriented approach lies in the integration of marketing and logistics mechanisms, which enables an increase in customer loyalty and the creation of long-term competitive advantages.

A key methodological tool in modern management is the use of statistical methods and economic-mathematical models. In the field of logistics, this is reflected in the calculation of optimal stock levels, the analysis of transport routes, sales forecasting and cost minimisation. The application of such methods enables the substantiation of quantitative decisions that enhance the effectiveness of logistics strategies. The most common methods include linear programming, the use of total

system cost indicators, supply scenario modelling and the analysis of supplier selection options.

Marketing analysis methods occupy a special place in the methodology of sales research. These include market segmentation, product positioning, consumer behaviour research, assessment of the competitive environment and demand forecasting. Marketing research enables the effectiveness of various distribution channels to be determined, their performance to be analysed, and combined sales models to be developed. The methodological framework for scientific research in the field of logistics and sales also includes strategic approaches relating to the planning, implementation and monitoring of product promotion strategies. Strategic analysis of sales systems is carried out on the basis of SWOT analysis, PEST analysis and Porter's Five Forces analysis. It is these tools that enable the assessment of the business environment and the identification of strategically important areas for improving the efficiency of logistics and sales.

Contemporary research in the field of logistics is structured using the concept of causal analysis, which allows for a clear distinction between the causes and consequences of problems in logistics chains. This approach is particularly important when addressing issues such as delivery delays, warehouse overloading, losses and shortages of goods, inefficient organisation of transport processes and poor service quality. The use of business process modelling plays a significant role in the methodology of managing logistics and distribution systems. Thanks to this tool, researchers are able to describe and visually represent the functioning of logistics elements and distribution channels, optimise delivery routes, draw up stock replenishment schedules, and analyse delivery and forwarding cycle times.

In the context of digital transformation, methods of big data analysis, machine learning and other data science tools are becoming particularly important. They enable greater accuracy in demand forecasting, the automation of routine operations, dynamic inventory management, the optimisation of transport routes in real time, and the analysis of customer behaviour and sales performance.

A separate area of methodological research in logistics and sales concerns the

application of the concept of knowledge management. This approach enables the creation of knowledge bases on customers, suppliers, markets and logistics processes, thereby optimising decision-making. Knowledge management contributes to the development of innovation within the logistics and sales system, the shaping of corporate culture and the enhancement of an organisation's flexibility.

Risk management in logistics and distribution systems is another important methodological component. A risk management system involves identifying risks, analysing their probability, assessing potential consequences and developing mitigation tools. The risk management methodology is based on the use of matrix models, scenario analysis, variation statistics and fuzzy set theory. On this basis, various models are used to optimise logistics processes and sales activities (Table 4).

Table 4 – Models used to optimise logistics processes and sales activities

Model	Essence of the model	Research objective	Results of application
EOQ (Economic Order Quantity)	Calculation of the optimal purchase batch size	Reduction of logistics costs	Minimisation of inventory holding costs
ABC/XYZ analysis	Segmentation of products or customers	Product range management	Setting sales priorities
Routing of transport flows	Delivery optimisation	Transport planning	Reducing logistics costs
SCM model	Supply chain management	Coordination of supply and sales processes	Increasing the speed of goods turnover
CRM analytical models	Demand forecasting, behavioural marketing	Sales strategy	Increasing customer conversion rates

Source: compiled by the author.

Table 5 shows a typical structure for conducting empirical research into logistics and sales processes within an organisation.

Table 5 – Typical structure of an empirical study of logistics and distribution processes at an enterprise

Research stage	Scope of work	Expected outcome
Statement of the problem	Identification of logistical bottlenecks	Setting objectives
Data collection	Analysis of processes and indicators	Statistical data set
Diagnosis	Identifying the causes and consequences of problems	Informational conclusions
Decision modelling	Building optimisation models	Options for improvement
Formulating recommendations	Summary of results	Proposals for management
Monitoring	Assessment of decision implementation	Performance monitoring system

Source: compiled by the author.

Contemporary scientific research into distribution and logistics systems involves an interdisciplinary approach combining economics, management, marketing, information technology, operations management and sociology. This makes it possible to identify patterns in the behaviour of participants in logistics chains and to evaluate the effectiveness of distribution strategies not only from an economic perspective, but also from organisational and behavioural standpoints.

Thus, the scientific value of the methodology for researching logistics and distribution in management lies in the ability to develop practice-oriented recommendations capable of ensuring a comprehensive improvement in the efficiency of enterprises. Methodological approaches enable the formulation of theoretical foundations for developing programmes to improve logistics infrastructure, optimise warehouses, develop multi-channel sales systems, or introduce modern digital platforms for logistics automation. Methodological approaches in management to conducting scientific research in the field of logistics and sales combine a systematic, comprehensive, customer-oriented, innovative and analytically sound approach. Scientific research in this field must be based on the application of a broad range of tools, encompassing mathematical, economic, marketing, process-based, strategic and information-based methods. This enables all elements of a company's logistics and sales activities to be assessed with a high degree of accuracy, problems to be identified, alternative solutions to be formulated, and the competitive resilience of business entities to be enhanced in a changing market environment.

The integration of marketing and logistics involves the creation of a unified system for managerial decision-making. The need for this stems from the fact that marketing decisions directly influence a company's logistical workload. For example, expanding the geographical scope of sales may increase sales volumes, but at the same time will require additional warehousing capacity, transport resources and insurance. Expanding the product range will help meet diverse customer needs, but will increase the complexity of inventory management. Implementing a fast-delivery policy may improve service levels, but will require optimisation of the transport network.

This is precisely why marketing and logistics decisions should not be assessed in

isolation, but through a system of interrelated indicators. The main criteria for integrated management may include: total logistics costs; costs per unit of goods sold; duration of the logistics cycle; order fulfilment rate; stock turnover; product wastage rate; proportion of on-time deliveries; average delivery time; sales channel margins; proportion of repeat purchases; customer satisfaction levels; and the profitability of individual market segments.

It is particularly important to assess not only the overall sales performance but also the economic efficiency of each channel. The channel that generates the highest sales volume is not necessarily the most profitable, as servicing it may entail significant transport, warehousing, marketing and commission costs.

The effectiveness of marketing-led management of logistics processes depends to a large extent on the organisation's structure. A fragmented division of responsibilities between the procurement, production, marketing, logistics, sales and finance departments can lead to a conflict of functional objectives. For example, the procurement department may seek to minimise the purchase price as much as possible, whilst the logistics department is interested in the stability of supplies, the marketing department in a wide product range, and the finance department in minimising working capital. In the absence of a single coordination centre, this can lead to the adoption of mutually contradictory decisions.

It is therefore advisable to build the organisational mechanism on the following principles: unity of strategic objectives; cross-functional coordination; clear delineation of powers and responsibilities; transparency of information flows; use of common KPIs; prompt data exchange; focus on the end consumer; risk management; and continuous process improvement. An important area is the creation of cross-functional teams comprising representatives from marketing, logistics, sales, finance, production and the information and analytics department. This model allows market issues to be addressed holistically and reduces the time taken to make management decisions.

Digital transformation is creating fundamentally new opportunities for managing logistics and sales in agribusiness enterprises. Modern information systems

enable the integration of data on production, stock, orders, transport, customers and financial results. The most important digital tools include ERP systems, CRM systems, WMS solutions for warehouse management, TMS transport management systems, business analytics systems, electronic document management, digital trading platforms and demand forecasting technologies.

The use of artificial intelligence and machine learning is of particular importance. Their potential can be harnessed in demand forecasting, determining optimal stock levels, assessing supply risks, optimising routes, customer segmentation and identifying anomalies in logistics operations. For agribusinesses, a promising approach is to combine digital management systems with precision farming technologies, production process monitoring, GPS-based transport tracking, temperature control systems and digital platforms for interacting with customers.

Thus, digitalisation facilitates the transition from a reactive management model to a proactive one, in which a company not only responds to changes in demand but also forecasts them.

Agribusinesses operate in an environment characterised by a range of risks: natural and climatic, operational, price-related, currency-related, transport-related, financial, political, military and market-related. The management of logistics and sales risks must involve their identification, assessment, determination of criticality, the development of preventive measures and continuous monitoring.

Diversification is of particular importance. It is advisable for an enterprise to avoid excessive dependence on a single buyer, a single supplier, a single transport route or a single market. A multi-channel sales model allows risks to be spread across different segments. In wartime conditions, it is advisable to establish alternative logistics routes, reserve storage capacity, alternative suppliers, insurance mechanisms, digital systems for real-time monitoring, and response scenarios for supply disruptions.

Taking into account the provisions discussed, a conceptual model of marketing management of logistics processes and the distribution network of an agro-industrial enterprise can be presented as the interaction of six functional blocks:

1. Analytical unit – research into the market, competitors, consumers, prices, demand and the logistics environment.

2. Strategic unit – defining target markets, sales priorities, logistics strategy and long-term objectives.

3. Planning and organisation unit – planning of production, stock, transport, warehousing and sales.

4. Operational unit – carrying out procurement, production, warehousing, transport and sales operations.

5. Information and digital module – ensuring information integration and the use of digital technologies.

6. Monitoring and analysis module – evaluating KPIs, identifying deviations, analysing channel profitability and adjusting management decisions.

The model should operate on the basis of the principle of feedback: the results of product sales and the functioning of the logistics system should be used to adjust the marketing strategy, production plans and the parameters of the distribution network.

In summary, it can be noted that the marketing management of logistics processes and the distribution network should be viewed as a strategically oriented system capable of ensuring economic efficiency, market adaptability, logistical stability and long-term competitiveness for an agro-industrial enterprise. It is precisely the integration of marketing and logistics solutions that creates the conditions for a transition from the simple movement of agricultural produce to the targeted management of its flow, the creation of value and the establishment of sustainable relationships with players in the agricultural market. An effective marketing and logistics system must ensure not only cost reduction but also the creation of consumer value through timely deliveries, consistent quality, product availability, flexible distribution channels and a high standard of customer service.

A promising area for development is the digitalisation of management processes, the use of ERP, CRM, WMS and TMS systems, analytical platforms, artificial intelligence technologies and demand forecasting. At the same time, it

remains important to build a diversified sales network that combines direct and indirect sales channels, domestic and international markets, and traditional and digital forms of interaction with customers.

3. Analysis of marketing activities of the logistics and sales management system under martial law

The current conditions for the functioning of business entities are characterized by a high level of instability of the economic environment, structural changes in commodity markets, transformation of consumer demand, increased competition and a significant increase in logistical risks. For Ukrainian enterprises, these trends have become particularly acute as a result of the full-scale war, which led to the destruction of production and transport infrastructure, disruption of established supply chains, restrictions on access to certain markets, shortages of certain types of resources, price fluctuations, reduction in effective demand and the need for an urgent review of marketing and sales strategies.

Under such circumstances, the marketing activities of the enterprise cease to be exclusively a tool for stimulating sales and acquire a complex strategic nature. Its functional purpose is expanded by providing information support for management decisions, forecasting changes in market conditions, searching for alternative supply and sales channels, forming stable relationships with partners, minimizing commercial risks and ensuring the adaptability of the enterprise to the action of external threats. Accordingly, the system of management of logistics processes and sales should be considered as an integrated component of marketing management, within which market research, demand management, procurement planning, transportation, warehousing, product distribution and communication activities are combined.

This issue is of particular relevance for agro-industrial enterprises. Their functioning largely depends on the seasonality of production, the territorial remoteness of suppliers and consumers, the need to transport significant volumes of raw materials and finished products, dependence on fuel and energy resources and foreign trade infrastructure. The war additionally increased the dependence of the agricultural sector on the state of automobile, railway, port and warehouse systems, as well as on the

availability of export routes. Under such conditions, a comprehensive analysis of the marketing activities of the logistics process management system and sales is necessary, which involves identifying the main changes in market behavior, assessing the effectiveness of distribution channels, identifying logistical constraints, studying the transformation of customer behavior, analyzing pricing policy, evaluating digital marketing tools and identifying areas for increasing the sustainability of the enterprise.

With the development of market relations and the strengthening of globalization processes, the problem of logistics costs is becoming more acute, in particular in Ukraine. In the structure of the total costs of the enterprise, storage, transportation, inventory management, order processing occupy a significant share. The developed theoretical and managerial approaches to the development of logistics processes involve finding a balance between minimizing costs and ensuring the required level of service. An important tool is the concept of "total logistics costs", according to which decisions cannot be evaluated in isolation, but should be analyzed from the standpoint of their impact on the total costs of the entire logistics system.

The logistics activities of enterprises in modern conditions are characterized by multi-level challenges associated with changes in the external environment, the transformation of market relations and the increase in risks. In Ukraine, these processes are particularly specific, since the functioning of logistics systems takes place in conditions of prolonged martial law, which causes significant restrictions on the mobility of resources, infrastructure capabilities and economic stability. As a result, the management of logistics processes acquires new functional characteristics that require a rethinking of strategic approaches, tools and management methods [130, 131]. Management decisions in the field of logistics are also aimed at the development of the logistics infrastructure of the enterprise. This concerns the modernization of warehousing, the introduction of racking systems, automated accounting of warehouse operations, the use of lifting and specialized transport, and the improvement of delivery routes and schedules. For enterprises operating in regions with a difficult transport and logistics situation, an important task is to choose the optimal combination of their own and outsourced logistics infrastructure, and to involve 3PL and 4PL operators.

During the period of military aggression, logistics becomes not only an economic category, but also an element of national security, since its effectiveness determines the ability of enterprises to maintain production potential, ensure the supply of critical resources and maintain trade in regions with different levels of risk. Therefore, logistics management in wartime conditions integrates economic, organizational, operational and security aspects, forming a new model of enterprise functioning [132].

One of the characteristic features of the modern logistics environment is a sharp increase in the level of uncertainty. Military actions have caused disruption of the stability of the transport infrastructure, changes in the functioning of ports, railway junctions, warehouses, and customs checkpoints. Some logistics routes have been blocked or completely lost, which required enterprises to urgently review the system of flow operations [133]. In these conditions, the key changes were: a shortage of transport capacity in a number of regions; an increase in the cost of logistics due to increased risk, insurance, and the need for bypass routes; a change in the geography of trade flows and a reorientation to Western channels; a transition to multi-format transport systems combining road, rail, and sea transportation; the emergence of new logistics services related to temporary storage, asset relocation, and humanitarian supply management. Given these factors, enterprises are forced to form adaptive logistics strategies that ensure resilience to external threats and maintain the efficiency of supplies.

Of particular importance are the issues of risk management in logistics processes. In business activities, logistics faces a number of risks: supply disruptions, transportation delays, cargo damage, fluctuations in fuel and transport prices, changes in customs and tariff conditions, force majeure [133, 134]. A practical approach involves identifying such risks, assessing their probability and possible consequences, developing measures to prevent and minimize them. In this context, insurance of logistics risks, diversification of suppliers and transport routes, and creation of reserve stocks at critical points in the supply chain play an important role.

Currently, a significant part of Ukraine’s transport infrastructure has been

damaged – destroyed bridges, roads, railways, seaports, logistics hubs. This has radically changed the conditions for logistics management and led to the emergence of a new type of logistics environment – an environment of increased risk with partial unpredictability of functioning [135]. The destruction of infrastructure has created the following trends: increased delivery times, uneven transportation volumes; the need to create alternative logistics routes; increased load on rail and road transport; the formation of temporary logistics corridors to ensure critical supplies; increasing the importance of international cooperation with EU countries in the field of cross-border logistics.

In the context of infrastructure destruction, enterprises have begun to more actively implement digital technologies for route management, delay prediction, risk assessment, and online monitoring of goods movement. Modern management approaches are based on the widespread use of information and communication technologies: enterprise resource planning systems (ERP), warehouse management systems (WMS), transport systems (TMS), customer relationship management (CRM), and electronic data interchange (EDI) [136]. The use of such systems allows for transparency of logistics processes, operational control, reduction of the human factor, and increased planning accuracy. Prerequisites are being formed for the implementation of "smart logistics" concepts, where analytical platforms, big data, cloud services, and the Internet of Things play a significant role.

Despite the martial law, management is actively penetrating Ukrainian enterprises, including those in the agricultural sector. Entrepreneurs are interested in using its main achievements, since this allows achieving a harmonious structure of the organization in structural terms, reducing the labor intensity of management work, optimizing the number of management staff, strengthening managerial influence, and focusing the efforts of all employees on achieving the set goals. The activities of the leaders of the new formation - managers - are becoming increasingly important in organizations. It is these categories of employees who contribute to the establishment of the enterprise in the market, success in competition, the implementation of new ideas and effective strategies. A well-trained manager who has extensive knowledge in the

field of modern economics and management, the basics of information and computer technologies, and business communication techniques with domestic and foreign partners can ensure the success of the organization, its innovative development, and a favorable investment climate. Organizational management built on the principles of modern management is characterized, on the one hand, by stability in obtaining high economic, technological, social and other results, and on the other hand, by high dynamics of positive changes.

The marketing environment of an enterprise is a set of internal and external factors that determine the capabilities of a business entity to form demand, ensure the supply of resources, produce, promote and sell products. In peacetime, a significant part of such factors can be characterized by relative predictability, which allows enterprises to use traditional methods of strategic planning. In conditions of martial law, predictability is significantly reduced, and the planning horizon is shortened.

One of the main characteristics of the modern marketing environment is the high variability of demand. Changes in incomes, migration processes, territorial relocation of enterprises, changes in the employment structure, reduced consumption of certain categories of goods and simultaneous growth in demand for essential products lead to the need for constant market monitoring. Enterprises can no longer rely solely on historical sales data, since previous patterns do not always persist in conditions of sharp changes in the economic environment.

Another important factor is the change in the geography of markets. Some enterprises were forced to reorient themselves from the local or regional market to other territories of Ukraine or foreign markets. For agricultural producers, such a transformation became especially important due to the need to find alternative export routes. As a result, the marketing function of the enterprise began to encompass not only the study of the end consumer, but also the search for new partners, traders, distributors, logistics operators and international counterparties.

The war also changed the relationship between the criteria for selecting suppliers and buyers. While in stable conditions the key criteria may be price, quality and speed of delivery, in conditions of war the reliability of the partner, geographical

diversification, the ability to ensure continuity of supplies, financial stability and the availability of backup channels become increasingly important. This means that marketing analysis should include an assessment not only of the market attractiveness of counterparties, but also of the risk of interaction with them.

An important feature of the marketing environment is the increasing role of the information factor. The speed of obtaining information about price changes, the availability of transport routes, restrictions on border crossings, the state of infrastructure, changes in legislation and the behavior of competitors directly affects the quality of management decisions. As a result, the marketing information system must operate in a practically constant monitoring mode. The war also contributed to the strengthening of the role of reputational factors. For many consumers and partners, the social responsibility of the enterprise, support for employees, participation in humanitarian programs, transparency of the origin of products and compliance with ethical standards have become important. This creates new requirements for marketing communications, corporate positioning and sales activities.

In the theory and practice of agricultural management, several models of sales activities are distinguished:

1. Raw material model. The enterprise focuses on the production and sale of raw materials (grain, oilseeds, sugar beets) through traders and exporters.

Advantages: ease of sales organization; access to international markets through traders; minimal requirements for processing and packaging.

Disadvantages: low margins; dependence on world prices for raw materials; limited opportunities for forming your own brand.

2. Processing model. The enterprise invests in processing raw materials and sells finished products (oil, flour, sugar, meat and dairy products).

Advantages: higher added value; possibility of brand building; greater control over pricing. Disadvantages: higher investment requirements; need for certification and compliance with standards; dependence on retail chains.

3. Integrated model. The enterprise combines raw material production, processing and direct sales to end consumers.

Advantages: maximum added value; full control over the value chain; the ability to build a strong brand.

Disadvantages: high investment requirements; the need to develop your own sales infrastructure; complexity of management.

4. Cooperative model. Several small and medium-sized enterprises unite to jointly market products, build a brand, and access large markets.

Advantages: economies of scale; shared access to logistics infrastructure; ability to enter large markets.

Disadvantages: the need for coordination between participants; risks of conflicts of interest; complexity of management.

At the current stage of the formation of a market economy, quite complex problems arise, the solution of which largely depends on the professional training and ability of managers and chief specialists. The high dynamism of the elements of the external environment, rapid and often unexpected changes in socio-economic processes cause the need to use innovative technologies for organizing management processes, computer technology, information communication tools, modernization of management structures and principles of subordination, diagnostics of the economic state and decision-making in conditions of private property, risk and competition, development and implementation of an anti-crisis strategy in the enterprise [137, 138]. The transition to a market multi-structure economy in the agricultural sector requires demonopolization and fundamental changes in the structure of various forms of ownership, which will inevitably cause certain changes in the production management system. In turn, contradictions may arise between the managing and managed systems. At the same time, the role of management is increasing, since it must provide a targeted socio-economic impact on groups of workers for the organization and coordination of activities. Only under such conditions will the prerequisites be created for achieving quantitative and qualitative parameters of the development of various organizational structures engaged in agricultural production.

It is advisable to consider the management of logistics processes and sales not as a set of isolated functions, but as an integrated system aimed at ensuring compliance

between the production capabilities of the enterprise, market needs and the possibilities of physical movement of products. In the traditional model, marketing determines the characteristics of the target market, forms product, price and communication policies, while logistics ensures the physical movement of material flows. However, in modern conditions, such a functional distinction becomes insufficient. Decisions on the formation of the assortment directly affect warehouse needs, transportation costs and delivery times. Pricing decisions depend on the cost of logistics services. The choice of sales market is determined by the availability of appropriate transport routes. Therefore, marketing and logistics must function within a single system.

An integrated marketing and logistics system can be represented by the following interconnected blocks: market research; demand forecasting; procurement management; inventory management; production planning; warehouse logistics; transport logistics; sales channel management; pricing policy; marketing communications; service; information and analytical support; risk assessment. The client is at the center of such a system. It is his needs that determine the parameters of the product offer, the level of service, requirements for delivery terms and an acceptable price level. At the same time, customer satisfaction must be balanced with the economic capabilities of the enterprise. Excessive reduction of delivery times, for example, can lead to a sharp increase in transportation costs, and excessive accumulation of inventories can lead to the freezing of working capital. In conditions of martial law, the function of ensuring stability is added to the specified system. Its content is to form the ability of the enterprise to continue key operations even in the event of partial disruption of supply chains, loss of individual suppliers, blocking of transport routes or a sharp change in demand.

The logistics activity of an enterprise covers a complex of processes related to the movement of material, commodity and information flows from the supplier to the end consumer. The efficiency of these processes determines not only the level of costs, but also the competitiveness of the enterprise. Under martial law, transport logistics has undergone the most significant changes. Violations of individual routes, restrictions on the operation of ports, increased fuel costs, shortages of vehicles,

increased delivery times and the need to use alternative routes have led to an increase in the logistics component of the cost of products. An indicator of the efficiency of the logistics system can be the logistics cost ratio:

$$K_{lv} = V_l / R_p \times 100, \quad (1)$$

where V_l is the total logistics costs of the enterprise;

R_p – revenue from product sales.

The growth of this indicator indicates an increase in the logistical burden on the enterprise. At the same time, its interpretation should take into account the specifics of the industry, since for enterprises with a large share of the transport component, a higher level of logistical costs is natural.

An equally important indicator is the average duration of the logistics cycle. In conditions of martial law, its increase may be associated with the need to use alternative routes, undergo additional control procedures, wait for transport and accumulate products in intermediate warehouses. Reducing the logistics cycle under such conditions can provide the enterprise with a competitive advantage, especially for goods with a limited shelf life. Inventory management is of particular importance. Before the start of a large-scale war, enterprises often focused on minimizing inventory balances, using just-in-time principles. In conditions of high risks, excessive focus on minimum inventories can create a threat of production shutdown. Therefore, enterprises are forced to form safety stocks of critically important resources. Inventory optimization involves determining a level sufficient to ensure business continuity, but not such that creates excessive freezing of financial resources. It is especially important to identify critical groups of resources for which it is necessary to have alternative suppliers and reserves.

For export-oriented enterprises, multimodal transportation schemes have become widespread, in which products are sequentially moved by road, rail and sea transport. This approach allows to compensate for the limitations of individual modes of transport, but at the same time increases the complexity of coordination and the overall duration of the logistics cycle. An important area of analysis is the assessment

of logistics costs. These include transportation costs, loading and unloading costs, warehousing, insurance, customs clearance, forwarding, packaging and information support. In conditions of instability, it is necessary to analyze not only the absolute amount of such costs, but also their share in the cost price and sales revenue.

Thus, the export of agri-food products remains one of the key sources of foreign exchange earnings for Ukraine (Table 6).

Table 6 – Dynamics of Ukrainian agri-food exports (2024–2025)

Indicator	2024 year	2025 year	Change, %
Export volume, million tons	78.3	~72.0	-8.0
Export value, billion $	24.5	22.53	-8.8
EU share, %	52.0	47.5	-4.5

Source: compiled based on data from the Ministry of Economy.

According to the Ministry of Economy, in 2024, Ukraine exported 78.3 million tons of agricultural products for $24.5 billion, which corresponded to the pre-war level. However, in 2025, there was a decrease in exports. In the first half of 2025, exports of agri-food products amounted to $11.3 billion, which is 9% less than in the same period in 2024. For the whole of 2025, exports decreased by 8.8%, reaching $22.53 billion.

The main regions of sales of Ukrainian agricultural products in 2025 remained: the European Union - $10.7 billion (47.5% of total exports); the Middle East - $4.4 billion; the African continent - $2.8 billion; Southeast Asia - $1.7 billion.

The top three importers of Ukrainian agricultural products in 2025 look like this: Turkey - $1.445 billion (13% of total exports); Spain - 8%; Egypt, the Netherlands, Italy, Poland - about 20%. A characteristic feature of 2025 was a decrease in the volume of supplies of raw materials and finished food products to the world market, as well as a reduction in the EU's share from 52% to 47.5%. At the same time, supplies to Asia (India, China, South Korea, Indonesia, Bangladesh, Vietnam) and sub-Saharan African countries increased. Ukraine received the most cash income from the sale of sunflower oil, corn and wheat. These three crops traditionally form the basis of Ukrainian agricultural exports.

The product distribution system in the classical sense involves the delivery of finished products from the manufacturer to the end consumer through various product

promotion channels. The following main distribution channels are typical for agricultural enterprises in Ukraine:

1. Direct sales to processors. Grains, oilseeds, sugar beets, milk and meat are often sold directly to processors under long-term contracts. This channel provides stability of sales but limits pricing options.

2. Sales through traders and exporters. A significant portion of grain and oilseeds is exported through large traders (Cargill, ADM, Louis Dreyfus, etc.) who have their own logistics infrastructure and access to international markets.

3. Wholesale markets and elevators. The domestic market is characterized by sales through wholesale markets, elevators, and temporary storage warehouses. This channel is often used to sell surplus products.

4. Retail chains and retail. Processed products (oil, flour, sugar, meat and dairy products) are sold through retail chains (ATB, Silpo, Megamarket, etc.). This channel requires high quality, packaging, labeling, and stable supplies.

5. Direct sales to consumers. More and more agricultural enterprises are developing direct sales through their own stores, online platforms, farmers markets and social networks. This channel allows for higher margins, but requires significant investments in marketing and logistics.

6. Government procurement and humanitarian aid. Under martial law, some products are sold through government food security programs, procurement for the Armed Forces of Ukraine, and humanitarian aid.

7. Export contracts. Direct contracts with foreign buyers, often through international trading platforms. This channel requires certification, compliance with international standards, and reliable logistics.

Since March 2022, railways, roads, as well as river ports on the Danube (Izmail, Reni) have begun to play a key role in the transportation of grain. This has created new logistics corridors, but has also led to an increase in transportation costs. In conditions of martial law, the supply system must be characterized by a high level of diversification. Dependence on one supplier or one region creates additional risks. Therefore, it is advisable for enterprises to form a portfolio of suppliers, distributing

purchases between several counterparties.

The selection of a supplier should be carried out according to a system of criteria, which include price, quality, reliability, stability of supplies, territorial accessibility, financial condition, transport accessibility and the ability to quickly adapt to changes. In conditions of martial law, it is necessary to add to this list an assessment of the risk of the supplier's physical location, its dependence on critical infrastructure and the availability of reserve production capacities. The use of a multi-criteria approach allows you to move from evaluating the supplier at the lowest price to determining the overall economic efficiency of cooperation. For example, a supplier with a lower product price may be less profitable if it has high transportation costs, unstable delivery times or an increased risk of supply interruption.

Supplier relationship management should include regular monitoring of contractual obligations, analysis of deviations from delivery schedules, quality control, assessment of price dynamics and forecasting of potential risks. It is advisable to use ABC-XYZ analysis. ABC analysis allows you to allocate resources according to their importance to the enterprise, and XYZ analysis - according to the stability of consumption. The combination of these methods allows you to identify resources for which it is necessary to apply the most stringent control and reservation mechanisms.

Sales activity is the final link in the logistics cycle and is directly related to the formation of the enterprise's income. In conditions of martial law, the sales system is simultaneously affected by changes in demand, a reduction in the solvency of certain categories of consumers, territorial fragmentation of the market and the complication of delivery. One of the main trends is the diversification of sales channels. Enterprises seek to reduce dependence on one channel by combining direct sales, work with distributors, retail chains, electronic platforms and export partners.

To assess the effectiveness of sales channels, it is advisable to use the following indicators: sales volume; rate of change; channel share in total sales; marginal revenue; channel maintenance costs; average sales cycle length; return rate; share of repeat purchases; accounts receivable.

Of particular importance is the analysis of the marginal efficiency of a single

channel. The channel with the largest sales volume is not necessarily the most efficient if it is characterized by significant discounts, high logistics costs or long settlement times. In an unstable market, it is also important to assess the concentration of sales. Excessive dependence on one large customer creates commercial risk. Therefore, it is advisable for enterprises to control the share of the largest buyers in the total sales volume and form a diversified customer base.

In the conditions of a full-scale war, Ukrainian agricultural and processing enterprises are facing a number of serious problems in the field of sales:

1. Destruction of logistics infrastructure. A significant part of Ukraine's transport infrastructure has been damaged - bridges, roads, railways, seaports, logistics hubs have been destroyed. This has led to: increased delivery times; increased logistics costs; the need to create alternative routes; increased load on railway transportation.

2. Changing geography of sales markets. The blockade of Black Sea ports and the risks of sea transportation forced companies to reorient themselves to the western borders and alternative markets (Asia, Africa). This created new opportunities, but also increased logistics costs.

3. Fluctuations in demand and prices. The war caused instability in demand both in domestic and foreign markets. Prices for grains, oilseeds, and other products fluctuated significantly, making sales planning difficult.

4. Dependence on intermediaries. Many agricultural enterprises, especially small and medium-sized ones, do not have their own sales channels and work through traders, which limits their control over pricing and reduces profitability.

5. Limited processing capabilities. A significant portion of the output is exported as raw materials, which limits the possibilities for value-added creation. The development of processing is constrained by insufficient investment, energy problems, and logistical constraints.

6. Quality and certification requirements. Exporting to new markets (especially the EU) requires compliance with strict quality standards, environmental certification, and traceability of product origin. This creates additional costs for businesses.

7. Personnel problems. The war caused an outflow of qualified personnel,

especially in logistics, marketing, and foreign economic activities.

8. Financial constraints. Increased risks, rising credit costs, and limited access to investment make it difficult to modernize distribution infrastructure.

The marketing policy of an agro-industrial enterprise is formed under the influence of a number of specific factors related to the biological nature of production, seasonality, dependence on weather conditions, and logistical constraints.

1. Seasonality of production. Agricultural products are produced during certain periods of the year (harvest, cattle slaughter, milk collection, etc.), which creates uneven supply of products to the market. This requires: formation of a storage strategy (elevators, warehouses, refrigerators); planning of sales taking into account seasonal price fluctuations; use of futures contracts and other risk hedging instruments.

2. Biological nature of the products. Many types of agricultural products have a limited shelf life, requiring special transportation conditions (cold chain for milk, meat, vegetables; humidity control for grain). This requires: investment in specialized logistics infrastructure; close coordination between production, storage and marketing; use of fast sales channels for products with a short shelf life.

3. Dependence on weather conditions. Yield and quality of products are largely determined by climatic factors, which complicates planning of sales volumes. This requires: flexible multi-variant planning of the assortment; diversification of crops and types of activities; use of insurance and other risk management tools.

4. High share of raw materials in exports. A significant part of Ukrainian agricultural products is sold as raw materials (grain, oilseeds), which limits the possibilities of creating added value. This creates the need for: developing local processing; forming own brands; entering the markets of finished products.

Pricing policy in martial law conditions is of particular importance, as enterprises simultaneously face rising costs, unstable demand, and the need to maintain competitive positions. Mechanically transferring all cost increases to the final price can lead to a reduction in demand. At the same time, refusing to revise prices can lead to a decrease in margins and a deterioration in the financial condition of the enterprise. Therefore, pricing should be based on an analysis of the elasticity of demand, the

competitive environment, the cost structure, and the value of products for the consumer.

It is advisable to use a differentiated approach to pricing. Different payment terms, volume discounts, loyalty programs, payment deferrals and other tools can be used for different categories of customers. At the same time, such mechanisms should take into account the cost of capital and credit risks. Accounts receivable control is especially important. In crisis conditions, increasing payment terms can temporarily stimulate sales, but at the same time creates the risk of a shortage of working capital. Therefore, marketing decisions to stimulate sales should be coordinated with financial management.

To effectively manage sales activities, agricultural enterprises use a number of tools:

1. Contract manufacturing. Long-term contracts with processors, traders, or retail chains ensure stable sales and allow for production planning.

2. Futures contracts and hedging. The use of futures contracts on commodity exchanges allows you to fix prices and protect yourself from market fluctuations.

3. CRM systems. Customer relationship management allows you to track order history, forecast demand, personalize offers, and increase customer loyalty.

4. E-commerce. Online platforms for direct sales to consumers (own online stores, marketplaces, social networks) open up new sales channels and allow for higher margins.

5. Logistics platforms. Using digital logistics platforms to optimize routes, track shipments, manage inventory, and coordinate with logistics partners.

6. Marketing analytics. Using data on demand, prices, competitors, and consumers to make informed marketing decisions.

Military risks have accelerated the digital transformation of enterprises. Digital communication channels allow you to maintain contact with customers regardless of their physical location, promptly adjust offers and provide remote sales. The main digital tools include corporate websites, e-commerce, social networks, CRM systems, marketing automation systems, digital analytics, electronic document management and

integrated ERP solutions. The use of CRM systems to accumulate information about customers, sales history, requests, orders and reactions to marketing offers is especially important. This allows you to form customer segments and personalize communications.

Digital analytics also creates opportunities for demand forecasting. The use of historical data, information on prices, seasonality, customer behavior and external factors can increase the accuracy of forecasts and help optimize inventories. At the same time, digitalization creates new risks, primarily cyber threats. Therefore, the digital transformation of marketing and logistics activities must be accompanied by information security measures, data backup and ensuring the continuity of information systems.

The changing socio-economic environment requires a transformation of the communication policy of enterprises. Communication must be reliable, prompt, socially responsible and adapted to the psychological and behavioral characteristics of consumers during the crisis period. Communication regarding the stability of supplies, product availability, price changes, delivery times and service conditions becomes important. Uncertainty can negatively affect customer trust, so the enterprise must ensure transparency of information. For agro-industrial enterprises, demonstrating the reliability of the supply chain, product quality and compliance with international standards is of particular importance. For exporters, certification, product traceability and communication regarding the stability of contract performance are important.

Martial law necessitates the integration of risk management into the marketing and logistics system. The main risk groups are transport, supply, price, currency, market, financial, information, infrastructure and reputational risks. For each risk, it is advisable to determine the probability of its occurrence and potential economic impact. Accordingly, a risk map of the enterprise is formed.

Special attention is required for risks that simultaneously affect several functional areas. For example, damage to transport infrastructure can cause a simultaneous increase in logistics costs, delay in deliveries, loss of customers and deterioration of the company's reputation. An effective mechanism for counteracting

such risks is the formation of backup scenarios. The company should have alternative suppliers, backup transport routes, spare warehouse capacity, alternative sales channels and mechanisms for prompt adjustment of marketing policy.

For a comprehensive assessment of the company's activities, it is advisable to use a system of interrelated indicators. The main ones include: the rate of change in product sales volumes; the level of gross and operating margins; logistics costs per unit of production; the share of transportation costs in the cost price; inventory turnover; the duration of the logistics cycle; the level of order fulfillment; the share of timely deliveries; the share of returns; the level of receivables; the cost of attracting one customer; the customer retention rate; the profitability of marketing costs.

Particular attention should be paid to the ratio of marketing costs and additional income obtained through relevant measures. In a simplified form, the effectiveness of marketing investments can be determined by the formula:

$$R_{OMI} = (Dm - Vm) / Vm \times 100, \quad (2)$$

where Dm is additional income generated by marketing activities;

Vm – expenses for marketing activities.

In a wartime environment, R_{OMI} should be complemented by sustainability metrics. For example, if a particular marketing channel provides lower short-term returns but allows for diversification of the customer base and reduced reliance on a single market, its strategic value may be significant.

The analysis conducted allows us to determine a set of strategic directions for improving the marketing and logistics system of the enterprise.

The first direction is supply diversification. It is advisable to form a multi-level system of suppliers with backup sources of critical resources. This approach allows to reduce the dependence of the enterprise on individual contractors.

The second direction is the diversification of sales channels. The enterprise should combine traditional and digital sales channels, domestic and foreign markets, and direct and indirect forms of sales.

The third direction is the development of digital technologies. The integration of

CRM, ERP, warehouse and transport management systems allows you to form a single information space within which marketing, logistics and financial decisions are made based on current data.

The fourth area is inventory optimization. The company needs to identify critical resources, establish minimum and safety stocks, regularly review reorder points, and consider the risks of delivery delays.

The fifth direction is the development of a partnership model of interaction with customers. In an unstable environment, long-term relationships with reliable customers may be more important than maximizing one-time sales volume.

The sixth direction is to strengthen the analytical function of marketing. The marketing department should not only ensure communication with customers, but also regularly monitor prices, competitors, demand, logistics costs, risks, and prospects for the development of individual segments.

The seventh direction is the implementation of scenario planning. The enterprise should form a basic, optimistic and crisis development scenario, for each of which determine the parameters of purchases, production, inventories, prices and sales.

For agro-industrial enterprises, marketing and logistics management must take into account the seasonal nature of production, dependence on weather conditions, significant volumes of physical flows, limited storage periods of certain types of products and territorial dispersion of production facilities. One of the key tasks is the synchronization of production and sales. Excess production in conditions of limited storage capabilities can lead to forced sales of products at unfavorable prices. At the same time, insufficient volumes of products to fulfill contracts can lead to the loss of customers.

In times of war, diversification of export destinations becomes even more important. Companies need to avoid over-reliance on a single market or transport corridor. At the same time, it is advisable to form long-term partnerships with international buyers who are able to provide stable demand. Contract planning is an important tool. Prior agreement on volumes, pricing mechanisms, delivery times and payment terms reduces uncertainty and facilitates the planning of production and

logistics operations.

One of the problems of enterprises is the functional separation of marketing, logistics and sales departments. If the marketing service is focused only on increasing sales, and the logistics service is focused on minimizing costs, conflicts may arise between them. To eliminate such an imbalance, it is advisable to use integrated key performance indicators. For example, sales managers can be evaluated not only by sales volume, but also by marginal revenue, timeliness of payment and logistical cost of customer service. It is also important to form a single coordination center. Its functions can be demand forecasting, procurement planning, inventory coordination, order analysis, planning transport operations and contract performance control.

The sustainability of a sales system is determined by the ability of an enterprise to maintain access to customers and generate revenue even if individual market or logistical connections are disrupted. Its main characteristics are a diversified customer base, multi-channel sales, territorial diversification, digitalization of communications, backup logistics routes, financial stability, and adaptive pricing policy.

An important component is the creation of a base of alternative customers. The enterprise should systematically work not only with existing buyers, but also form a potential portfolio of counterparties. In crisis conditions, this allows you to more quickly compensate for the loss of individual customers. At the same time, it is necessary to avoid excessive dependence on one segment. Diversification of products and sales markets allows you to distribute commercial risks and stabilize cash flows.

A promising direction is the use of artificial intelligence and machine learning technologies for forecasting demand, optimizing routes, assessing customers and identifying risks. Algorithmic models can use historical data on sales, seasonality, prices, balances and external factors to form a forecast. This allows you to react more quickly to changing market conditions.

For transport logistics, the use of digital routing systems is promising, which allow determining optimal routes taking into account distance, fuel cost, vehicle loading, delivery time and potential restrictions. Warehouse management can be carried out on the basis of digital systems that provide automated accounting of

balances, control of storage periods and formation of replenishment orders. At the same time, the use of technologies must be economically justified. Digitalization should not be considered as an end in itself. Its result should be cost reduction, increased forecast accuracy, reduced errors and improved customer service quality.

Taking into account the analysis conducted, it is advisable to form a conceptual model of adaptive management, which includes five interconnected levels.

The first level is information and analytical. It provides monitoring of the market, demand, competitors, prices, suppliers, logistical risks, and the external environment.

The second level is strategic. At this level, target markets, product priorities, sales channels, supply policy, and diversification strategy are determined.

The third level is tactical. It covers planning for purchasing, inventory, transportation, sales, marketing communications, and pricing activities.

The fourth level is operational. Its task is the direct implementation of orders, supply, transportation, warehousing, sales, and customer service.

The fifth level is control. It provides for the evaluation of results, identification of deviations, and adjustment of management decisions.

A feature of this model is the presence of feedback between all levels. The results of operational activities should be used to adjust tactical and strategic decisions, and changes in the external environment should be promptly reflected in production and logistics plans.

The integration of marketing, logistics and sales can provide several groups of economic results. The first is cost reduction. Synchronization of purchasing, production and sales allows to reduce excess inventory, the number of idle transport operations and the costs of urgent deliveries.

The second group includes increased revenue. Better product availability, timely delivery, personalized offerings, and expanded distribution channels can help increase sales.

The third group is related to risk reduction. Diversifying suppliers and customers, creating backup routes, and using scenario planning can reduce potential

losses.

The fourth group concerns increasing customer value. Timely delivery, transparent terms of cooperation, stable supplies, and high-quality communication contribute to the formation of long-term relationships with customers.

Despite significant adaptation opportunities, Ukrainian enterprises face a number of constraints. These include insufficient financial resources for digitalization and modernization of logistics infrastructure, a shortage of qualified personnel, instability of transportation costs, limited access to long-term financing, difficulty in forecasting demand, and a high level of general business risks.

A separate problem is the fragmentation of information systems. The lack of integration between marketing, warehouse, transport and financial data reduces the efficiency of management decisions. Another limitation is the insufficient use of analytical methods. Some enterprises continue to make decisions mainly based on the experience of managers, which may be insufficient in conditions of rapid change.

In the future, the marketing management system for logistics processes and sales should transform from a reactive to a proactive model. The reactive model involves responding to already existing problems, while the proactive one is aimed at predicting and preventing them. To do this, the enterprise needs to develop early warning systems that will allow detecting price changes, demand reductions, supply risks, deterioration of the financial condition of counterparties, and potential logistical constraints.

Another important area is the development of partner ecosystems. Enterprises can join forces with logistics operators, suppliers, trading companies, digital platforms and financial institutions to form sustainable value chains. For the agro-industrial sector, the creation of integrated digital platforms that will connect producers, suppliers, carriers, warehouses, traders and end buyers is promising. This will contribute to increasing market transparency and reducing transaction costs.

Thus, the main condition for the effective functioning of an enterprise under martial law is the transition from fragmented management of marketing, logistics and sales to an integrated adaptive system, focused simultaneously on economic efficiency, customer value and sustainability of supply chains. Such a system should ensure

prompt response to changes in the external environment, maintain the continuity of key business processes and create the prerequisites for the restoration and further development of the enterprise in the conditions of the post-war transformation of the Ukrainian economy.

4. Directions for improving logistics and sales in the marketing activity system of agro-industrial enterprises

The current stage of business development is characterized by deep transformation processes caused by increased innovation activity, digitalization of the economy, the spread of information and communication technologies, and the growing role of data in making management decisions. In the context of globalization, increased competition, and instability of the external environment, in particular, in the context of martial law in Ukraine, digitalization and automation of logistics and sales activities are gaining strategic importance for ensuring the sustainable functioning and development of enterprises [139, 140].

Digitalization of logistics and sales involves the systematic implementation of digital technologies, software products and automated management systems aimed at optimizing material, information and financial flows, increasing the transparency of business processes and reducing transaction costs. In modern management practice, digitalization is considered not only as a tool for technical improvement of individual functions, but as a comprehensive management concept that changes the logic of organization and coordination of enterprise activities. In logistics, digital technologies provide integration of supply, warehousing, transportation and inventory management processes into a single information system. This allows the enterprise to respond quickly to changes in demand, minimize the risks of shortage or excess of material resources, increase the level of service and reduce costs. Sales activities, in turn, undergo transformations under the influence of digital communication channels, CRM systems, e-commerce and analytical platforms, which contribute to the formation of a customer-oriented management model [141, 142].

One of the key tools for digitalizing logistics is the implementation of ERP (Enterprise Resource Planning) systems, which provide comprehensive management

of enterprise resources. ERP systems integrate data on procurement, production, inventory, finance and sales, creating a single information environment for making management decisions. This allows the company's management to plan and control logistics processes in real time, which is especially important in conditions of high market dynamics and limited resources.

Automation of warehouse logistics is implemented through the use of WMS systems (Warehouse Management System), which provide effective management of warehouse operations, accounting for material movements, optimization of inventory placement and reduction of the human factor. The use of barcoding, RFID technologies and mobile data collection terminals allows to increase the accuracy of accounting, reduce order processing time and reduce losses associated with personnel errors [143].

In transport logistics, digitalization is manifested through the use of TMS systems (Transportation Management System), GPS monitoring and digital route planning platforms. This ensures the optimization of transport costs, control over compliance with delivery deadlines, increased transport safety and more efficient use of vehicles. In conditions of military risks and disruption of traditional logistics chains, such technologies become particularly relevant, as they allow for rapid change of routes and adaptation of logistics solutions to new circumstances.

Digitalization of the enterprise's sales activities involves the active use of CRM (Customer Relationship Management) systems, which are aimed at managing relationships with customers. CRM systems allow you to accumulate information about consumers, interaction history, contract terms, customer satisfaction level and efficiency of sales channels. This creates the prerequisites for personalizing offers, increasing customer loyalty and increasing sales volumes. An important direction of digitalization of sales is the development of electronic sales channels, in particular corporate websites, marketplaces, online platforms for concluding contracts and making payments [144, 145].

For agricultural enterprises, digital sales channels allow you to present a portfolio of implemented projects, demonstrate technical characteristics of objects, ensure transparency of cooperation conditions and simplify communication with

potential customers. The use of digital marketing tools, in particular SEO, content marketing and social networks, strengthens the competitive position of the enterprise in the market. Automation of analytical processes in logistics and sales activities is carried out using BI systems (Business Intelligence), which provide processing of large data sets and formation of management analytics. The use of demand forecasting tools, analysis of sales channel efficiency, cost assessment and profitability of logistics operations allows the enterprise to make informed strategic and tactical decisions. As a result, the accuracy of planning increases, the level of uncertainty decreases and the overall efficiency of management increases. The modern development of agro-industrial enterprises takes place in conditions of high dynamics of the market environment, increased competition, changes in the structure of consumer demand, increasing the cost of material and technical resources, complication of transport and logistics connections and increasing requirements for product quality and the level of consumer service. For Ukrainian enterprises of the agro-industrial sector, these processes are complemented by the consequences of a full-scale war, which manifest themselves in damage to production and transport infrastructure, disruption of established supply and sales channels, change in the geography of markets, restriction of access to certain logistics routes, increase in transport costs, shortage of certain resources and increase in the general level of economic risks.

Under such circumstances, logistics and sales cease to be exclusively operational functions of the enterprise. They acquire strategic importance and directly affect the ability of the business entity to form a competitive offer, provide the necessary level of customer service, control costs, maintain the continuity of product flows and generate stable cash flows. At the same time, the effectiveness of logistics and sales processes is largely determined by the quality of marketing management, since it is marketing that forms the information basis for making decisions regarding markets, consumers, assortment, prices, sales channels and communications.

For agro-industrial enterprises, the relationship between marketing, logistics and sales is of particular importance. Agricultural production is characterized by seasonality, dependence on natural and climatic conditions, territorial dispersion of

production resources, significant physical volumes of products, the need for their transportation and storage, and for some product groups - limited sales periods. Accordingly, even high production results do not guarantee proper financial results if the enterprise is unable to deliver products to the target market in a timely manner, ensure the required quality, form a competitive price and organize an effective sales channel. In this regard, it is advisable to consider the improvement of logistics and sales as a component of a comprehensive transformation of the marketing management system of an agro-industrial enterprise. This is not only about reducing transport or warehouse costs, but also about forming an integrated system for managing material, information, financial and communication flows, focused on creating maximum value for the consumer while simultaneously ensuring economic efficiency and sustainability of the enterprise.

1. Conceptual principles for improving logistics and sales in the marketing activity system. Logistics and sales in the modern marketing management system should be considered as interconnected functional subsystems. Their separation according to the principle of "marketing forms demand, and logistics ensures supply" is insufficient for the modern competitive environment. In fact, marketing decisions directly form the parameters of the logistics flow, and the logistics capabilities of the enterprise, in turn, determine the boundaries of the implementation of the marketing strategy.

The choice of the target market determines the territorial structure of supplies. The assortment policy affects the need for warehouse space and transport resources. The pricing policy must take into account the logistical component of the cost. The decision on the level of service determines the required speed of delivery. The formation of long-term contracts with buyers requires appropriate planning of production, inventory and transport support. Thus, logistics and sales must function within a single marketing system.

It is advisable to improve this system based on several principles. The first is the principle of customer orientation. All decisions regarding supply, storage, transportation and sale should be based on the real needs of target consumers. For agro-

industrial enterprises, this means taking into account the requirements of buyers for quality, packaging, batch volumes, delivery times, documentary support, certification and payment terms.

The second is the principle of integration. Marketing, logistics, production, financial and sales decisions should be made taking into account their mutual influence.

The third is the principle of adaptability. The enterprise must be able to quickly change routes, suppliers, sales channels, prices, and marketing communications depending on changes in the external environment.

The fourth is the principle of economic feasibility. Any logistics solution should be evaluated not only by the absolute value of costs, but also by its impact on revenues, margins, service levels and risks.

The fifth is the principle of diversification. Dependence on one supplier, one transport route, one buyer or one market creates significant risks for an agro-industrial enterprise. Therefore, the sustainability of the system must be formed through a plurality of alternatives.

The sixth is the principle of digital integration, which involves the use of modern information technologies to collect, process, and transmit information between marketing, logistics, production, and financial departments.

The seventh is the principle of risk orientation. Logistics and sales planning should include not only the expected scenario, but also possible deviations associated with infrastructure, market, financial, military and other risks.

Thus, it is advisable to consider improving logistics and sales not as a separate set of measures, but as a systemic process of increasing the effectiveness of all marketing activities of an agro-industrial enterprise.

2. Improving the organizational integration of marketing, logistics and sales. One of the common problems of agro-industrial enterprises is the functional separation of marketing, logistics and sales departments. Such a situation can lead to the emergence of conflicting goals. For example, the sales department may seek to increase sales volumes by expanding the assortment and providing additional discounts, while the logistics service is interested in reducing the number of product lines, optimizing

routes and reducing warehouse operations. Such contradictions can lead to local optimization of individual processes while simultaneously worsening the overall result of the enterprise. Therefore, one of the priority areas of improvement is the formation of an integrated organizational management model. Its essence lies in creating a single information and coordination space in which decisions on demand, production, procurement, inventory, transportation and sales are made in a coordinated manner. It is advisable to form a cross-functional working group or coordination center, which may include representatives of marketing, logistics, finance, production and sales departments. The main functions of such a center may be demand forecasting, order analysis, inventory planning, coordination of transport operations, monitoring contract performance and assessing the effectiveness of sales channels.

An important condition for integration is a change in the system of performance indicators. If each division is evaluated exclusively by its own local indicators, there is a risk of making decisions that contradict the general interests of the enterprise. Therefore, it is advisable to use integrated KPIs that simultaneously take into account economic results, service quality and the level of logistical risk.

Such indicators may include: marginal revenue per customer; logistics costs per unit of product sold; share of orders fulfilled on time; average order fulfillment cycle; inventory turnover; level of product losses; level of returns; share of repeat purchases; accounts receivable; profitability of individual sales channels; level of customer base diversification; share of critical resources with backup suppliers. Such a system allows you to move from evaluating the activities of individual divisions to assessing the effectiveness of the entire marketing and logistics system.

3. Optimization of the supply system of agro-industrial enterprises. Supply is the initial link in the logistics cycle, on which the continuity of the production process largely depends. For agro-industrial enterprises, critically important resources may include seeds, fertilizers, plant protection products, fuels and lubricants, spare parts, packaging materials, veterinary drugs, feed components and other material and technical resources.

In conditions of instability, excessive concentration of purchases from one

supplier creates additional risk. Therefore, it is advisable for the enterprise to form a multi-level supply system.

The first level may consist of main suppliers with whom long-term contracts are concluded. The second level is backup suppliers who can be involved in case of disruption of the main channel. The third level is potential suppliers who have been previously checked and can be quickly involved if necessary.

The choice of supplier should be based on a comprehensive assessment. Among the criteria, it is advisable to consider: price level; quality of resources; stability of supplies; territorial remoteness; transport accessibility - financial reliability; reputation; flexibility of payment terms; possibility of rapid increase in supply volumes; availability of alternative production capacities; dependence on critical infrastructure; risk of supply interruption.

Applying this approach allows you to identify situations where a nominally cheaper supplier ultimately creates higher costs.

4. Improving inventory management. Inventory management is one of the most complex areas of logistics management of an agro-industrial enterprise. On the one hand, excess inventory leads to freezing of financial resources, increased storage costs and the risk of quality loss. On the other hand, insufficient inventory can cause production disruptions and the inability to fulfill contractual obligations. In conditions of high uncertainty, it is advisable to combine economic and risk-based approaches to inventory management.

The first element of this approach is the classification of resources by criticality. Resources whose absence could lead to a halt in the production process should have a higher level of safety stock than resources that can be quickly purchased on the market.

The second element is to set a reorder point. It should take into account the average intensity of consumption, delivery time and safety stock.

The third element is regular review of inventory parameters. If a company uses fixed norms determined several years ago, they may lose relevance due to changes in delivery times, prices, seasonality and demand structure.

Seasonal inventory planning is of particular importance for an agro-industrial

enterprise. Purchases must be coordinated with the production calendar, price forecast, expected harvest volume, and storage capabilities.

5. Optimization of transport logistics. The transport component is one of the most significant elements of the logistics costs of agro-industrial enterprises. Significant distances between production facilities, warehouses and sales markets, high mass of goods, seasonal peak loads and dependence on fuel prices necessitate systematic optimization of transport processes. The main areas of such optimization are: rationalization of routes; increasing the load factor of vehicles; reducing empty runs; use of multimodal transportation; centralized planning of transport operations; digital traffic monitoring; long-term contracting of transport services; formation of a reserve list of carriers.

For each route, it is advisable to determine the full cost of delivery. It should include fuel costs, driver wages, depreciation, insurance, road tolls, forwarding, downtime and additional operations. An important direction is the use of digital routing systems. They allow you to compare alternative routes by time, distance and cost, as well as quickly change the route in case of unforeseen circumstances. For agro-industrial enterprises, planning seasonal peak loads is especially relevant. During harvest, the need for transport may significantly exceed the average annual level. Therefore, the enterprise needs to form a transport reserve in advance and conclude appropriate agreements with carriers.

6. Development of warehouse logistics. The warehouse system should be considered not only as a place for physical storage of products, but as an important element in the formation of their market value. Proper storage conditions allow maintaining product quality, regulating the time of entry into the market and choosing the optimal moment of sale. For agro-industrial enterprises, storage capacity management is of particular importance. Insufficient warehouse infrastructure can force an enterprise to sell products immediately after production, even if the market situation is unfavorable. Therefore, one of the areas of improvement is the expansion or modernization of the warehouse network. At the same time, decisions on investments in warehouse infrastructure should be based on a comparison of the cost

of construction or rental of warehouse facilities with the potential economic effect of increasing sales flexibility.

The geographical location of warehouses is also important. Optimal location allows you to reduce transport costs and delivery times. For companies with a wide sales geography, it may be advisable to use regional warehouses or logistics hubs.

7. Improving the sales system. The sales system is a direct mechanism for converting manufactured products into cash receipts. Therefore, its effectiveness determines not only the volume of sales, but also the speed of capital turnover, the level of profitability and the financial stability of the enterprise. The main direction of improvement is the diversification of sales channels. Depending on the specifics of the products, agro-industrial enterprises can use direct sales, wholesale intermediaries, distributors, trading networks, processing enterprises, electronic trading platforms and export channels. The feasibility of a particular channel should be determined not only by its sales volume, but also by its economic efficiency. At the same time, it is advisable for the enterprise to analyze not only the current profitability of the channel, but also its strategic value. For example, direct sales may require higher marketing costs, but at the same time provide the enterprise with direct access to information about consumers.

A modern sales system should provide for the possibility of using several channels simultaneously. Such a model allows you to reduce dependence on a separate intermediary or market segment. For an agro-industrial enterprise, a multi-channel system may include: direct B2B sales; work with wholesale buyers; cooperation with processing enterprises; trading networks; electronic platforms; export contracts; affiliate programs; digital channels for attracting customers.

At the same time, it is necessary to avoid internal competition between channels. If the same product is sold through different channels under significantly different conditions, this can create conflicts between partners. Therefore, the company needs to define clear rules for channel segmentation, territorial distribution of customers, pricing policy and terms of cooperation.

Sales effectiveness depends on the quality of information support. The marketing department must constantly analyze the dynamics of demand, competitor

prices, customer behavior, changes in the assortment, delivery terms, and new market opportunities. It is important to form a marketing information system. It must combine data on: sales; customers; prices; inventories; logistics; competitors; accounts receivable; complaints; marketing expenses; results of communication campaigns.

Integrating this data allows for a comprehensive view of the performance of individual markets and customers. The transition from analyzing past performance to predictive analytics is particularly important. The company should try to determine not only what has happened, but also possible future changes in demand, prices, and customer behavior.

8. Diversification of sales markets. For agro-industrial enterprises, market diversification is of strategic importance. Excessive dependence on one region or one external market creates the risk of a sharp reduction in income in the event of changes in trade conditions, transport accessibility or demand. Diversification should not be carried out mechanically, but based on an assessment of the potential of each market. The assessment criteria may include: market capacity; demand growth rates; level of competition; prices; logistical accessibility; trade barriers; quality and certification requirements; currency risks; solvency of buyers; projected margin.

As a result, a portfolio of target markets is formed, which allows distributing commercial risks. It is important that market diversification is accompanied by adaptation of the marketing offer. The same agri-food product may have different requirements for packaging, certification, labeling, packaging and logistics depending on the destination market.

9. Improving customer relationship management. In an unstable market, maintaining reliable customers can be no less important than constantly searching for new customers. Therefore, one of the important areas of improving sales is the development of a customer relationship management system. The CRM approach allows you to systematize information about the client, his order history, purchase frequency, average check, payment terms, complaints and response to marketing offers.

Based on such data, customers can be segmented by purchase volume,

profitability, stability, development potential and risk level. It is important to consider that a large customer is not always the most profitable. If he requires significant discounts, deferred payment, individual logistics and enhanced service, his actual margin may be lower. Therefore, customer portfolio management should be based on the indicator of the long-term value of the customer.

10. Improving pricing policy in connection with logistics. The price of agricultural products is formed under the influence of a significant number of factors, including production costs, seasonality, world conditions, supply and demand, currency fluctuations, transportation costs and sales conditions. Therefore, pricing should be integrated with logistics. The same basic price for customers who are at different distances from the enterprise can create different levels of actual margin.

It is advisable to use the principle of price taking into account the cost of servicing a specific client. In this case, the calculation should include transport, warehouse, packaging and other costs. The enterprise can apply differentiated pricing depending on the volume of the order, the frequency of purchases, payment terms, delivery terms and the level of service. However, a discount should be provided only if its economic effect exceeds the loss of margin.

11. Digitalization of logistics and sales processes. Digitalization is one of the key areas of transformation of the marketing and logistics system of an agro-industrial enterprise. Its task is to create a single information environment in which data on production, stocks, customers, orders, transport and finances are available to responsible managers. ERP systems allow the integration of basic business processes. CRM systems provide customer relationship management. WMS solutions are aimed at optimizing warehouse processes. TMS systems allow the coordination of transport logistics. The integration of these systems creates the possibility of transition from fragmented to end-to-end management of the value chain.

The use of mobile technologies is also important. Managers can receive information about balances, orders, transport and customers regardless of their physical location. For agro-industrial enterprises, the use of precision farming technologies, GPS monitoring, inventory status sensors, digital temperature and humidity control, as

well as product traceability systems is promising.

12. Use of artificial intelligence and predictive analytics. The further development of marketing and logistics management is associated with the use of artificial intelligence technologies, machine learning and big data. In marketing, such technologies can be used for demand forecasting, customer segmentation, personalization of offers and analysis of buyer behavior. In logistics, they can be used for load forecasting, route optimization, inventory planning and identification of potential delays.

For agro-industrial enterprises, the combination of marketing data with production and natural and climatic indicators is particularly promising. For example, the forecast of future production volumes can be used to plan potential sales channels, transport capacities and warehouse infrastructure. At the same time, digital technologies should be applied taking into account economic feasibility. Their implementation requires costs for software, equipment, personnel training and information security.

13. Formation of a sustainable logistics system. In modern conditions, the sustainability of a logistics system should be considered as one of the main characteristics of its efficiency. A sustainable system is not necessarily the cheapest under normal conditions, but it should ensure the ability of the enterprise to continue its activities in the event of adverse events. The main elements of sustainability are: diversification of suppliers; reservation of critical resources; alternative transport routes; reserve warehouse capacity; diversification of customers; multi-channel sales; digital monitoring; scenario planning; insurance; crisis response protocols.

It is also advisable to create a list of critical business processes, the interruption of which creates the greatest losses. For each such process, it is necessary to define a backup algorithm of actions.

14. Improving marketing communications in the sales system. Effective sales are impossible without proper communication support. The communication policy should ensure that customers are informed about products, their quality, availability, delivery terms, prices and service. For agro-industrial enterprises, it is important to

demonstrate not only product characteristics, but also the reliability of the entire supply system. For a B2B client, the stability of contract performance can be no less important than price.

It is advisable to use a range of communication channels: the company's website, e-mail, social networks, professional platforms, exhibitions, industry conferences, direct negotiations and digital presentations. The efficiency of communication in crisis situations is of particular importance. In the event of a delay in delivery or a change in conditions, the company must notify the client in a timely manner, offering alternative solutions.

15. Improving risk management in the logistics and sales system. Risk management should be integrated into all stages of marketing and logistics management. For each main risk, it is advisable to determine: the source of the risk; the probability of occurrence; the potential scale of losses; the duration of the impact; the responsible person; preventive measures; a backup scenario.

The use of a risk matrix allows you to determine priority areas of response. For example, a high risk of losing a key supplier requires the formation of a backup source. A high transport risk requires an alternative route. A high risk of customer non-payment – credit limit or change in payment terms.

Thus, risk management should not be a declarative function, but a practical element of operational management.

After the active phase of the war, the logistics system of agro-industrial enterprises will operate in conditions of large-scale reconstruction of infrastructure, restoration of production capacities and reorientation of the economy to European markets. This will create new opportunities for optimizing logistics routes, modernizing warehouses, developing multimodal transportation, digitizing procedures and integrating Ukrainian enterprises into international value chains.

Post-war recovery should not mean simply recreating the pre-war logistics model. It is advisable to form a more diversified, digital and sustainable system. For the agro-industrial sector, the development of logistics hubs, modernization of elevator and warehouse complexes, improvement of transport corridors, development of

processing and increasing the share of products with higher added value are promising.

Based on the analysis, the conceptual model of improving logistics and sales in the marketing activity system of an agro-industrial enterprise can be presented as a sequence of interconnected stages.

The first stage is diagnostics. At this stage, problems of supply, transportation, warehousing, sales, and marketing support are identified.

The second stage is segmentation. Priority customers, product groups, suppliers, and markets are determined.

The third stage is design. An optimal system of supply, logistics, and sales channels is formed.

The fourth stage is digital integration. A unified information support system is being created.

The fifth stage is risk-based reservation. Alternative suppliers, routes, warehouses, and distribution channels are identified.

The sixth stage is implementation. Specific management measures are implemented.

The seventh stage is evaluation. Economic, logistical, marketing, and customer results are analyzed.

The eighth stage is adjustment. The system adapts to new conditions.

This model ensures a cyclical nature of management and allows the enterprise to constantly adapt to changes in the external environment.

Summarizing the results of the study, it is advisable to combine the main areas of improvement of logistics and sales in the marketing activity system of agro-industrial enterprises into the following groups:

- organizational – integration of marketing, logistics and sales functions;
- procurement – diversification of suppliers and improvement of their evaluation;
- warehouse – inventory optimization and warehouse infrastructure development;
- transport – optimization of routes, loading and multimodal transportation;

- sales – diversification of sales channels and customer base;
- marketing – strengthening market analytics and customer focus;
- price – price formation taking into account the full cost of service;
- digital – integration of ERP, CRM, WMS, TMS and analytical platforms;
- risk-oriented – creating backup scenarios;
- HR – development of personnel competencies;
- strategic – formation of long-term partner networks;
- infrastructure – development of warehouse, transport and logistics capacities.

The interconnected implementation of these areas allows for the formation of a comprehensive management system in which marketing decisions are aligned with the real capabilities of logistics and sales.

Therefore, the strategic guideline for improving the logistics and sales of agro-industrial enterprises should be the formation of an integrated, digital, customer-oriented and adaptive marketing management system. Its functioning should ensure the coordination of production, supply, warehousing, transportation, marketing communications and sales, while maintaining the necessary level of economic efficiency and resilience to external risks. In the long term, it is the integration of marketing and logistics solutions that creates the prerequisites for increasing the competitiveness of agro-industrial enterprises, expanding their market presence, increasing added value and more effective integration of the Ukrainian agro-industrial sector into international value chains.

Conclusions

Based on the research conducted on the specifics of marketing management of logistics processes and sales activities of agro-industrial enterprises in modern conditions, the following conclusions and proposals were made:

1. The theoretical and managerial analysis of logistics processes in business activities has shown that logistics is a key element of the management system, which provides integrated management of material, information and financial flows in order

to achieve the strategic goals of the enterprise. Modern approaches to logistics go beyond the traditional functions of transportation and warehousing, forming a comprehensive concept of supply chain management, covering all stages of resource movement - from the supplier to the end consumer. The theoretical foundations of the development of logistics processes are based on the principles of consistency, integration, optimization and customer orientation, which allows ensuring the consistency of all management decisions and achieving a balance between costs and the level of logistics service. Logistics is increasingly transformed into a strategic tool for increasing the competitiveness of the enterprise, forming its market advantages and strengthening long-term relations with counterparties. Therefore, logistics is an important factor in increasing the efficiency of business activities both by optimizing resource provision and reducing costs, and by improving the quality of customer service. Theoretical and managerial aspects of the development of logistics processes create a methodological basis for the formation of effective practical mechanisms for improving logistics systems, which is of significant importance in the context of growing competition, digital transformation of the economy, and the need to increase business flexibility and adaptability.

2. It has been established that modern theoretical approaches to the management of the sales activities of an enterprise form a multidimensional scientific and practical basis for increasing the efficiency of commercial activities and strengthening competitive positions in the market. An integral analysis of such approaches shows that sales have ceased to be considered only as the final stage of the production cycle, but instead it has transformed into a strategic tool for forming long-term relationships with customers, creating value and indirect participation in the innovative development of the enterprise. The use of marketing mechanisms ensures the construction of sales systems based on the principles of orientation to consumer needs, which increases the effectiveness of market activities and allows you to adapt the product offer in accordance with the characteristics of market demand. The logistics approach strengthens the systematic nature of management, allows you to effectively organize product flows, minimize costs, optimize inventories and ensure the proper level of

service. The concept of value chain management makes it possible to integrate sales processes into the overall business strategy of the enterprise, which contributes to increasing synergy between production, service, marketing and logistics. Partner and network approaches actualize the importance of interaction with distributors, retail chains and other market participants, increasing the flexibility of sales structures and contributing to long-term customer loyalty. Digital tools, CRM technologies, big data analytics and omnichannel models allow not only to increase the speed and accuracy of management decisions, but also to personalize offers for different consumer segments, which increases sales efficiency and profitability.

3. It is substantiated that the theoretical and managerial principles of marketing management of logistics processes and the sales network of agro-industrial enterprises are based on the integration of marketing, logistics, strategic, process and system approaches. Their practical implementation involves the rejection of functionally separate management of supply, production, logistics and sales in favor of the formation of a single flow management system focused on the needs of target markets. The defining principle of such a system is the synchronization of demand, production, inventories, transportation and sales. For agro-industrial enterprises, this is especially important due to the seasonality of production, limited storage periods of certain types of products, fluctuations in prices and demand, dependence on transport infrastructure and the significant impact of external risks.

4. The analysis of methodological approaches shows that the study of logistics processes and sales activities of the enterprise is interdisciplinary, comprehensive and systemic in nature. The modern scientific tradition in the field of management is based on a combination of general scientific, special and analytical methods, which allow a comprehensive assessment of the effectiveness of the functioning of the logistics system, the formation of a rational sales network and the justification of management decisions regarding the optimization of commodity, information and financial flows. The considered methodological approaches (system, process, marketing, logistics, innovation and cluster) make it possible to form scientifically based concepts of sales management taking into account modern trends in the development of the business

environment, digital transformation and integration of data analytics technologies. The use of economic and statistical, expert, comparative and modeling methods allows forming a sufficient information base for studying the real state of the logistics system, identifying patterns and problem nodes in flow management, as well as predicting possible scenarios for the development of the enterprise. In general, the methodological study confirms that the effectiveness of logistics and sales systems is determined by the ability of the enterprise to consistently apply a set of scientifically sound approaches: from problem formulation and data collection to model building, formation of management decisions and assessment of their effectiveness. Only the integration of multi-level methods and approaches creates the basis for ensuring sustainable development of the enterprise, increasing competitiveness, adaptability to changes in the market environment and effective use of material and intangible resources.

5. It has been established that in modern realities, the effectiveness of management largely depends on the ability of managers and specialists to respond promptly to changes in the socio-economic situation, to use modern management technologies, information systems and adaptive methods of organizing business processes. A high level of uncertainty, risks, competition and institutional transformations requires the introduction of innovations into the management model, modernization of organizational structures, improvement of mechanisms for logistical support and anti-crisis management. The analysis shows that in conditions of martial law, the marketing activities of the logistics process management system and sales undergo a fundamental transformation. Its content is no longer limited to demand research and sales promotion, but includes ensuring the sustainability of the enterprise, diversification of supply and sales, risk management, digitalization, forecasting and coordination of material, financial and information flows. The war has led to increased logistics costs, extended delivery times, changed the geography of markets, the need to use alternative transport routes, and increased requirements for the reliability of counterparties. Accordingly, traditional approaches to organizing logistics and sales require adaptation to conditions of high uncertainty.

6. It is proven that marketing and logistics should be considered as interrelated functions of a single management system. Marketing decisions regarding the assortment, price, markets and sales channels directly determine logistics parameters, while the logistical availability of resources and markets affects the real possibility of implementing a marketing strategy. The key areas of improvement are the diversification of suppliers and customers, the development of a multi-channel sales system, the formation of backup logistics routes, inventory optimization, digitalization of marketing and logistics processes, the development of CRM and ERP systems, the use of predictive analytics and the formation of integrated performance indicators. For agro-industrial enterprises, the synchronization of production, storage, transportation and sales is of particular importance, since the seasonality of production and significant physical volumes of products significantly increase the dependence of financial results on the quality of logistics management.

7. It is substantiated that improving logistics and sales in the system of marketing activities of agro-industrial enterprises is a complex management task that includes organizational, economic, marketing, logistics, digital and risk-oriented components. Its relevance is determined by the need to ensure the stability of economic activities of enterprises in an environment of high uncertainty, structural changes in the market and significant logistical risks. It is established that logistics and sales cannot be considered as operational functions separated from marketing. They form a single system in which marketing decisions regarding target markets, assortment, prices and communications directly determine the parameters of material flows, and the logistics capabilities of the enterprise determine the practical feasibility of the marketing strategy. One of the main areas of improvement is the organizational integration of marketing, logistics, production, financial and sales functions. The formation of a single information and coordination space allows to increase the efficiency of management decisions, avoid functional contradictions and ensure the orientation of all units to a common economic result.

8. An important direction is the diversification of the supply system. The formation of a portfolio of main, reserve and potential suppliers allows to reduce the

dependence of the enterprise on individual counterparties. In this case, the choice of supplier should be made on the basis not only of the purchase price, but also of the total cost of resources, taking into account transport, warehouse, financial and risk costs. In the field of inventory management, it is necessary to combine the principles of economic optimization and logistical sustainability. For critically important resources, it is advisable to establish safety stocks, reorder points and alternative sources of supply. At the same time, excessive accumulation of stocks should be controlled by assessing the cost of their maintenance and the risk of quality loss. Optimization of transport logistics should provide for the rationalization of routes, increasing the load factor of vehicles, reducing empty runs, using multimodal transportation and digital monitoring systems. This is of particular importance for agro-industrial enterprises that work with large physical volumes of products and have significant territorial dispersion of production and sales operations.

9. In the sales system, diversification of sales channels is of priority. The combination of direct sales, work with intermediaries, retail chains, processors, digital platforms and export partners allows you to reduce dependence on a single channel. At the same time, each channel should be evaluated in terms of margin, logistics cost, speed of turnover of funds and strategic potential. An additional direction is the diversification of the customer base and geography of markets. The enterprise should avoid critical dependence on one buyer, region or external market. The formation of a portfolio of customers and markets allows you to distribute commercial risks and increase the stability of cash flows. An important tool for improvement is digitalization. Integration of ERP, CRM, WMS and TMS systems allows you to create a single information space for managing demand, purchases, inventories, transport and sales. Further use of predictive analytics, machine learning and artificial intelligence technologies can improve the quality of demand forecasting, inventory optimization and logistics planning. No less important is the formation of a risk-based management system. The enterprise should systematically identify risks, assess their probability and consequences, form backup scenarios and determine those responsible for responding. The creation of alternative routes, backup suppliers, warehouse capacities and sales

channels is of particular importance.

10. For agro-industrial enterprises, the improvement of logistics and sales should be carried out taking into account the seasonality of production, the specifics of storage, significant physical volumes of products, natural and climatic factors and the need to synchronize production with market demand. That is why marketing forecasts should be directly related to production and logistics planning. It is proposed to build a performance assessment system on a set of indicators that characterize costs, income, the speed of material and financial flows, the quality of customer service, the level of diversification and logistical stability. This allows us to move from evaluating individual operations to a comprehensive assessment of the entire marketing and logistics system.

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9. Marketing diagnostics and strategic tools for the competitiveness of agricultural enterprises in the context of European integration

The current stage of the national economy's development is characterized by the deepening of European integration processes and the emergence of qualitatively new challenges for the domestic agri-food sector. Gaining access to European markets, along with the expansion of trade horizons, is accompanied by increased competitive pressure, the imposition of tariff and non-tariff barriers, and the need to adapt business processes to meet international standards for product quality and safety. Under these conditions, traditional approaches to analyzing production and sales activities lose their ability to ensure long-term sustainability, creating an objective need to develop an effective system of marketing diagnostics for agricultural enterprises.

A distinctive feature of diagnostics, as a key component of strategic marketing, is its predictive orientation—the timely identification of signals of market instability, structural shifts in consumer demand, and deviations of a business entity's performance parameters from target benchmarks. Within the system of objectives for the strategic diagnosis of an agricultural enterprise, the marketing component plays a central role, encompassing monitoring product-line competitiveness, studying price elasticity, assessing market capacity, and identifying opportunities to increase sales volume.

The essence of diagnostics as a fundamental component of strategic marketing lies in the comprehensive identification of the current state of the objects under study, the documentation of deviations of key market parameters from target values, and the identification of the set of exogenous and endogenous factors that have caused these changes. This analytical foundation is a necessary prerequisite for forecasting food market conditions and improving the quality of strategic development planning for agricultural enterprises. The soundness of the formulated goals and objectives of marketing diagnostics directly determines agribusiness's ability to achieve planned quantitative and qualitative indicators of commercial activity, ensures the effectiveness of the chosen market strategy, and strengthens its competitive position in the context

of European integration. By systematizing diagnostic datasets across key areas of an agribusiness entity's operations, the overall enterprise management framework is optimized, particularly the market risk management subsystem. Consequently, the information and analytical database generated during diagnostic procedures serves as a reliable foundation for management to make well-considered marketing decisions and select effective tools to implement strategic objectives.

An analysis of the current state of entities in the domestic agri-food sector reveals significant challenges: a growing proportion of operationally unprofitable farms, significant obsolescence and physical wear and tear of equipment, high volatility in exchange prices, and periodic declines in sales volumes for certain product lines. Under these conditions, developing a diagnostic system for the strategic European integration of agricultural enterprises requires a clear differentiation of objectives, taking into account the interests of diverse stakeholder groups - from top management to investors, suppliers of material and technical resources, logistics operators, and end consumers.

Within the management diagnostic system, the objectives of evaluating an agricultural enterprise's financial, operational, and sales activities should be structured according to their substantive content:

– marketing objectives - researching the competitiveness of agri-food products, assessing product range depth, price elasticity of demand, compliance with quality and safety standards (including GlobalG.A.P. and HACCP), as well as justifying comprehensive measures to increase sales volumes;

– technological and production-related - assessing the condition of agricultural equipment, storage facilities (grain elevators, vegetable storage facilities with controlled gas environments), and the pace of innovation in cultivation and processing technologies;

– financial and economic - assessing the profit margins of sold products, return on working capital, and the liquidity of agribusinesses;

– information and support - verifying the completeness, timeliness, and representativeness of market information for making predictive business decisions;

– legal - auditing compliance with the regulations of the Free Trade Agreement (FTA) between Ukraine and the EU, phytosanitary control standards, customs restrictions, and quotas.

The cornerstone of positioning an agribusiness in the market is the identification of target strategic business areas (SBAs), which in the agricultural sector refer to distinct product and commodity segments (for example, the market for certified organic raw materials, high-oleic crops, primary or value-added processed products, or supply to the HoReCa sector). Identifying SBAs involves systematic monitoring of market risks, institutional barriers, and consumer preferences.

To justify the priority of entering new products and geographic markets (particularly within Europe), a comprehensive assessment of the attractiveness of a strategic business zone (SBZ) is conducted based on a multifactorial ratio

$$SZB = P\ a + Rz\ b + M\ c - Zg\ d \qquad (1)$$

where: P - a score reflecting the agricultural enterprise's competitive potential for penetrating and establishing itself in the selected segment; Rz - the dynamics and projected level of return on sales for the relevant group of agricultural products; M - the marketing opportunities of the sales zone (level of effective demand, availability of tariff preferences or unallocated export quotas); Zg - a set of market threats and barriers (logistical costs, strict non-tariff regulatory standards, risks of price dumping); a, b, c, d - relative weighting coefficients for the identified groups of factors, determined by experts depending on the enterprise's scale and strategic priorities.

Such a diagnostic assessment enables the management of agricultural enterprises to eliminate low-margin, high-risk sales channels and focus resources on the most promising market niches.

The process of developing a system of diagnostic data and grouping indicators of an enterprise's strategic development involves allocating diagnostic objectives across key indicators and types of business activities, while defining overall objectives. The objectives of diagnosing the core indicators of an agricultural enterprise's financial and economic performance include analyzing profitability, liquidity, asset turnover, inventory turnover, accounts receivable, accounts payable, and other factors. This

group of objectives includes a fairly large number of parameters for evaluating financial and economic performance, which are analyzed by managers, heads of structural units, analysts, and suppliers.

By type of activity within an agricultural enterprise, diagnostic objectives involve analyzing and evaluating the marketing, foreign economic, investment, innovation, financial, and production aspects of business operations. These objectives involve identifying a set of parameters to conduct a comprehensive assessment of each type of the enterprise's activity, enabling management personnel and interested counterparties to obtain more comprehensive information regarding the enterprise's status and financial and economic capabilities.

The overall objectives of the diagnostic process set the basic direction during the strategic change phase in the enterprise's operating environment (Fig. 1).

These objectives aim to assess the effectiveness of the enterprise's management, its competitiveness, strategic prospects, innovation, and investment potential, among other factors.

The sustainability and effectiveness of an agricultural enterprise's strategic development are directly determined by a complex of endogenous and exogenous factors, among which the depth and specificity of marketing diagnostics of the competitive business environment in the context of transformational changes play a key role. During the development of an agribusiness's commercial and sales strategy, the analytical department conducts a structured audit of the food industry, identifies the specifics of competitive dynamics, pinpoints levers for strengthening market positions, and analyzes the strategies of major industry competitors and large agricultural holdings. This enables management to determine its market share accurately, develop effective tools to boost agricultural product sales, and establish mutually beneficial relationships with seed and fertilizer suppliers, processors, and retail chains.

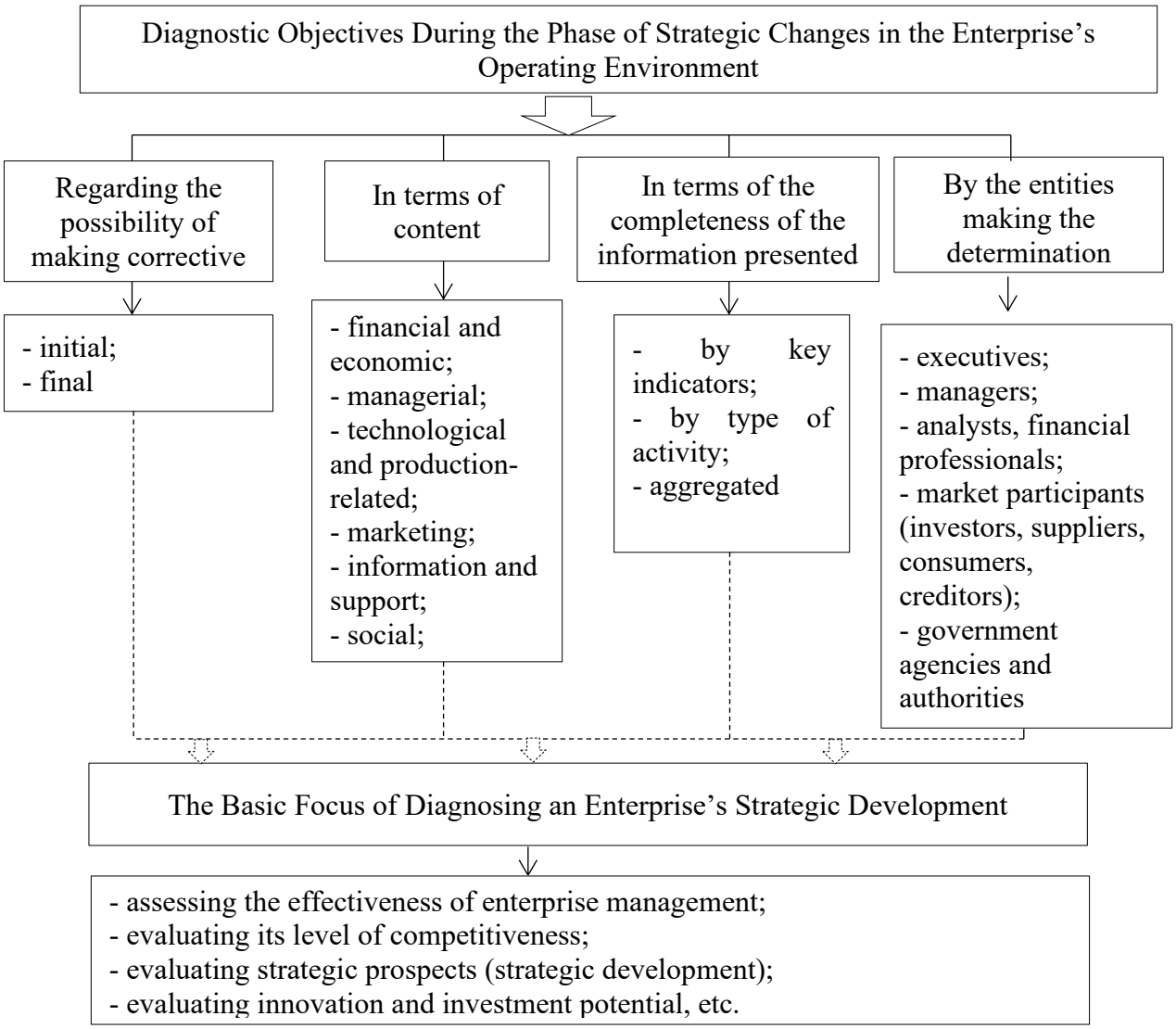


Fig. 1. Breakdown of diagnostic objectives during the phase of strategic changes in the enterprise's operating environment*

Taking into account long-term objectives, market forecasts, and external environmental factors, management identifies target strategic business areas (SBAs). In the agricultural sector, these areas comprise specific products and market niches where the company already has a commercial presence or are considered promising avenues for sales diversification (for example, organic product markets, the high-oleic crop sector, and the supply of niche crops to EU markets).

The identification of promising sales segments in agribusiness is based on careful monitoring of market risks, fluctuations in global agricultural commodity prices, climate instability, shifting consumer preferences toward healthy eating,

logistical constraints, and regulatory requirements for phytosanitary control.

An effective analytical tool for positioning an agricultural enterprise in specific market segments is the matrix approach, which enables assessment of the correlation between market attractiveness parameters and the farm's internal competitive potential. To substantiate marketing strategies, it is advisable to rely on a multi-criteria matrix framework (I). Ansoff's growth matrix (choosing between penetrating traditional food markets or diversifying into deep processing), the Boston Consulting Group's classic matrix (for balancing the product portfolio between high-margin "stars" and stable "cash cows" in agricultural production), M. Porter's model of competitive advantages, as well as the McKinsey and Shell matrices, which provide a systematic diagnosis of the sustainability of an agricultural enterprise's commercial positions.

The factors used to populate the matrices characterizing the enterprise's competitive positions are presented in Table 1

Table 1. Factors used to populate the matrices characterizing the enterprise's competitive positions

Types of Matrices	Comparison Factors
BCG Matrix	- Growth rates of the enterprise's target markets; - Relative market share of the enterprise in target markets.
I. Ansoff's Product-Market Matrix	- Existing and new products of the enterprise; - Existing and new markets of the enterprise.
M. Porter's Competitive Strategies Matrix	- Source of competitive advantages; - Strategic orientation of the enterprise (the entire market or a specific segment).
Multicriteria Matrices: - D. Monieson Matrix; - Hex–Mehlaf Matrix; - McKinsey Matrix; - G. Day Matrix; - McNamee Matrix; - Shell Matrix	- Attractiveness of the enterprise's target market; - Competitiveness of the enterprise in target markets.
Hofer–Schendler Matrix A. D. Little MatrixBrownlie–Bart Matrix	- Stage of the enterprise's product life cycle; - Competitive position of the enterprise in target markets.
M. McDonald Matrix	- Degree of attractiveness of target markets for the enterprise; - Competitive advantages of the enterprise in target markets.

The Boston Consulting Group (BCG) matrix is the most practical tool; managers use it to assess a business entity's market share and market growth rate, enabling them to determine the most effective strategy. At the same time, the BCG matrix has certain drawbacks, including the inability to assess strategic business areas fully, determine market share and potential sales growth rates, and calculate the payback period for invested funds.

To assess the attractiveness of a strategic business area when seeking new product markets, the company's management can use the following formula:

$$SZB = P\ a + Rz\ b + M\ c - Zg\ d, \quad (2)$$

where a, b, c, and d are defined parameters of the most significant factors influencing the company's operations;

P – strength of the strategic business zone (score);

Rz – trends in the profitability of the strategic business zone (score);

M, Zg – assessments of the opportunities and threats inherent in the strategic business zone [159, p. 15].

For any enterprise focused on ensuring strategic development and improving the performance of its financial and operational activities, it is essential to assess its competitive potential, market activity, and competitive status. This will enable the enterprise to compare its performance against industry benchmarks and other enterprises. By using competitive status—an important indicator of a company's competitiveness—it is possible to determine its market position, identify competitive advantages, and assess the ratio of actual to optimal profitability.

When assessing the level of a company's product competitiveness, it is common practice to calculate the Herfindahl Index (Ind.H), which makes it possible to determine the company's market share based on sales volume:

$$Ind.H = \sum J_i^2,$$

$$\text{or } Ind.H = 10000 \sum J_i^2,$$

$$\text{provided that: } J_i = {Qreal._i}/{Qreal.},\ i = 1, \ldots, n, \quad (2)$$

where J_i – is the share of the i-th enterprise in the sales volume of products in a given product range;

$Qreal._i$ - the sales volume of the i-th firm;

$Qreal.$ – total sales volume of a specific product line [158, p. 96].

Managers can determine a company's competitive status *(Sk)* using the formula provided below:

$$Sk = \frac{\sum_{f=1}^{n}\left[Q_f \frac{\sum_{i=1}^{x} z_i \times Z_i}{\sum_{i=1}^{x} z_i}\right]}{\sum_{f=1}^{n} Q_f}, \quad (3)$$

where *Zi* – the value of the i-th factor in the subset of all influencing factors;

z_i – the weighting coefficient for the impact of the i-th factor on the enterprise's operations;

x – the number of influencing factors in each subgroup;

Q_f – the weighting coefficient of the *f-th* subgroup of factors influencing the enterprise's operations;

n – the number of groups of influencing factors;

i – impact factor number;

f – the number of the subgroup of factors influencing the enterprise's operations [149, p. 16].

The drive to deepen European integration processes and gain access to highly competitive foreign food markets is prompting agricultural businesses to increase their market potential and generate qualitatively new competitive advantages. The development of sustainable market advantages is a continuous process of strategic marketing that requires constant adjustment of a farm's product, pricing, and distribution policies in line with the dynamics of consumer demand and regulatory requirements. Given the specific nature of agribusiness production (seasonality, dependence on natural and climatic factors, and the shelf life of agricultural raw materials), the development of new forms of competitive advantages for agricultural enterprises must be based on adherence to fundamental principles:

- the principle of economic effectiveness, which entails achieving a tangible commercial or reputational impact (growth in market share, increased margins, or

greater recognition of the agricultural brand) while optimizing costs for product promotion and certification;

- the principle of predictive diagnostic auditing, aimed at regularly assessing the competitiveness of agri-food products, reviewing existing unique selling propositions (USPs), and identifying critical factors in the external and internal environments that affect operational and marketing stability;

- the principle of strategic coherence (interdependence), according to which the creation of each new competitive advantage (for example, the transition to organic farming or the implementation of the GlobalG.A.P. standard) must strictly align with the overall marketing strategy and long-term business positioning goals;

- the principle of predictive adaptability, which guides the agricultural enterprise's analytical departments toward early modeling of future market trends and building the capacity to maintain leadership in the niche based on an assessment of its own biological, technological, and financial capabilities.

Figure 2 schematically illustrates the processes involved in diagnosing an agricultural enterprise during the stages of generating competitive advantages in the context of European integration, in which the first key process is the creation of an information base for assessing the level of competitiveness and determining the financial, resource, and human capital capabilities required to achieve it.

Systematizing the analytical dataset using an established set of basic marketing parameters enables the agricultural enterprise's commercial department to verify its competitiveness and assess the sustainability of existing market advantages. A comprehensive audit of production and resource potential, logistical capabilities (availability of certified silos and refrigerated trucks), and financial reserves provides a factual basis for developing targeted programs to differentiate agricultural products, both in the short term and within the long-term perspective of European integration. At the same time, before deciding whether to expand into new sales channels, it is critical to conduct a predictive analysis of their impact on sales margins, the farm's operational resilience, and the stability of the agricultural business amid price fluctuations in commodity markets.

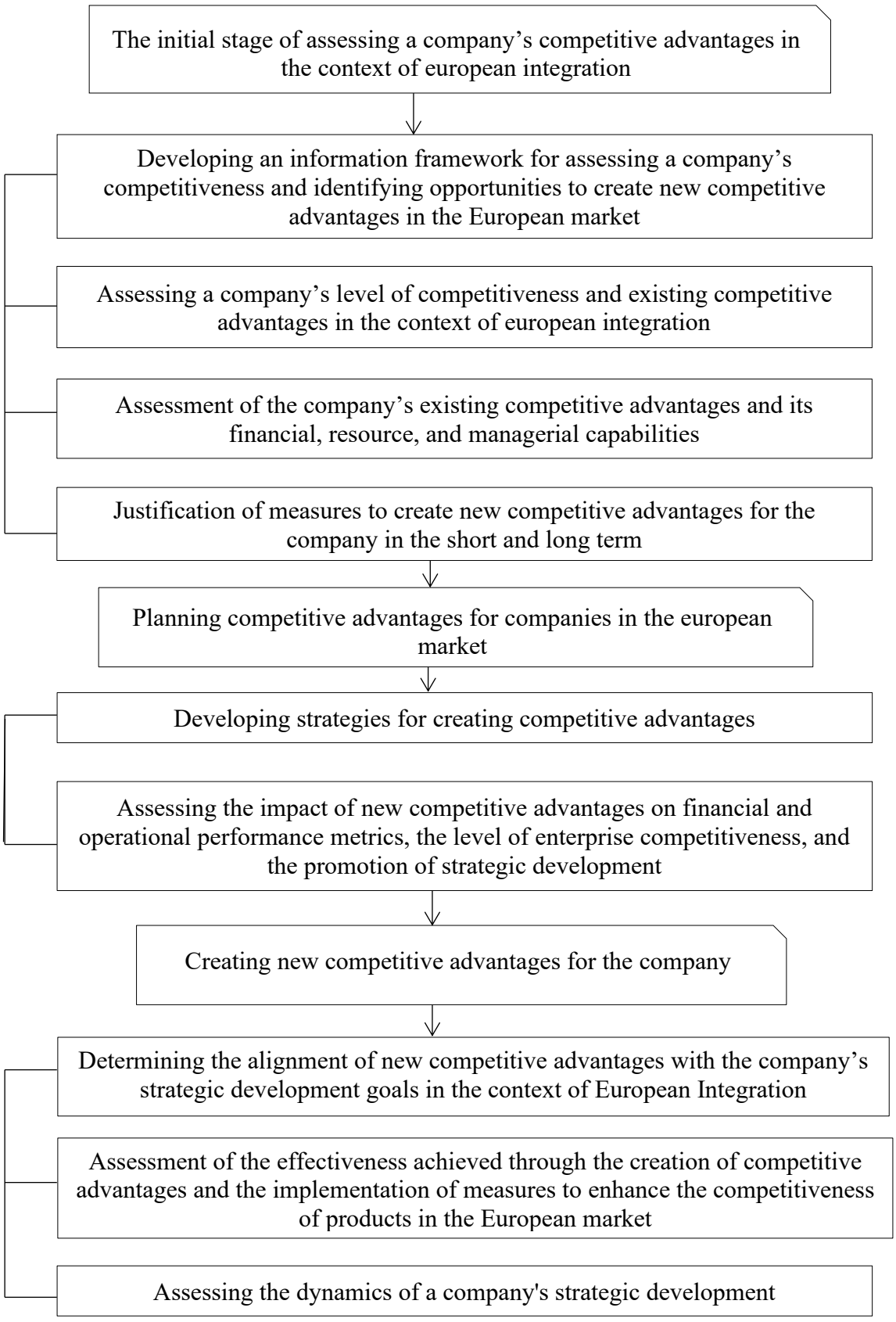


Fig. 2. Diagnosis of an agricultural enterprise at the stages of generating competitive advantages in the context of European integration*

The operational efficiency of agricultural enterprises increases significantly when the competitiveness management subsystem is closely integrated with the strategic marketing diagnostics framework. Achieving a sustainable position in the European food market requires management to focus its efforts on key areas of marketing influence: optimizing the product range in line with the needs of EU consumers; strict adherence to quality and biosafety standards for agricultural products; minimizing logistics and transaction costs in the supply chain; continuously monitoring market conditions in target segments; and harmonizing internal production standards with European legislative directives regarding food and raw material safety controls.

Systematizing the body of analytical data based on an established set of core marketing parameters enables specialists in the agricultural enterprise's commercial department to conduct a comprehensive assessment of its competitiveness and evaluate the sustainability of existing market advantages. Assessing the agricultural enterprise's production, technological, logistical, and financial-resource capabilities provides an analytical basis for justifying targeted programs to differentiate food products, expand the product range, and develop adaptive sales plans for both the current period and long-term integration into foreign markets.

Before making decisions regarding scaling up or implementing new competitive advantages (in particular, transitioning to organic production, growing high-margin niche crops, or implementing deep processing systems for raw materials), it is critically important to conduct a proactive assessment of their impact on the agricultural enterprise's operating results, sales margins, and overall financial stability. After developing and launching updated product offerings, a mandatory step is to assess the commercial impact achieved quantitatively and to monitor the development strategy's progress to ensure it aligns with planned timeframes and quality benchmarks.

In building an agribusiness entity's competitive potential, the comprehensiveness of information and analytical support plays a decisive role, encompassing monitoring of both the enterprise's internal state and the external food market. To achieve competitiveness targets amid high volatility in agricultural commodity prices and changes in trade regulations, it is essential to develop not only a basic marketing strategy

but also a range of alternative response scenarios. Comprehensive marketing analysis involves comparing a company's own agrotechnological, quality, regulatory, and consumer characteristics with those of leading competitors and large agricultural holdings. The diagnostic framework developed in this way serves as a reliable foundation for mobilizing reserves to enhance the competitiveness of agri-food products, optimizing distribution channels, and ensuring the sustainable strategic development of an agricultural enterprise.

The close functional link between the analytical framework of strategic marketing diagnostics and the practical implementation of measures to enhance the competitiveness of agribusiness products is of decisive importance when entering the highly competitive markets of EU countries. The vectors of managerial influence in this process should focus on the comprehensive modernization of production and sales policies, ensuring that the quality parameters of raw materials and finished products comply with European Union directives, and establishing an effective distribution system (Fig. 3).

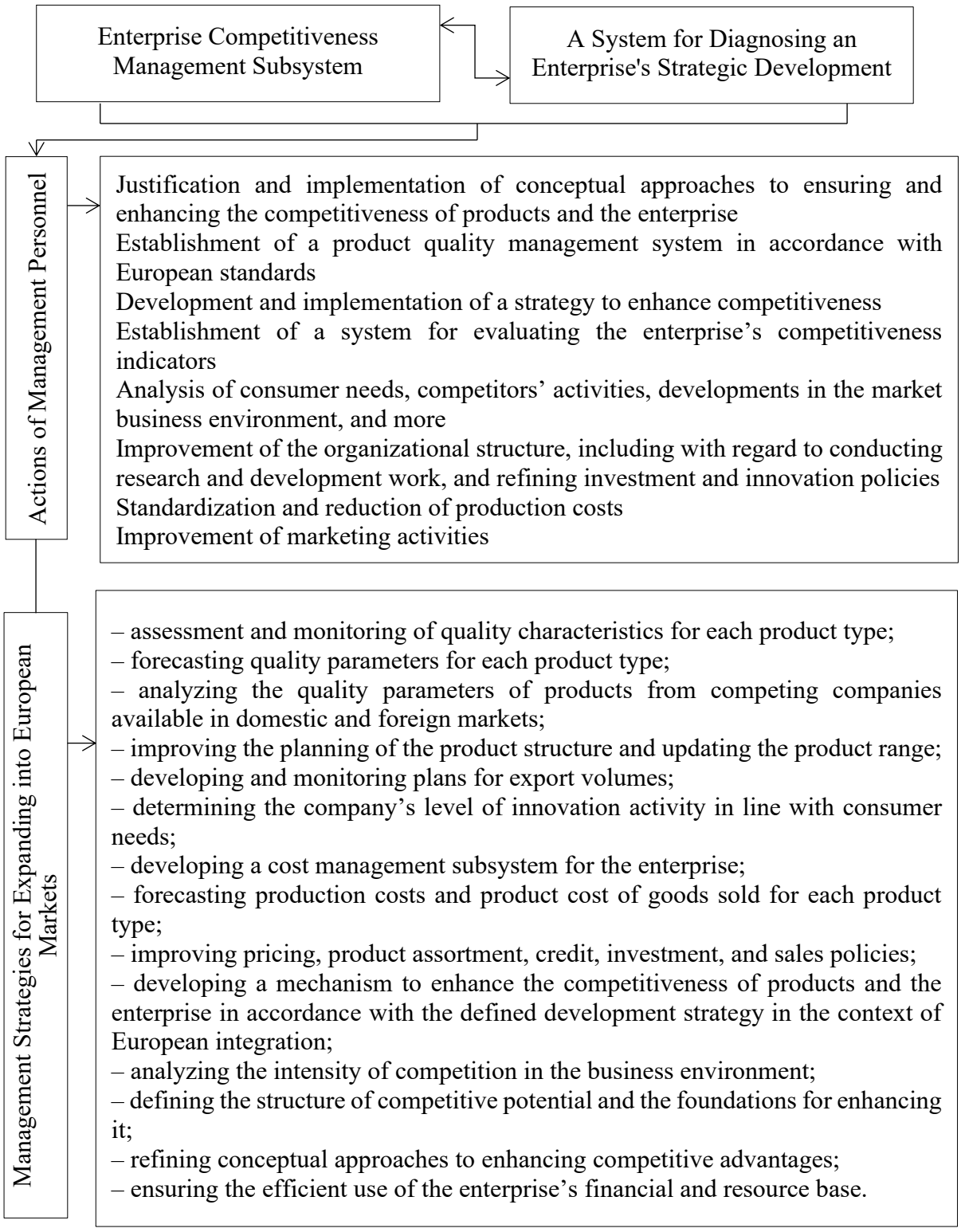


Fig. 3. Management and marketing aspects of ensuring the competitiveness of an agricultural enterprise from a strategic perspective of entering European markets

As shown in the presented structural-logical diagram, the effectiveness of the subsystem for managing the competitiveness of an agricultural enterprise is directly determined by the coordination of management personnel's actions across several interrelated levels:

1. Product and quality level: ensuring strict control over the environmental and biological safety parameters of agricultural products, monitoring quality indicators in accordance with international standards (ISO 22000, HACCP, GlobalG.A.P.), as well as regularly optimizing and expanding the product portfolio in response to fluctuations in consumer demand.

2. Pricing and Cost Level: establishing flexible mechanisms for managing production and logistics costs, building predictive cost models in agricultural supply chains, and developing an adaptive pricing policy capable of withstanding the volatility of exchange rates.

3. Marketing and communication level: improving distribution channels; conducting systematic assessments of the intensity of market competition; entering into long-term contracts with European traders and retailers; and establishing a unique identity for the domestic agri-food brand in foreign markets.

From a strategic perspective on tapping into the vast European markets, management efforts should focus on:

- continuous optimization of the product range and strict control of agricultural product quality parameters in accordance with international safety standards (ISO 22000, HACCP, GlobalG.A.P.);
- rationalizing the structure of production and logistics costs and reducing production costs to maintain price competitiveness;
- building strategic market potential by continuously deepening the analysis of the competitive environment and protecting established market niches.

Formulating strategic plans for agribusiness development requires a clear definition of the theoretical and methodological foundations of marketing analysis, which provide a representative information base that covers both internal production

and resource potential and external market conditions. The use of diagnostic tools enables an agricultural enterprise's commercial department to identify cause-and-effect relationships in market shifts and to justify long-term management decisions scientifically. At the same time, conducting diagnostic studies in the agricultural sector is accompanied by specific challenges: the need to account for production seasonality, price volatility on commodity exchanges, the development of a balanced set of performance indicators, and the proper selection of competitor firms for benchmarking.

To address these challenges, a comprehensive model for establishing a diagnostic framework to ensure the competitiveness of agricultural enterprises has been proposed, which serves as the analytical foundation for the development and implementation of a competitive marketing strategy. Within this model, the marketing diagnostics subsystem is integrated into the overall strategic management framework and encompasses four interrelated areas of study:

1. The competitive macro- and microenvironments in which agribusiness operates;
2. the behavior and strategies of competing enterprises (including vertically integrated agribusiness holdings and local foreign producers);
3. the transformation of consumer demands, consumption standards, and purchasing preferences in food markets;
4. internal parameters of the enterprise's production, sales, and financial activities.

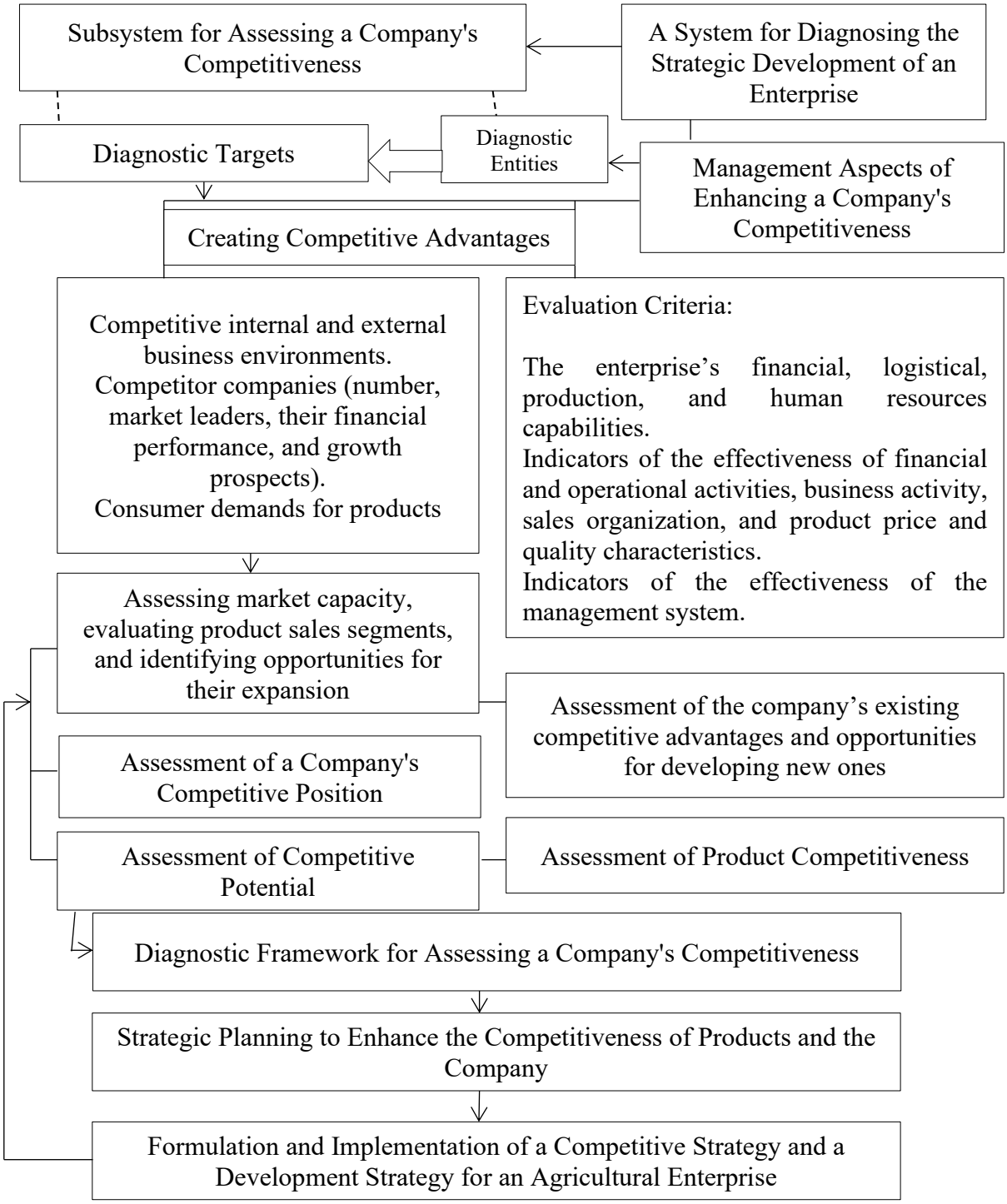


Fig. 4. Development of a marketing and diagnostic framework to ensure the competitiveness of an agricultural enterprise in the European market

As shown by the structural breakdown presented above, the process of generating a diagnostic framework for an agricultural enterprise is based on the differentiation of evaluation parameters according to internal and external research vectors:

1. Internal analytical loop (resource and management capacity):

- Material, technical, and agrotechnological support: assessment of the condition of the machinery and tractor fleet, irrigation systems, grain storage capacity, and refrigeration equipment for preserving crop quality;
- Production and financial parameters: calculation of the operating margin for individual crops or types of livestock raw materials, liquidity ratios, and accounts receivable turnover under export contracts;
- Sales activity parameters: auditing the performance of commercial divisions, the stability of distribution channels, and adherence to schedules for direct deliveries to grain traders or processing enterprises.

2. External analytical framework (market and competitive environment):

- Target market capacity assessment and segmentation: quantitative measurement of demand volumes by premium segments (organic products, niche legumes and oilseeds, frozen semi-prepared berries and vegetables);
- Monitoring of competitors' strategies: analysis of market shares and pricing methods of leading agricultural holdings, as well as local European farmers' associations that benefit from preferences under the EU's Common Agricultural Policy (CAP);
- Identification of consumer requirements: research into the dynamics of environmental preferences, certification requirements of European buyers, and phytosanitary import regulations.

The synthesis of these components allows for a systematic assessment of an agribusiness's market potential, the calculation of its overall competitive status, and the justification of opportunities to generate new competitive advantages (in particular through certification to GlobalG.A.P. standards, carbon neutrality, or "farm-to-table" traceability). The resulting diagnostic framework serves as a practical scientific and

methodological platform for developing a long-term competitive strategy for agribusiness and selecting the most effective marketing mix tools in the context of European integration.

The diagnostic system for an agricultural enterprise is an integrated set of analytical processes aimed at the detailed assessment, monitoring, and verification of the enterprise's status, as well as the dynamics of key parameters of its commercial activities, to formulate expert conclusions and diagnoses and to develop an information and analytical foundation. On this basis, industry experts develop practical recommendations and make informed management decisions to realize strategic market potential, mitigate risks, build adaptive tools to respond to fluctuations in the food market, mobilize production reserves, identify promising market niches, and improve the effectiveness of operational and sales activities. When formulating strategic development priorities, management systematically takes into account the impact of both exogenous factors in the business environment and endogenous determinants, identifying areas of direct managerial control to optimize agrotechnological, resource, human resources, and marketing subsystems.

The contemporary strategic challenges of globalization lay the groundwork for the internationalization of global agricultural markets and the acceleration of scientific and technological progress, while also heightening the importance of ensuring international and national food security, overcoming tariff and quota barriers, promoting the rational use of natural resources, and preventing crises. The state plays a leading role in addressing the challenges of globalization, particularly through effective regulatory policies aimed at maintaining macroeconomic stability, optimizing customs and tariff regulations for agricultural exports, developing foreign economic relations, reducing the resource intensity of production, and overcoming technological backwardness. These measures, which serve as the foundation of national economic security, directly impact the functioning of Ukraine's entire agro-industrial sector.

As European integration intensifies, the top priority for domestic agribusiness entities is to ensure strategic flexibility, build long-term capacity, and minimize commercial risks by using modern analytical tools. An assessment of the factors

influencing the operations of agricultural enterprises shows that traditional methods of extrapolative planning and fragmented analysis are insufficient for implementing market strategies and strengthening competitive positions, as they largely ignore the nonlinear cause-and-effect relationships between product quality characteristics and financial results. This is precisely why there is an objective need to apply systematic and comprehensive approaches to the marketing diagnosis of agricultural enterprises, which ensure improved decision-making in the highly competitive European business environment.

The implementation of diagnostic procedures within the framework of strategic management of an agricultural enterprise unfolds in stages:

1. Target stage: defining priority goals, breaking down the objects of diagnostic observation, and justifying the corresponding methodological tools. Taking into account the specifics of the chosen strategy, a system of indicators is formed with the establishment of their normative and threshold parameters, which allows for the structuring of an analytical database on resource expenditures for each strategic direction;

2. Factual-analytical stage: collection of data sets on actual business performance indicators, assessment of their trends, and identification of deviations from planned targets. The information gathered serves as the basis for developing market forecasts, conducting SWOT analyses of product lines, and making timely adjustments to the marketing mix.

Through in-depth diagnostics, specialists determine the actual financial condition of the agricultural enterprise, which defines the limits of its investment and sales activities. This makes it possible to calculate financial resource needs for specific areas of activity, mobilize hidden production reserves, and plan the technical and technological modernization of processing or storage facilities.

Conducting diagnostic studies in the agricultural sector requires proactive consideration of specific industry risks based on compliance with basic requirements:

- Data representativeness and reliability: covering a broad spectrum of production, sales, industry-specific, and regional information, taking into account food

market conditions, since the use of incorrect input parameters undermines the quality of strategic forecasts;

- Completeness of information and economic feasibility: conducting a comprehensive audit of agribusiness sectors, weighing the costs of research procedures against the resulting commercial benefits (expansion of market niches, optimization of distribution channels, etc.);
- Information security: restricting unauthorized access to internal analytical reports and maintaining the confidentiality of information regarding the farm's vulnerabilities or commercial plans;
- Objectivity of expert conclusions: eliminating bias during the interpretation of diagnostic findings, in particular by engaging independent industry analysts and auditors.

Among the functions inherent in the diagnosis of an agricultural enterprise, the key ones are the collection and systematization of data on the state of business processes, the recording of deviations, the identification of factors of external instability, and the assessment of risks to substantiate decisions aimed at strengthening the enterprise's competitiveness in external markets.

The improvement of diagnostic procedures is based on an integrative approach that aggregates partial indicators into synthetic parameters characterizing the level of adaptability and development potential of an agricultural enterprise in the context of European integration. The combination of systemic and integrative approaches enables reliable monitoring of the external environment. It transforms strategic diagnostics into a fundamental functional element of the planning, forecasting, and marketing management cycle for agribusiness entities.

The organizational and analytical interaction of the key components of this system and the logic of the structure-forming processes of an agricultural enterprise's strategic development are presented in Fig. 5



Fig. 5. Structural processes in the diagnosis of strategic development of an agricultural enterprise

In diagnosing the strategic development of an agricultural enterprise, the practical implementation of a systems approach is particularly important; the essence of this approach lies in ensuring continuous functional interconnection between the key subsystems of strategic management and the objects under study within the production-and-sales cycle. At the same time, the qualitative transformation and modernization of management functions directly enhance the validity of evaluation parameters, ensuring high accuracy in identifying diagnostic criteria amid the high uncertainty of the food market (Fig. 6).

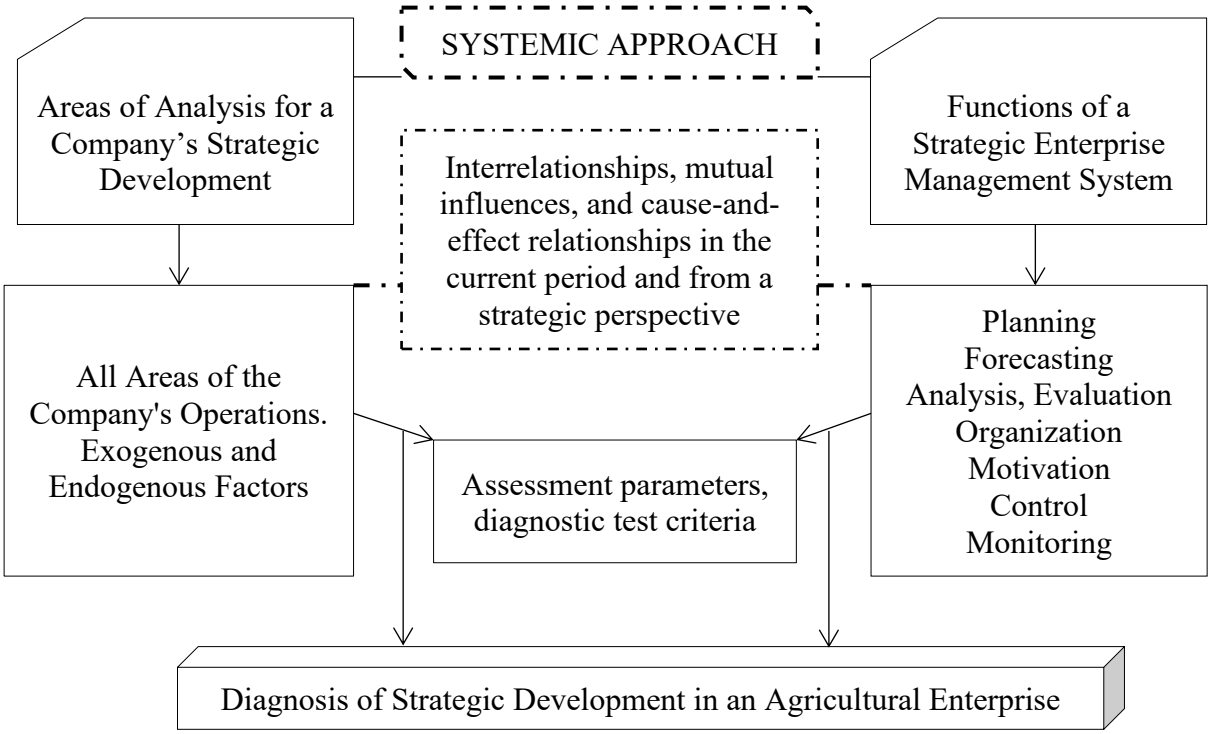


Fig. 6. The advantage of a systems approach in marketing diagnostics for the strategic development of an agricultural enterprise

The functional elements of an agricultural enterprise's strategic management system must be characterized by organic coordination to enhance the soundness of commercial decisions. Based on diagnostic parameters for operational, sales, and financial activities, the analytical department identifies cause-and-effect chains of mutual influence between exogenous and endogenous factors, enabling the development of multi-scenario forecasts of long-term market behavior. This approach

ensures timely adjustments to the marketing strategy and stabilizes the agricultural business's position amid the challenges of European integration.

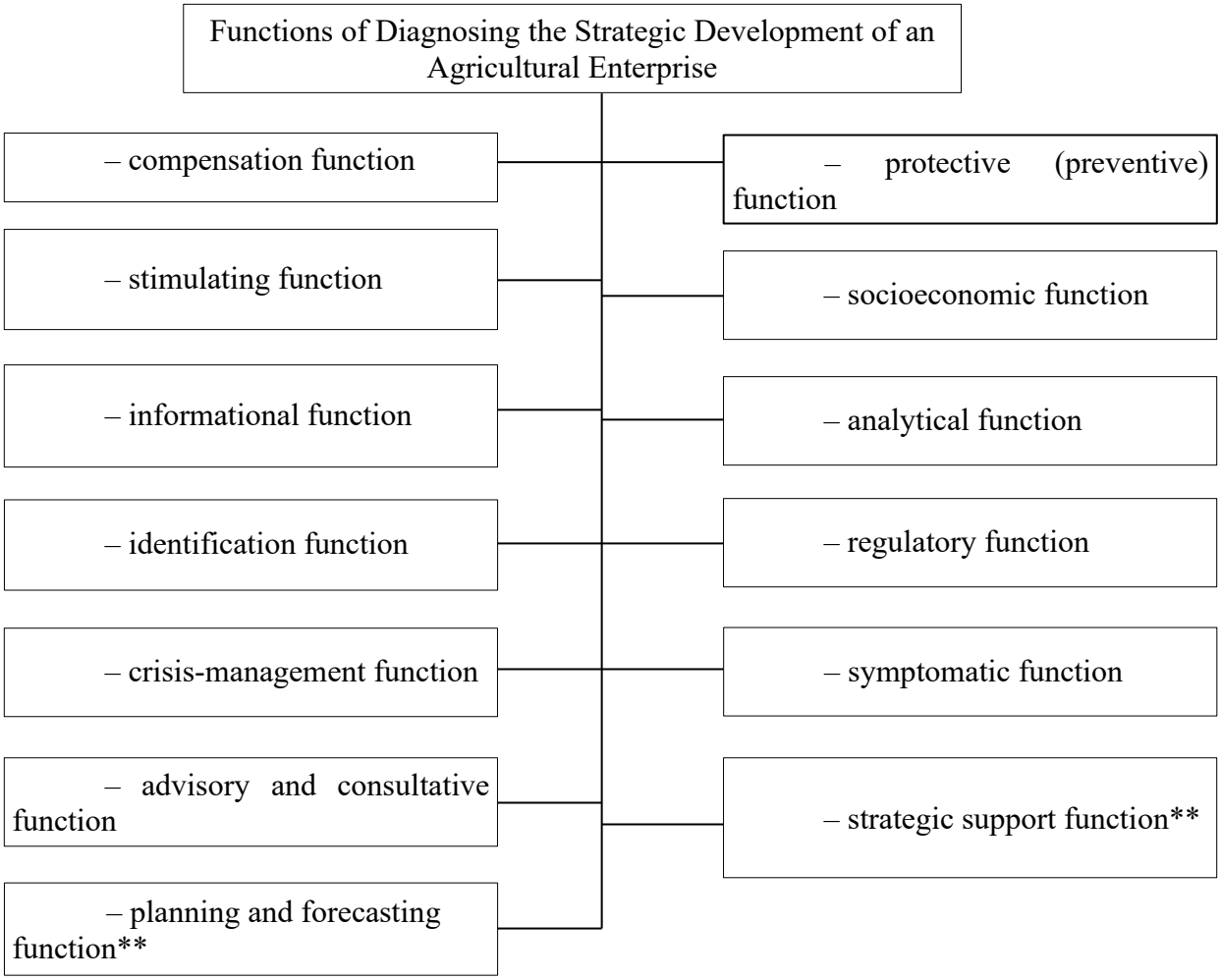


Fig. 7. Functional components of strategic development diagnostics for an agricultural enterprise

The functional framework of the marketing diagnostics system for the strategic development of agricultural enterprises establishes an effective mechanism for coordinating the analytical unit with commercial decision-making processes. The core set of key diagnostic functions in agribusiness includes:

- protective (preventive) function - involves the early detection of signs of market instability, phytosanitary and tariff-quota barriers in foreign markets, and fluctuations in global prices for agricultural raw materials, enabling management to diversify sales risks promptly and protect the enterprise's position;

- compensatory function - consists of ensuring a positive economic outcome through the prompt elimination of identified disruptive factors, the optimization of resource costs in supply chains, and the preservation of profit margins in agricultural production amid intensifying market competition;
- incentive function - encourages the management of agricultural enterprises to modernize cultivation and processing technologies, implement quality control systems (HACCP, GlobalG.A.P.), and actively seek new sales channels in the European food market;
- socioeconomic function - aimed at reconciling the commercial interests of agribusiness entities with the requirements of regional food security, supporting employment in rural areas, and ensuring environmental standards for land use;
- information function - ensures the systematic collection, structuring, and verification of representative data on demand parameters, the dynamics of exchange quotations, the state of distribution channels, and the regulatory and legal requirements of target markets;
- analytical function - involves conducting a multidimensional analysis of the farm's production and marketing activities, comparing actual results with planned targets, and examining the cost structure at each stage of value creation;
- identification function - enables the assessment of trends in key parameters of the agricultural enterprise's development in both retrospective and current contexts, the determination of its market trajectory, and the real potential for expanding its commercial presence;
- regulatory function - ensures the prompt identification of critical gaps between projected and actual product sales figures, followed by adjustments to product mix, pricing, and sales policies;
- crisis-management function - provides a factual basis for developing scenarios to overcome force majeure circumstances, logistical breakdowns, and macroeconomic shocks during the implementation of strategic transformations;

- diagnostic function - focuses on identifying hidden “bottlenecks” in operational activities (delays in export payments, warehouse overstocking, exceeding loss limits during crop storage) to prevent them from escalating into systemic crises;
- advisory and consulting function - ensures the scientifically grounded generation of strategic development alternatives and the selection of the most cost-effective marketing tools to strengthen long-term competitiveness;
- strategic support function - acts as an integrating link that transforms analytical conclusions regarding the state of the internal and external environments into a foundation for the formulation and successful implementation of the agricultural enterprise’s market strategy;
- planning and forecasting function - ensures qualitative improvement of strategic planning procedures and forecasting of food market conditions through the implementation of flexible adaptive models.

Developing a marketing diagnostic system for the strategic European integration of agricultural enterprises requires establishing clear targets and identifying objective cause-and-effect relationships between key indicators. Such tools enable management to promptly diagnose issues in an agricultural enterprise’s sales and financial activities, develop preventive measures to mitigate market risks, increase profitability, and strengthen the stability of market positions in both domestic and foreign markets.

The architecture of the comprehensive marketing diagnostic system for the strategic European integration development of agricultural enterprises integrates the functional-objective, criteria-analytical, and methodological-organizational subsystems (Fig. 8). Their combined interaction ensures the formation of a comprehensive diagnostic basis for competitiveness, implements a systematic approach to strategic planning, and significantly improves the effectiveness of agribusiness export plans.

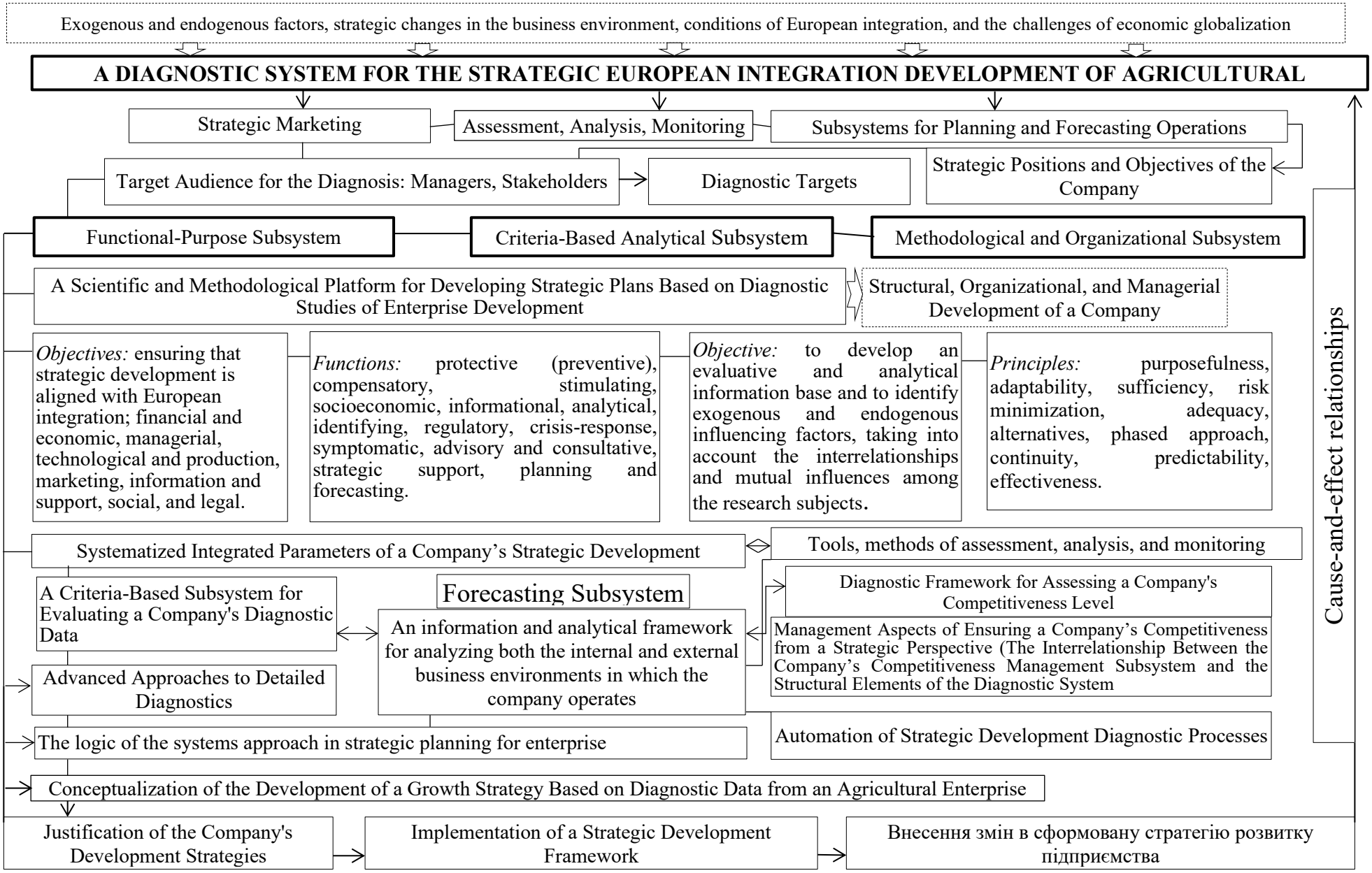


Fig. 8. Architectural framework of the system for assessing the strategic European Integration development of agricultural enterprises

Both exogenous and endogenous factors continually influence the functioning of an agricultural enterprise's established diagnostic system. In-depth monitoring of these factors enables analytical services to adapt promptly to market changes, mitigate critical threats, and implement preventive measures.

The structuring of endogenous factors in strategic development is of particular importance in the management of an agricultural enterprise, as they fall within the sphere of direct managerial influence. Management can purposefully modify the parameters of the production program, the structure of cropland, the depth of product processing, and value-added activities, as well as optimize the marketing strategy. At the same time, it is essential to take into account the parameters of the European integration environment: the regulations of the EU's Common Agricultural Policy (CAP), phytosanitary control standards, trends in interactions with international trade institutions, and requirements to reduce the carbon footprint of agricultural products.

The analysis of strategic development directly enhances the functional capacity of internal planning and forecasting subsystems. Improving the quality of predictive calculations optimizes performance indicator monitoring and catalyzes increased effectiveness of strategic marketing management across the agribusiness entity as a whole.

Methodological approaches to the strategic management of an agribusiness entity are directly determined by its overarching mission, target market benchmarks, and the underlying rationale for its presence in target markets, which serves as the cornerstone for developing a long-term strategy. The structural architecture of the diagnostic system for the strategic European integration development of agricultural enterprises comprises functional-objective, criteria-analytical, and methodological-organizational subsystems, whose interaction ensures a targeted managerial influence by the entities analyzing the specified diagnostic objects.

The objects of marketing diagnostics in the agricultural sector comprise the entire set of business processes, commercial operations, and phenomena that are subject to measurement, monitoring, and evaluation. In the context of strategic development, virtually all areas of agricultural operations are examined, including

macroenvironmental factors and the specific conditions of the food market. The entities that initiate, coordinate, and directly carry out diagnostic procedures include senior management, leading marketing specialists, analysts from the sales, planning, and economic departments, as well as specialists in export potential development.

In terms of external interaction with stakeholders, the subjects of diagnostic audits include key market counterparties: traders, logistics operators, suppliers of seed and agrochemicals, financial and credit institutions, investors, as well as customs, sanitary, and phytosanitary control authorities. For small and medium-sized farms, diagnostic functions are often delegated to in-house multidisciplinary specialists or external consulting agencies, which collect primary data, structure reports, and formulate conclusions necessary for management to resolve marketing issues and ensure compliance with European regulations promptly.

Given the close relationship between the quality of strategic planning and the reliability of diagnostic data, the foundation for analyzing an agricultural enterprise's strategic development toward European integration is a scientific and methodological planning platform. Through the simultaneous application of systematic and comprehensive approaches, this platform aims to modernize agribusiness structurally and functionally, improve the accuracy of commercial forecasts, and develop predictive models to support the development of the segments under study.

The organizational preparation for diagnosing the strategic progress of an agricultural enterprise involves first defining the analytical goals, objectives, criteria, and principles for its implementation. Since strategic diagnosis focuses on identifying long-term indicators of market dynamics, the development of the methodological framework is based on a system of fundamental principles:

- purposefulness,
- informational sufficiency,
- adaptability to market fluctuations,
- adequacy of analytical tools,
- minimization of commercial risk,
- alternative options,

- continuity and phased monitoring.

The principles of effectiveness and predictability hold a special place, as they enable multi-variant modeling of market situations based on actual data on the agricultural enterprise's operations and allow assessment of the value of the information obtained relative to the costs incurred for marketing research.

The implementation of a range of diagnostic functions - protective, compensatory, stimulatory, socioeconomic, informational, analytical, identificatory, regulatory, crisis-management, symptomatic, and advisory - ensures comprehensive coverage of the internal and external factors influencing the development of an agribusiness entity. At the same time, the strategic support and planning-forecasting functions play a system-forming role. It is these functions that ensure the continuous transfer of diagnostic results into strategic planning, sales forecasting, and the development of targeted export programs using adaptive and anti-crisis tools.

The foundation of the criteria-based analytical subsystem consists of groups of parameters structured according to target criteria, which are subject to regular analytical measurement. The integration of the criteria-based subsystem with monitoring of exogenous and endogenous factors creates a unified information and analytical database that serves as the basis for decisions aimed at strengthening the farm's market position. Given that the competitiveness of an agricultural enterprise encompasses indicators from all areas of operations (from biological yield and raw material preservation to logistics efficiency), the key management focus of marketing diagnostics is expanding sales geography, creating sustainable product differentiation, and capturing premium food market niches.

Applying a systems approach allows for the conceptualization of a competitive strategy for an agricultural enterprise. The presence of a core strategy, combined with a set of alternative response scenarios, forms the basis of a dynamic development model that, by strengthening monitoring and control functions, enables timely adjustments to business processes in response to the challenges of the global agri-food market.

The dynamic transformations of the modern business environment place stringent demands on the adaptability of entities in the agricultural sector, prompting their management to monitor the multifaceted influences on value chains thoroughly and to capitalize on competitive advantages rapidly. Under these conditions, the development of strategic thinking among leading analysts and farm managers - along with the crystallization of an authentic concept of market-oriented management - takes on exceptional importance.

The dominant priorities for agricultural enterprises are achieving financial stability, maximizing the profitability of sold products, and strengthening their competitive position in selected market segments. A systematic synthesis of well-founded operational tools, long-term marketing programs, and predictive diagnostics creates a solid foundation for achieving overarching commercial goals, which becomes particularly critical amid deepening globalization trends and the integration of the domestic agribusiness sector into the EU single market.

The realities of agribusiness confirm the scientific and practical significance of researching the methodological framework of strategic diagnostics, its planning and forecasting tools, and the development of an effective strategic management system. This management framework is based on the decomposition of core tasks, the formulation of competitive strategies, and the monitoring of their implementation, all in close interrelation with the imperatives of the external food market and the actual production and resource potential of the business entity.

The key objective of strategic management in the agricultural sector is to maintain and enhance the competitiveness of agricultural products over the long term in the context of European integration. This objective is achieved by developing strategies that maximize the aggregate consumer and market value of an agricultural enterprise. The development of these strategies is based on an in-depth audit of commercial activities to identify external threats, detect critical internal weaknesses (“bottlenecks” in storage, processing, or logistics), and mobilize internal reserves of resilience.

Strategic management of an agribusiness entity should be understood as an integrated management concept that combines systematic approaches to conducting commercial activities, targeted development vectors, and the accumulation of resource potential in accordance with the chosen market behavior vector.

In characterizing the essence of strategic management as a continuous process of business transformation grounded in the development of human capital and the constant monitoring of the business environment, researchers (in particular, L. M. Romanyuk) rightly emphasize the imperative to adapt classical Western management approaches to the domestic institutional environment. The basic concepts of strategic management were historically developed for developed market systems with a favorable regulatory climate, excess liquidity, and accessible long-term capital. Given structural imbalances, high levels of price and phytosanitary uncertainty in foreign markets, limited investment resources, and the specific nature of state agricultural support in Ukraine, there is an urgent need to develop adaptive scientific and methodological foundations to implement strategic management in the practice of domestic agricultural enterprises.

The fundamental premise of effective strategic diagnosis is the recognition of the dynamic nature of the market environment, whereby the initially formulated development strategy of an agribusiness entity, under the influence of external determinants of European integration, is inevitably subject to constant decomposition and modification. The transformation of strategic parameters over specific time intervals is driven by the need for the enterprise to adapt to changing market conditions, mitigate price volatility risks, respond to intensifying competition in food markets, and account for socioeconomic shifts.

Developing adaptive management mechanisms for agricultural enterprises requires the regular use of qualitative and quantitative diagnostic parameters. Regardless of the depth of the initial development of strategic plans, under pressure from exogenous factors, management is forced to review the functional components of the strategy and implement preventive and corrective changes. Systematic diagnostics, combined with continuous monitoring of internal potential and the external market

environment, create the conditions for a targeted transition of the agricultural enterprise from its current operating state to its desired strategic objectives. A key factor in the success of such a transition is the well-founded selection of diagnostic tools designed to generate a wide range of strategic alternatives.

The validity of diagnostic procedures determines the feasibility of the strategic priorities established for the agribusiness's progress toward European integration. Assessing a business entity's strategic potential precludes cookie-cutter solutions, as it requires careful consideration of the specific conditions under which it operates: financial and investment capacity, solvency, biological and agrotechnological potential, and its competitive position in the market. The development of a customized set of diagnostic methods must be based on the specifics of agricultural planning, an analysis of past management shortcomings, the enterprise's overall profile, and its general mission.

Within the strategic management system of agricultural enterprises, the following methods for diagnosing market potential are of particular importance:

- M. Porter's value chain analysis, aimed at breaking down all stages of agricultural production and marketing - from sowing seeds and applying fertilizers to processing, packaging, logistics, and sales to the end consumer ("from farm to table") - which allows for the identification of sources of added value and consumer value in products;
- Stakeholder analysis, which involves reviewing interactions with all of the agricultural enterprise's key stakeholder groups (suppliers of equipment, crop protection products, and fuel; agricultural traders; processors; financial institutions; regulatory and certification bodies; investors) to optimize contractual terms, protecting commercial interests, and building long-term partnerships;
- SWOT analysis, focused on a structured comparison of the strengths and weaknesses of the agricultural enterprise's operations with potential market opportunities (new EU export quotas, growing demand for organic raw materials) and threats (climate anomalies, volatility in exchange rates, phytosanitary restrictions);

- assessment of staff qualifications and competencies, which allows for identifying the level of proficiency in innovative agricultural technologies, international trading standards, and certification requirements, thereby providing a foundation for timely adjustments to personnel policy in line with the objectives of European integration;

Strategic benchmarking, which is based on comparing the company's own production and sales indicators, crop yields, storage costs, and logistics parameters with the benchmark values of industry-leading companies and international agricultural holdings.

The application of a validated methodology for diagnosing and evaluating the effectiveness of a strategy by comparing costs incurred with results achieved ensures:

1. The scientifically grounded formulation of a core strategy for the agricultural enterprise's European integration in the context of intense market competition;
2. Timely identification and phasing out of low-efficiency production programs and costly distribution channels that failed to deliver the planned returns in previous periods;
3. Optimization of the cost management subsystem by identifying opportunities for resource conservation at all stages of agricultural value creation;
4. Rigorous verification of critical exogenous and endogenous determinants that directly influence the pace and quality of implementation of current and strategic agribusiness development objectives.

Table 2. Methodological Tools for Conducting Marketing and Diagnostic Studies of an Agricultural Enterprise

Method Name	Method Characteristics
GROUP OF FORMALIZED METHODS	
Factor Analysis	Identification of influencing factors, determination of the level of deviations of actual indicator values from planned values, and assessment of the degree of influence of individual factors on the enterprise's activities.
Statistical Analysis	It involves processing, systematization, and analysis of information data concerning all areas of the enterprise's activities, including assessment of data dynamics, grouping, regression, extrapolation, and correlation analysis.

Continuation of table 2

MMathematical Analysis	Methods of chain substitutions, growth rates, calculation of relative and absolute deviations, analysis of changes in indicators over time, discounting, logarithmic, and differential methods.
Market Conditions Analysis	An assessment of the state of financial and economic activity in the current period is made by comparing the existing levels of demand and supply.
SStrategic Analysis	Identification and assessment of the degree of influence of exogenous and endogenous factors, as well as identification of factors having a positive or negative impact. Systematization of internal factors that management can influence, fully or partially. Strategic analysis is used to identify opportunities and directions for achieving strategic development objectives. The methods include M. Porter's method, SWOT analysis, benchmarking, the strategic profile method, matrix-building methods, assessment of market segments, ABC analysis, and PIMS analysis.
GROUP OF NON-FORMALIZED METHODS	
Fundamental Analysis	Study of activity parameters over time, identification of trends, and significant changes.
Expert Analysis	Use of experts' subjective opinions in research, followed by evaluation and processing of the obtained results, including brainstorming, scenario analysis, expert surveys, and other methods.
Monitoring Analysis	Systematic assessment and analysis of deviations and monitoring of changes over time, including changes in the influence of internal and external business environment factors.
Logical Modeling	Formation of a subsystem of evaluation parameters, use of analytical tables for diagnostic studies, and development of scenarios for the evolution of events across all areas of the enterprise's activities, including parameter grouping and development of functional interrelationship models.
Technical Analysis	Identification of alternative directions for the development of financial and economic activities, development of plans, projects, and forecasts.
Morphological Analysis	Development of several possible scenarios for the evolution of events and adoption of appropriate managerial decisions, as well as identification of the most effective alternatives.
Factographic Analysis	Study of information from mass media, scientific and methodological sources, and other relevant sources.
Ranking Analysis	Ranking, grouping, and systematization aim to identify the most significant data according to the parameters of the enterprise's business activities.
Sociological Analysis	Identification of socially active and positive groups. Conducting questionnaire surveys for an in-depth study of specific socio-economic aspects.
GROUP OF BUSINESS PROCESS RESEARCH METHODS	
Programming and Economic-Mathematical Modeling	Forecasting, normative, and descriptive models; systems analysis; and linear, nonlinear, and dynamic programming are used to express economic phenomena through mathematical modeling.
Econometric Analysis	Statistical data are used for analysis. The methods include mathematical modeling, development of intersectoral models and objective functions, systematization of data over time, and other approaches.

*Compiled by the author based on: [149, pp. 11–13]

Diagnostics within the framework of strategic management of an agricultural enterprise functions as a specialized information and analytical subsystem, the conceptual basis of which is formed by management in accordance with the scale of the business and the specifics of the markets in which it operates. Among the dominant conceptual platforms for diagnostics, the following should be highlighted:

- an analytical concept based on a structured assessment of production and marketing processes using a set of indicators from operational, agrotechnological, financial, and managerial accounting;
- the information-based concept, the essence of which lies in the continuous transformation of monitoring data on agricultural market conditions into a basis for making both current commercial decisions and long-term business diversification programs;
- a crisis-management concept focused on the early identification of signals of liquidity or sales imbalances caused by price volatility in agricultural commodities or force majeure climatic factors;
- a consulting and advisory concept based on the use of modern automated platforms to accelerate the processing of large volumes of market data and the modeling of scenarios for agribusiness entities' behavior.

The overall purpose of diagnostics in the strategic agricultural management system is the timely identification of gaps between planned and actual market activity parameters using a system of relevant assessment methods. The greatest effectiveness is achieved through an integrated approach that organically combines the monitoring of purely financial indicators (crop margins, capital turnover) with non-financial metrics (trader loyalty, brand recognition, compliance with EU environmental regulations, and logistics response time). This synergistic relationship allows for the formation of an objective picture of an agricultural enterprise's potential for European integration.

Within the framework of strategic management of an agricultural enterprise, it is essential to clearly distinguish between long-term and strategic planning, which differ significantly in their objectives and degree of adaptability. Long-term planning

traditionally focuses on the linear extrapolation of production and financial indicators based on the continuation of existing trends. Strategic planning, on the other hand, is a qualitatively deeper process: it is based on the assumption of nonlinearity and high turbulence in the external food environment, focusing on selecting among multiple competitive strategies and dynamically reallocating resources.

A key factor in the sustainable development of agricultural enterprises amid deepening European integration is the systematic strengthening of their strategic potential. This category encompasses a business entity's current and future opportunities to generate added value, create products with high consumer value (organic raw materials, value-added processing, GlobalG.A.P.-certified batches), and maintain market share.

A comprehensive audit of the components of strategic potential enables an agribusiness's commercial department to determine its readiness to adapt to the challenges of the European business environment, establish constructive cooperation with key stakeholders (logistics operators, banks, traders), optimize liquidity, and launch innovative production and sales programs. Effective strategic management of agribusiness requires continuous analysis of resource capabilities through the lens of aligning internal competitive reserves with transformations in the global food market.

The diagnosis of an agricultural enterprise's strategic development serves as the fundamental analytical basis for the strategic planning subsystem, ensuring a high degree of synchronization between them. Optimizing this process requires the commercial and managerial levels of agribusiness to select planning and forecasting methods carefully, move beyond a purely formalized approach to developing strategic guidelines, and implement flexible scenario-modeling tools.

The triad of key interrelated strategic planning processes in the agricultural sector consists of:

- strategic forecasting, aimed at assessing the farm's market prospects, early identification of exogenous threats (volatility of exchange rates for agricultural products, changes in EU phytosanitary requirements, and climate change), and internal resource constraints;

- strategic planning, which involves formalizing target programs and market diversification projects (implementing irrigation systems, constructing modern certified silos, or launching deep-processing lines for raw materials);
- strategic planning, the functional objective of which is to perform accurate balance sheet and budget calculations, schedule activities, and promptly address disruptive deviations during the practical implementation of the chosen course of action.

To ensure the long-term competitiveness of an agribusiness entity, it is advisable to develop a comprehensive market-planning concept. Its algorithmic structure involves sequentially passing through a series of mandatory analytical phases:

1. Decomposition of general objectives and formulation of the agribusiness entity's market mission;
2. In-depth monitoring of factors in the external macro- and microenvironments, assessment of the regulatory climate and barriers to entry into target markets;
3. Analysis of the structure and intensity of competition in food markets, and identification of the strengths and weaknesses of industry competitors (including both multinational traders and local producers);
4. Assessment of the enterprise's own agrotechnological, land, biological, and financial-investment potential;
5. Scenario-based forecasting of development options, taking into account likely changes in trade regimes and natural and climatic conditions;
6. Multi-criteria analysis of strategic alternatives, formulation of a core growth strategy, and preparation of a balanced strategic budget.

The success of implementing the established strategy in the agricultural sector critically depends on organizational and personnel support - the formation of a multidisciplinary team. This group should include senior executives, leading agronomists and technologists, and trading and marketing specialists who possess systematic thinking, knowledge of EU regulatory standards (in particular

GlobalG.A.P., Organic Standard, and HACCP), and enjoy a strong reputation within the team.

The synergy between strategic planning and the analytical competence of staff ensures clear tracking of consumer and trading partner purchasing behavior, optimization of logistics and distribution chains ("from farm to table"), and the development of proactive decisions for operating in a turbulent environment.

Benchmarking serves as an effective tool for a strategic marketing audit of an agricultural enterprise; the process begins with a detailed measurement of key indicators of the farm's operational, sales, and financial performance (sales profitability by crop, storage and processing costs, and logistical losses). A crucial step is selecting reference competitor companies, which must include leaders in the relevant food market sector.

Depending on its strategic focus, the management of an agricultural enterprise determines the direction of the benchmarking study—internal (comparing performance among individual agricultural clusters, fields, or the company's production branches) or external (comparing performance with that of European agricultural producers or leading domestic agricultural holdings). A mandatory prerequisite is a multi-level verification of the reliability of the collected data sets, after which a gap analysis is conducted, destructive deviations are identified, and practical programs are developed to enhance the agribusiness entity's competitive advantages.

To ensure the comprehensiveness of the comparative analysis within an agribusiness's strategic marketing system, the comparison of information and analytical data with the performance indicators of leading competitors and industry benchmark companies must be conducted across three systemic levels: by type of activity, at the process level, and at the corporate level (Fig. 9).

Each of the identified levels of the benchmarking study involves the use of specific analytical tools adapted to the requirements of the modern agri-food market:

1. Activity Level (ABC, CSF, BSC):

- The ABC (Activity-Based Costing) methodology in agribusiness provides a detailed calculation of costs by operational processes (soil preparation, application of

plant protection products, harvesting, elevator cleaning, packaging), which helps identify sources of unjustified cost increases in agricultural production and eliminate inefficient expenditures;

- The CSF (Critical Success Factors) concept focuses on identifying the key factors for a farm's success in its target market (for example, holding GlobalG.A.P. or HACCP certifications, exclusive access to port logistics, and an established network of reliable European importers);

- The Balanced Scorecard (BSC) transforms an agricultural enterprise's marketing strategy into an interconnected system of indicators across four dimensions: finance, customers/market, internal agricultural technology processes, and personnel development.

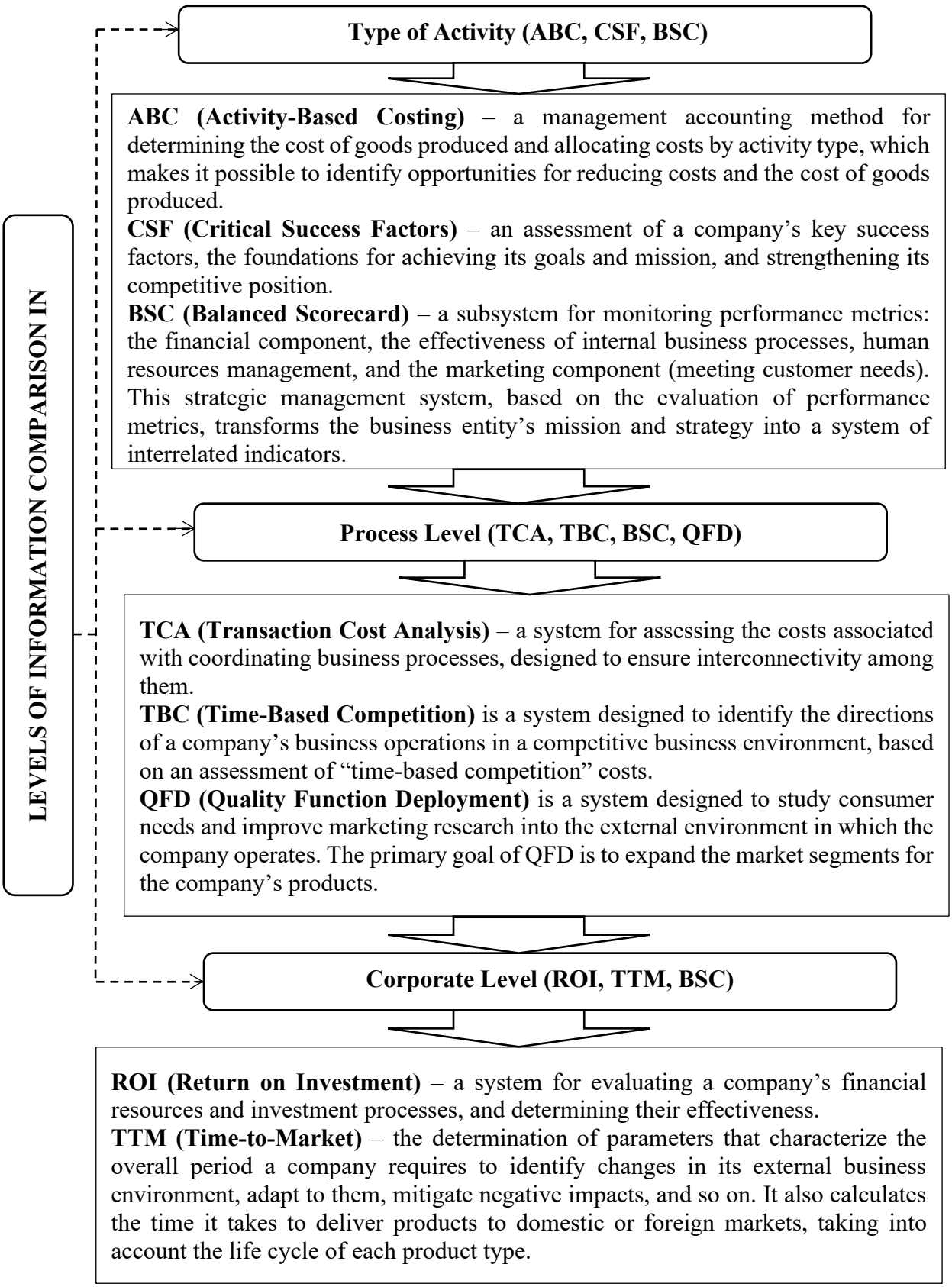


Fig. 9. Levels of comparison of marketing and diagnostic data in the benchmarking system for agricultural enterprises

*Compiled by the author based on: [156, pp. 384–386, 155, p. 59]

2. Process Level (TCA, TBC, BSC, QFD):

- Transaction Cost Analysis (TCA) is designed to assess and optimize costs associated with finding buyers on international exchanges, legal support for export contracts, customs clearance, and insurance for shipments of raw materials;

- The Time-Based Competition (TBC) system allows agricultural enterprises to shorten the commercial cycle by ensuring rapid order fulfillment and the flexibility to redirect commodity flows between markets depending on price conditions;

- Quality Function Deployment (QFD) aims to directly translate the expectations and requirements of European consumers (regarding environmental friendliness, the absence of pesticide residues, and traceability of origin) into internal agrotechnological production regulations and storage standards.

3. Corporate Level (ROI, TTM, BSC):

- The Return on Investment (ROI) metric is used to comprehensively assess the economic impact of capital investments in the construction of new silos, irrigation systems, or the acquisition of a fleet of modern equipment;

- The Time-to-Market (TTM) indicator measures the time lag from the identification of a new market trend (for example, demand for niche legumes or spelled) to the launch of a finished product batch on the market, which, given the life cycle of agricultural products, becomes a decisive factor in capturing premium market segments.

The application of multi-level benchmarking transforms the marketing diagnostics of an agribusiness entity into an effective platform for continuous improvement, which stimulates the transition from ad hoc sales to sustainable strategic leadership in domestic and international food markets.

Comparing the obtained analytical data sets with the agribusiness's own commercial and production parameters should be carried out at three interrelated levels: by type of activity, at the process level, and at the corporate level (Fig. 6). Benchmarking serves as an effective tool for strategic marketing planning, selecting priority benchmarks, and justifying alternative scenarios of market behavior; it

involves a systematic study of the business models of competing enterprises and industry-leading companies.

In agricultural practice, benchmarking encompasses collecting, verifying, and conducting multidimensional analysis of information on competitors' performance indicators to identify internal reserves, increase the added value of raw materials, and build sustainable competitive advantages in foreign markets. By utilizing this toolkit, management objectively assesses the viability of the chosen market strategy, the farm's actual resource potential, and the timeframes for achieving target benchmarks. Strategic planning in agribusiness loses its effectiveness without the systematic application of benchmarking principles and methods, especially during the stages of defining the market mission, breaking down strategic goals, and implementing a basic growth strategy.

To summarize the interrelationships under study, a structural-logical model for shaping the strategic development of European integration for an agricultural enterprise, based on marketing diagnostics, has been proposed (Fig. 7).

The model reveals the organic coordination between the strategic marketing framework and the overall management system of an agricultural enterprise, focusing on building the business's market identity by capitalizing on the professional and competency-based potential of its staff.

Conceptual models of agribusiness development confirm the priority of properly formalizing a business entity's strategic provisions: articulating its mission, aligning strategic goals with the requirements of the European food market, defining diversification vectors, and assessing the realistic possibilities for securing the necessary resources. Consequently, the management of agribusinesses should have a direct interest in implementing a modern scientific and methodological framework for strategic analysis and in generating unique value propositions that establish the sustainable authenticity of the domestic agri-food brand on the international stage.

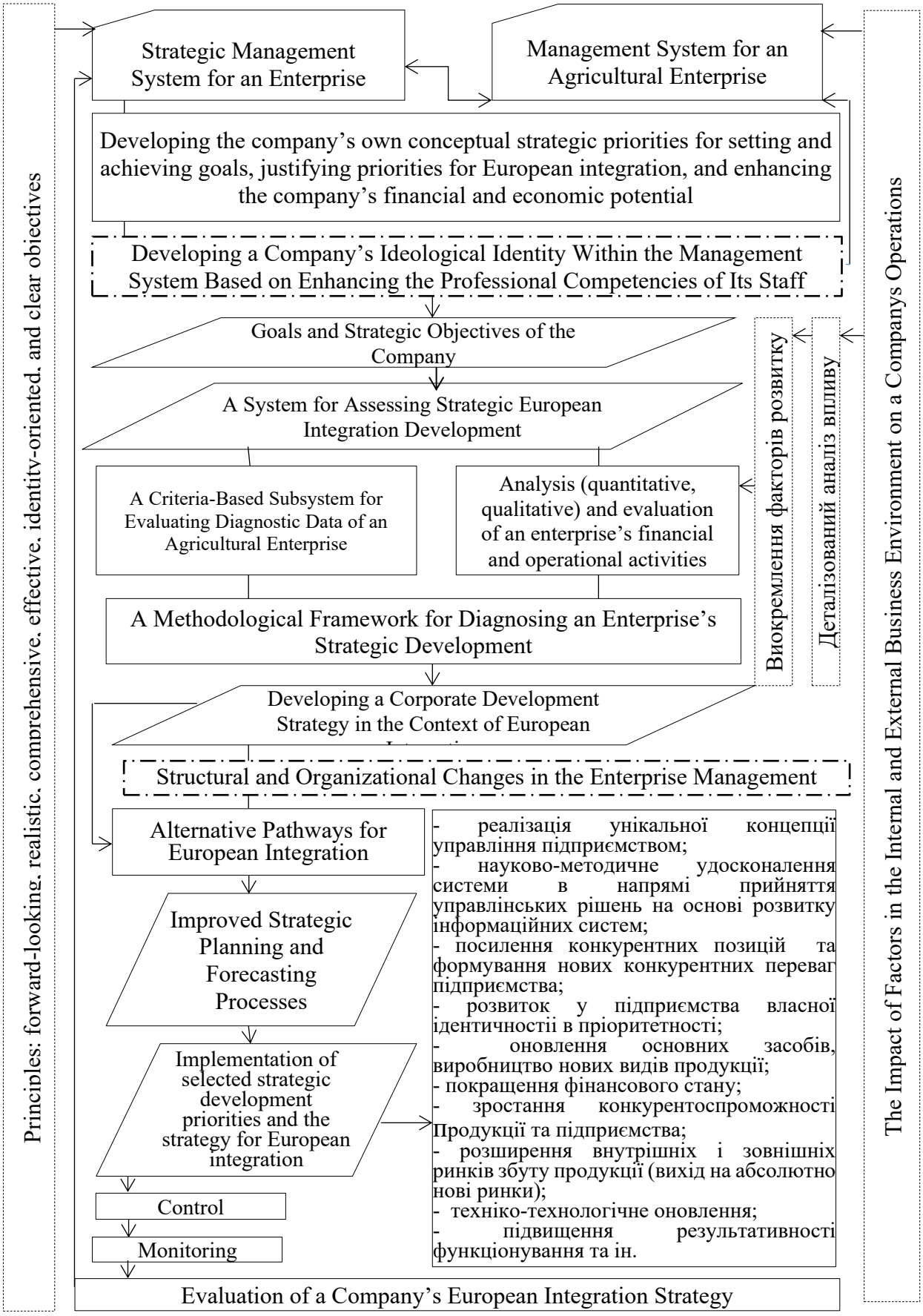


Fig. 10. Structural-logical model for shaping the strategic European integration development of an agricultural enterprise based on marketing diagnostics

The market identity of an agribusiness entity is shaped by the key areas of its operational and commercial activities: introducing niche and organic products with high added value to the market, implementing advanced agricultural processing technologies, establishing a clear market positioning, tapping into high-margin segments of the EU food market, and developing a comprehensive brand marketing strategy. The crystallization of such an identity requires targeted expansion of staff competencies and professional development across the agronomic, analytical, and sales departments as a key prerequisite for achieving long-term competitive advantages.

The structural-logical model for shaping the strategic development of an agricultural enterprise is based on adherence to a set of fundamental principles: prioritizing commercial goals, ensuring the realism (achievability) of planned indicators, comprehensive analytical coverage, a value-oriented identity, high effectiveness, and unambiguous formulation of strategic guidelines. The practical application of this model requires taking into account the specific characteristics of a particular agricultural enterprise's operations, as well as continuous monitoring of changes in the external business environment and internal production capacity. By analyzing these determinants, the agricultural enterprise's commercial department identifies the strengths and influence vectors of individual factor groups, pinpointing the most significant drivers of long-term growth.

The developed structural-logical model reflects a sequential breakdown of the key stages of strategic marketing management: initial goal setting, conducting diagnostic studies and benchmarking, formalizing the basic strategy while developing alternative response options, qualitative improvement of strategic planning and demand forecasting procedures, direct implementation of market measures, as well as final monitoring, control, and evaluation of the achieved results. Quantitative and qualitative verification of the parameters of an agricultural enterprise's operational activities is carried out based on a criteria-based subsystem for evaluating diagnostic data, which aligns the technological parameters of cultivation and processing with consumer market demands.

Unlike traditional models, which largely focus on linear extrapolation of sales indicators and do not account for the need for internal reorganization, the proposed approach expands the analytical scope of marketing diagnostics. Thanks to its clear focus on objectives, this approach enhances the effectiveness of market strategy development, optimizes the organizational structure of agricultural enterprises, and improves the accuracy of balance sheet and forecast calculations.

The implementation of the developed model within an agribusiness entity's operations entails simultaneously strengthening control and monitoring functions during the strategy's practical implementation. During this period, analytical departments must continuously track fluctuations in exchange rates and changes in importers' customs, tariff, or phytosanitary requirements, and assess the enterprise's current liquidity to ensure the timely implementation of corrective actions or a transition to alternative sales scenarios.

The conceptual directions for implementing structural and organizational transformations of the strategic management system of an agricultural enterprise are illustrated in Fig. 11.

By fostering strategic thinking among management and specialists, these changes enable the timely identification of hidden disruptions, the balancing of resource needs with the enterprise's actual capabilities, the improvement of departmental expertise, and the implementation of the latest digital automation systems for collecting market data, thereby enhancing the soundness of management decisions.

The implementation of structural and organizational transformations within the framework of strategic management of an agricultural enterprise requires a comparison of the achieved economic and market effects with the transaction and investment costs incurred.

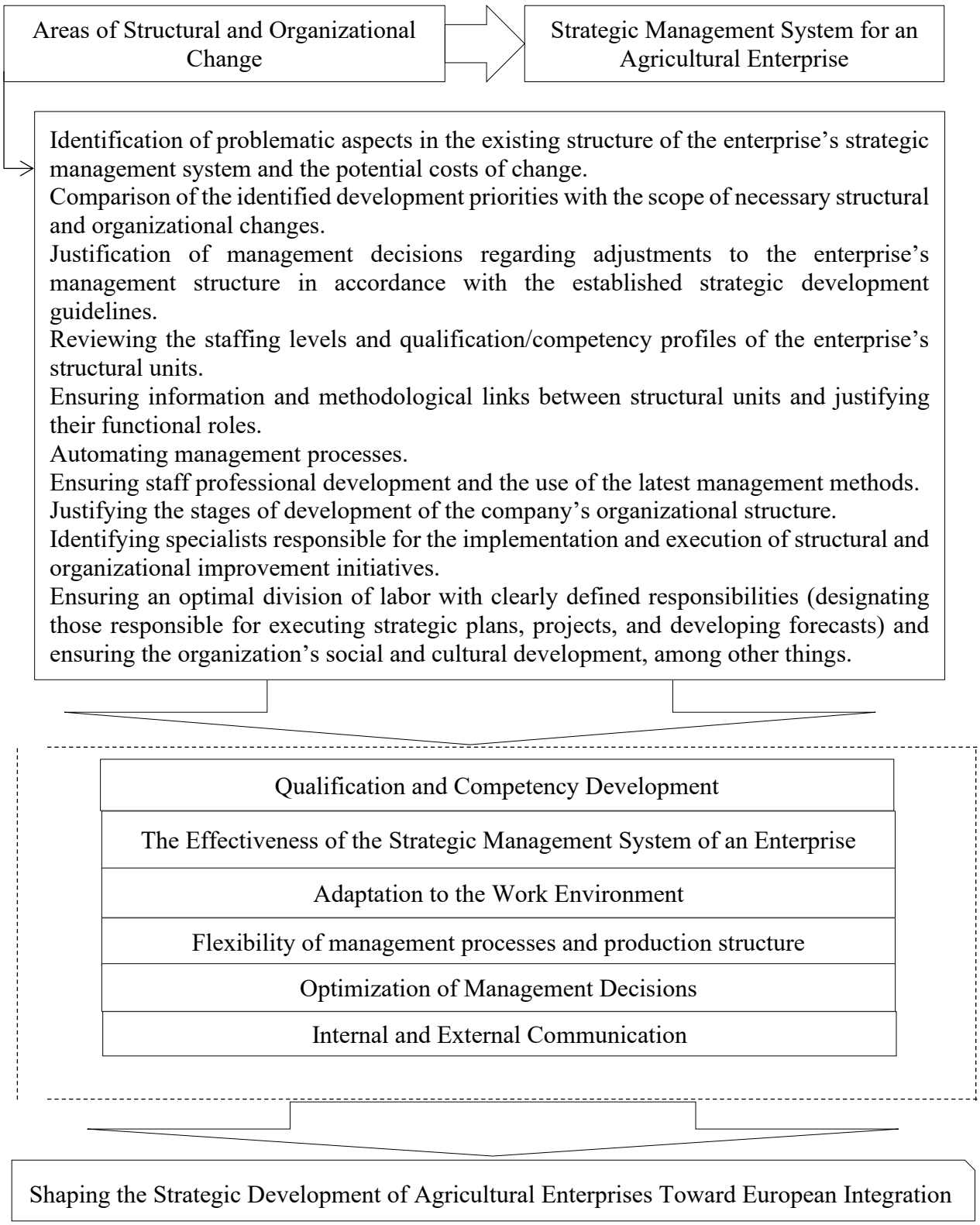


Fig. 11. Areas for implementing structural and organizational changes in the strategic management system of an agricultural enterprise

*compiled by the author

The consistent implementation of the outlined directions for organizational and managerial changes lays the foundation for significantly enhancing the agribusiness's adaptability to market shocks in the global food market, stimulates the professional and competency development of personnel, and improves the overall effectiveness of the strategic marketing system. The flexibility of management procedures, combined with the optimization of internal and external information and communication channels, ensures high-quality commercial decisions, thereby comprehensively guaranteeing the sustainable and competitive progress of the domestic agricultural sector within the European economic space.

The procedural implementation of a marketing analysis of an agricultural enterprise's internal potential and external business environment relies on a diverse set of information resources: industry and government statistics, regulatory and legal acts, phytosanitary and customs regulations, agrometeorological monitoring data, exchange quotation reports, and materials from sociological and panel marketing studies of consumer markets. In the initial stages of the diagnostic process, the agricultural enterprise's analytical department verifies the degree of structure in the input data sets, assesses the reliability of internal and external data-generation channels, and compares their informational value against the transaction costs of obtaining them.

When building an information and analytical foundation for making well-informed strategic business decisions, management evaluates the input data sets based on a set of quality characteristics: comprehensiveness of coverage, objectivity, relevance to the established marketing goals, timeliness, and degree of dispersion. The compliance of the information base with these criteria significantly increases the speed of systematizing empirical data, allows for an accurate diagnosis of the agricultural enterprise's current production and sales status, identifies hidden liquidity imbalances, and enables the modeling of operational parameters amid intensifying competition in food markets.

A key fundamental aspect of information support is the depth of analytical data, which must comprehensively reveal agrotechnological, logistical, financial, and managerial business processes, thereby creating the conditions for continuous

monitoring and control. A wide range of methods is used to form the initial diagnostic pool: field agronomic observations, monitoring of prices on international commodity exchanges (CBOT, Euronext), in-depth interviews with European counterparties, tracking of digital platforms, and the results of consumer focus group studies. A key prerequisite for the effectiveness of the diagnostic system is the establishment of stable functional links between commercial departments, agronomists and technologists, and systems analysts.

Improving the effectiveness of strategic diagnostics for an agricultural enterprise requires a rational distribution of functional responsibilities among specialists in key structural units:

- industry specialists (agronomists, storage technologists, logisticians) conduct an initial audit of technological losses, biomass quality, the condition of storage facilities, and compliance with safety protocols (HACCP, GlobalG.A.P.);
- Systemic marketing analysts conduct comprehensive assessments of market parameters, study the price elasticity of demand, perform benchmarking comparisons with competitors, and prepare fact-based recommendations for top management regarding adjustments to the core strategy for European integration;
- IT specialists and database administrators ensure the uninterrupted operation of digital tools, the cybersecurity of trade secrets, the protection of confidential information regarding production costs and contract prices, as well as the timely updating of analytical software suites.

The current level of digital transformation offers a wide range of software products and analytical technologies that enable the comprehensive automation of strategic marketing diagnostic processes for entities in the agricultural sector (Fig. 12). Among these, technologies such as OLAP, Data Mining, Text Mining, Text Analytics, Image Mining, Decision Support Systems, and Knowledge Discovery in Databases (KDD) play a fundamental role.

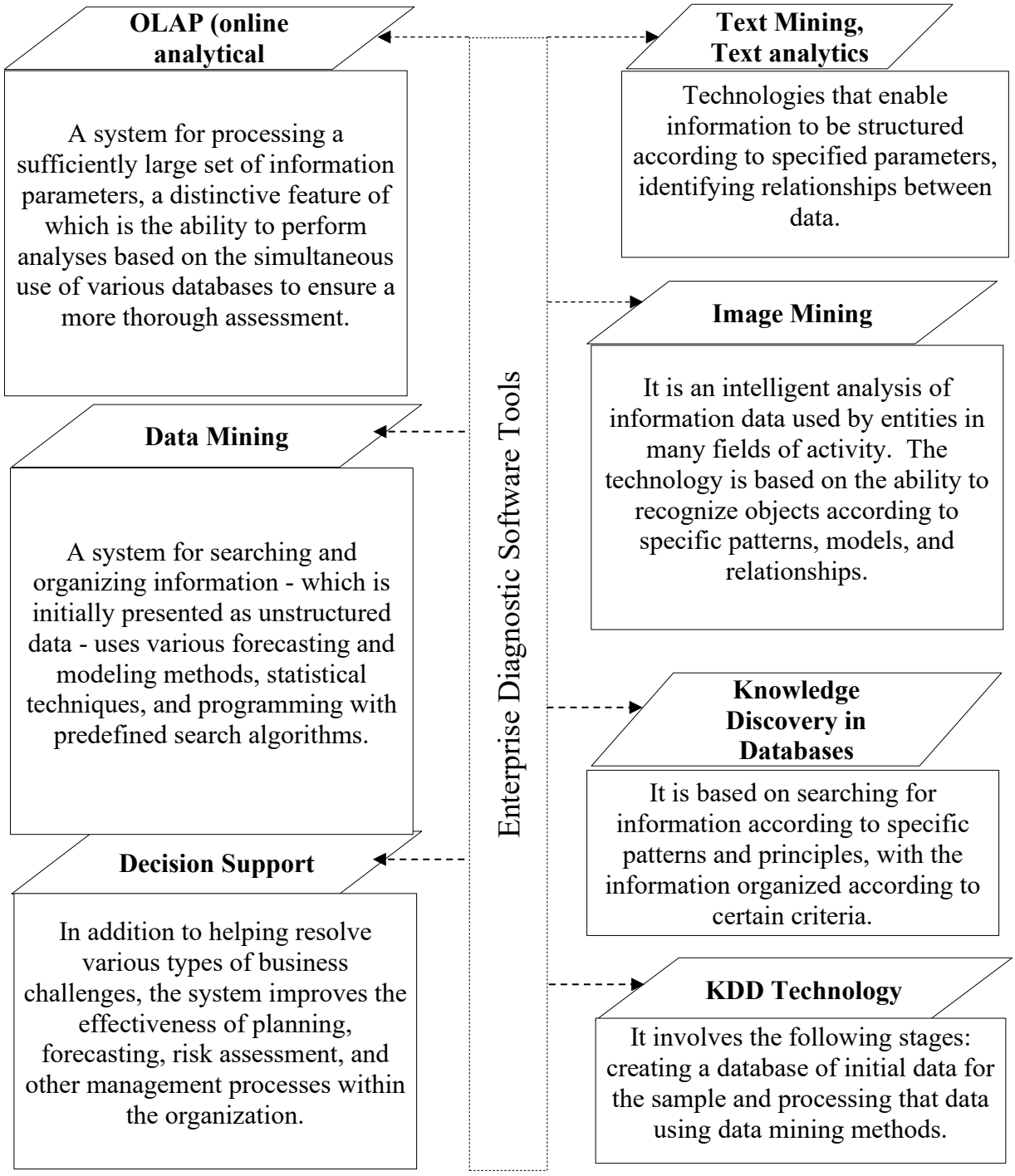


Fig. 12. Software and analytical tools for automating the diagnosis of strategic development in agricultural enterprises*

*Compiled by the author based on: [158, c. 161, p. 8, 157, 162, p. 5]

Among the digital systems presented, the following are of particular practical importance for agribusiness:

- OLAP (Online Analytical Processing) - a technology for multidimensional data analysis that enables the visualization of market indicators over time, across hierarchical levels, and by various measurement categories (by crop, field clusters, sales batches, or geographic export regions). Analysts can quickly structure large amounts of information by combining data slices to identify hidden patterns in the business environment. The use of multidimensional data warehouse models (MOLAP, ROLAP, HOLAP) significantly accelerates informed decision-making in the areas of pricing, yield forecasting, logistics route optimization, and financial planning;

- Text Mining and Text Analytics - analytical tools for processing unstructured text data, used for automated monitoring of legislative changes in importing countries, phytosanitary control requirements, customs regulations, industry reviews, and counterparty feedback. The application of these technologies enables the timely identification of potential market entry barriers, minimizes legal risks associated with foreign trade contracts, and strengthens an agricultural enterprise's information security.

- Data Mining (intelligent data analysis) — provides strategic advantages in the commercial operations of agricultural enterprises by extracting hidden patterns from large-scale, unstructured data sets. Using mathematical and statistical algorithms, this technology enables modeling of the multifactorial impact of agricultural technology parameters and the market environment on financial results. Practice demonstrates a high return on investment from implementing data mining tools in agribusiness, where the commercial benefits of precise price forecasting and resource optimization far exceed the capital investment in analytical software. In particular, the use of "decision tree" algorithms, built according to the "if–then" (if–then), enables the marketing department to forecast demand for specific product lines (organic crops, high-oleic sunflower, etc.), assess price elasticity in foreign markets, and develop clear sales scenarios depending on exchange market conditions.

- Image Mining (intelligent analysis of graphical data) - in the agricultural sector, it is gaining practical significance in the processing of multispectral satellite imagery

and photographic data from UAVs (drones). Methodologically, the system comprises four interconnected modules: a crop spatial characteristics detector, a database model, an analytical hypothesis generator, and a conclusion verifier, which enables remote assessment of the NDVI vegetation index, forecasting of biological yield, and planning of export volumes well before the start of the harvest season.

- Decision Support Systems (DSS) - analytical systems designed to optimize management processes under conditions of incomplete information. Using DSS technologies, large-scale data streams on logistics routes, grain elevator inventories, futures exchanges, and exchange rates are aggregated, enabling automated reporting, balancing of raw material inventories, revenue modeling, and risk assessment for foreign economic operations. The procedural algorithm for DSS operation comprises three phases: analytical-search (intelligence - collection of primary data, problem diagnosis, identification of gaps in supply chains), the modeling phase (design - development of strategic sales alternatives, cost calculation), and the optimization phase (selection - ranking of solutions based on the criterion of maximizing marginal profit and initiating their implementation).

- Knowledge Discovery in Databases (KDD) - a multi-stage process of structuring knowledge according to target criteria. The stages of KDD in agricultural management include: consolidation of raw data on fields, crops, counterparties, and prices; cleaning and normalization of data sets; application of specific data-mining algorithms to identify non-obvious relationships; and subsequent transformation of the results into practical diagnostic assessments and management recommendations.

Given that time series of agricultural commodity prices, yield indicators, and export shipment volumes are characterized by pronounced autocorrelation and seasonality, the agricultural enterprise’s analytical department uses econometric autoregressive models - specifically AR, ARIMA, ARIMAX, ARCH, and GARCH. This enables precise interval forecasting of market fluctuations and the development of well-founded adaptive pricing mechanisms.

Comprehensive monitoring of indicators of strategic European integration development for agricultural enterprises is currently based on the synergy of modern

intelligent systems: artificial neural networks (NN), data mining algorithms, software agent technology, autonomous generative artificial intelligence agents, and genetic algorithms (Table 3).

Table 3. Intelligent technologies and software tools for monitoring the strategic development of an agricultural enterprise

Approaches	Characteristics
Artificial Neural Networks (neural networks, NN)	Software-based computational systems that use mathematical models to process information and data, and to analyze and evaluate business activities, solve specified tasks related to data processing, systematization, and presentation. In the so-called neural chain, information is processed, taking into account patterns, generalized, and examined, including entirely new information when available.
Data Mining	Through modeling and statistical analysis, entirely new patterns are identified. These patterns can significantly transform or improve enterprise management subsystems, financial performance, and interactions with the external business environment. Data mining enables the identification of required information from vast amounts of data based on specified selection criteria. Software products in this area include PolyAnalyst, Knowledge STUDIO, and MineSet. Intelligent information processing through software products enables managers, analysts, economists, and other responsible specialists to identify problematic aspects of business activities, processes, or actions that caused them, and develop effective management decisions both to stabilize the enterprise's financial and economic condition in the current period and to implement a strategy of European integration development.
Software Agent Technology	Involves the use of a range of software programs that automate the processes of information data systematization. Modern programming approaches strengthen interaction with existing software. This technology significantly affects staff performance, particularly when implementing measures that must be introduced gradually over a specific period (one, three, or five years).
Artificial Intelligence Agents	Modern software enables responsible specialists to evaluate, diagnose, and analyze large amounts of data and address tasks set by management. This facilitates and accelerates the processes of making and implementing management decisions. AI agents employ advanced technologies to automate the resolution of complex business tasks. Each enterprise selects its own artificial intelligence agents depending on its needs, functions, ease of use, integration capabilities, and implementation costs.
Genetic Algorithms	A data mining technology that uses software products such as GeneticTraining Option, Evolver, and GeneHunter. Effective application requires the systematization of information, the identification of relevant tasks, and the formulation of objectives to be accomplished.

*Compiled by the author based on: [155, p. 13, 161, pp. 4–7]

Specialized software is used to automate specific functional subsystems of marketing and agribusiness management: the intelligent platforms Jasper AI and Drift

AI optimize marketing communications and interactions with international buyers; Salesforce Einstein provides in-depth predictive analytics of the customer base; Reclaim AI optimizes planning and time-management processes for analytical services; LlamaIndex serves as a tool for semantic search and structuring of internal agrotechnological and commercial reports; Workday AI automates processes for managing the company's financial and human resources.

Depending on the scale and specifics of the objects under study (the agricultural enterprise as a whole, individual production and technological clusters, grain elevator and storage facilities, logistics chains, and commercial and sales functions), the specific objectives, and the comprehensiveness of the available information, the following types of marketing diagnostics are distinguished:

- express diagnostics - aimed at a rapid assessment of current liquidity, operational sales gaps, and the urgent identification of price fluctuations for agricultural raw materials;
- comprehensive (in-depth) diagnosis - involves a multifaceted, systematic audit of the farm's entire production and sales capacity and its adaptability to EU market requirements;
- diagnosis of problematic aspects of agribusiness operations - focuses on identifying critical bottlenecks (warehouse overstocking, exceeding grain storage loss limits, delays in export VAT refunds);
- diagnosis of the functional components of the management system -assessing the effectiveness of marketing planning, controlling, human resources management, and logistics;
- applied diagnostics - focuses on specific tasks, such as auditing a farm's readiness for GlobalG.A.P. or Organic Standard certification;
- organizational development diagnostics - examines the flexibility of internal structures, the speed at which management decisions are implemented, and the business's ability to scale.

In the information and analytical dimension, strategic diagnostics for an agricultural enterprise relies on diversified streams of multi-vector data and a system

of integrated parameters that reflect the actual state of monitored objects and serve as an empirical basis for making long-term business decisions. As a key analytical component of the strategic management system, diagnostics enables not only the assessment of retrospective dynamics in market indicators but also the verification of cause-and-effect relationships that led to the emergence of imbalances or the creation of new opportunities.

The system of requirements for the quality of diagnostic information involves structuring an interconnected set of quantitative and qualitative parameters in accordance with an approved analytical program. In addition to a high degree of reliability, the dataset must possess informational sufficiency, which prevents both fragmented assessments and excessive informational entropy, both of which complicate operational decision-making.

The information set that supports diagnostic procedures is characterized by its multi-structural nature, a combination of formalized and heuristic processing methods, and the mandatory authenticity of the primary input parameters (Fig. 10). In the context of systematic monitoring of the parameters of an agricultural enterprise's strategic progress toward European integration, the structure of the information base must synthesize data on the macroeconomic and regulatory business environment, sectoral dynamics of food markets, the effectiveness of internal management procedures, the state of the material-technical, agrotechnological, land, human resources, and financial bases, as well as other summary indicators of the sustainability of the agribusiness entity's commercial and operational activities.



Fig. 13. Structure of the information basis for marketing diagnostics of the strategic European integration development of an agricultural enterprise

*Compiled by the author based on [163, p. 14, 158, p. 12]

Based on the compiled dataset broken down by key areas of activity, the analytical and commercial departments of an agricultural enterprise apply a system of business process modeling methods:

- "As-is" and "to-be" ("as it should be") - enable the diagnosis of the actual state of the agricultural enterprise's operational and sales activities, the identification of losses in agricultural product supply chains, and the design of a target, optimized business model with lower production and logistics costs and greater competitive potential in foreign markets;
- The IDEF2 methodology is used to build dynamic simulation models of agribusiness operations, allowing for the reproduction of the behavior of production and sales processes over time, taking seasonality into account;
- State Transition Diagrams (STD) - allow for the dynamic visualization of changes in the qualitative and quantitative states of an agricultural entity based on specified parameters, by comparing current indicators with historical trends;
- Entity-Relationship (ER) diagrams (ER - Entity-Relationship) - organize complex data sets, formalize relationships between various diagnostic objects (land bank, crops, storage lots, counterparties, logistics routes), and create a foundation for integrated databases.

To optimize costs and ensure the efficient use of limited resources, functional-cost analysis methods are incorporated into the diagnostic process:

- ABC (Activity-Based Costing) methodology - used to calculate the cost of production by operational processes, optimize the storage structure of grain and oilseed batches, and assess the contribution of each resource to the farm's final financial result;
- Activity-Based Budgeting (ABB) - ensures the targeted formulation of the agricultural enterprise's budgets by structuring costs according to technological operations and business functions;
- Activity-Based Resource Planning (ARP) - aims to calculate the required volume of material, technical, fuel, and financial resources based on a direct analysis of the production and marketing flowcharts for crops;

- Activity-Based Management (ABM) - focuses on reorganizing operational and marketing processes to maximize net profit, reduce unproductive costs, and increase the value of food products for the end consumer.

An integral component of marketing diagnostics for entities in the agricultural sector is the IDEF family of structural-functional analysis methods:

- The basic IDEF (Integrated Computer-Aided Manufacturing Definition) toolkit serves as a platform for the comprehensive decomposition of an agricultural enterprise's production and distribution system, providing step-by-step functional analysis and the construction of multilevel development models;
- The IDEF1 methodology - focuses on researching and auditing the structure of information flows between the agronomic, financial, and commercial components of an agricultural enterprise, enabling the timely identification of communication gaps and "bottlenecks" in management;
- The IDEF1X (IDEF1 Extended) standard is used to develop conceptual and logical models of relational databases, formalizing unstructured and incomplete input parameters into a unified intelligent agribusiness knowledge management system;
- IDEF0 functional modeling serves as a tool for developing models of crisis-response financial and marketing management for agricultural enterprises; by precisely coordinating input resources, regulatory guidelines (including HACCP and GlobalG.A.P. standards), operational mechanisms, and resulting flows, it ensures the minimization of commercial risks and the proactive prevention of crises on the farm.

- The systematization of business process modeling methods ("as-is" and "to-be," IDEF2, STD, ER), functional-cost analysis tools (ABC, ABB, ARP, ABM), and the IDEF family of structural-functional design standards demonstrates the need for their comprehensive, combined application in agribusiness analytical practice. None of the approaches listed is universally applicable in isolation; however, their integration enables the transformation of disparate empirical data on crop yields, cost structures, storage losses, and export logistics parameters into a structured system for management decision-making.

The development of a verified information base and the use of modern analytical and mathematical tools ensure the transition of an agribusiness's strategic management from an intuitive response to market challenges to a proactive, scientifically grounded planning of competitive positions. This enables the precise breakdown of strategic goals by functional areas ("production – processing - storage - marketing - distribution"), minimizes transaction and operating costs, and ensures that business processes comply with international standards for product safety and traceability (HACCP, GlobalG.A.P.).

Thus, the development of a multi-component marketing diagnostics system serves as a fundamental analytical platform for formulating long-term development strategies for enterprises in the agricultural sector. It creates the conditions for timely adjustments to product and sales policies in line with the dynamics of global food markets, optimizes value-added chains, and ensures the systemic stability of the domestic agribusiness sector amid deepening European integration processes.

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10. Development of rural tourism in Ukraine: diversification of tourism offerings and positioning of rural homesteads

Since 2022, Ukraine's tourism sector has been operating amid a significant shift in demand, driven by security restrictions and changes in consumer behavior and motivation. Alongside the desire for new experiences, there is a growing need for psychological recovery, recreation, and a stay in a safer environment. This has contributed to the rise in domestic tourism and to increased demand for destinations with more favorable security conditions [172].

In this context, forms of tourism focused on the natural environment, local culture and leisure outside major urban centres – in particular, rural tourism—are of particular significance. Its development in Ukraine has considerable potential, determined by the diversity of cultural heritage, gastronomic traditions, and natural and recreational resources in rural areas.

Rural tourism took shape in Western Europe as early as the 19th century. The first practices of rural households hosting city dwellers for leisure and to familiarise them with the natural environment became widespread, particularly in Italy, France, and the United Kingdom. An important milestone in the development of this sector was the founding in 1971 of WWOOF (World Wide Opportunities on Organic Farms), whose activities helped promote voluntary participation in farming across various countries.

Structural changes in agriculture have largely driven the growth of rural tourism in European countries. The modernization and automation of production led to a reduction in employment in the agricultural sector and highlighted the need for the rural population to seek additional sources of income. In response to these developments, measures to support rural tourism began to be implemented at national and regional levels as a tool for diversifying economic activity and developing rural areas.

In Ukraine, rural tourism began to develop actively in the 1990s, following the country's independence. Today, this sector is regarded as one of the most promising

segments of the tourism industry, capable of combining tourism activities with the utilization of the natural, cultural, and economic potential of rural areas [186, p. 57].

Contemporary research into rural tourism in Ukraine covers a wide range of issues, including its development, organizational principles, the utilization of rural areas' potential, marketing support, and the creation of a competitive tourism offering. At the same time, as tourism demand evolves, it is becoming increasingly important not only to provide tourists with accommodation and leisure services but also to develop a unique offering for individual rural guesthouses that sets them apart from other destinations in the tourism market. In this context, issues such as the positioning of farmsteads, the diversification of tourism products and services, and the use of local resources to create a recognizable image for the farmstead are particularly relevant.

Contemporary research into rural tourism in Ukraine covers issues such as its development, the utilization of rural areas' potential, marketing support, branding, and the diversification of tourism activities [173, 179, 181, 183]. In the works of Z. Zhyvko, Y. Borutska, and M. Riiy [165], I. Tyshchuk and O. Ilyina [180] and other researchers, the main focus is on the general prerequisites and current trends in the development of rural green tourism, the operation of rural guesthouses,, and theutilizationn of regional potential.

The marketing aspect is covered by the research of Kozhukhivska R. B., whilst branding issues are addressed in the works of Romanyuk I., Kucherenko S., Levayeva L. [175] and Kuts O. [168], which examine, respectively, marketing policy, corporate branding, and the development of a tourism brand for rural areas [166-168].

Research into the diversification of tourism activities constitutes a separate area of study. In particular, O. Hrafska, D. Petryshyn,n and L. Boiechko [164] identify educational, recreational, wellness, production,n and event-based areas of diversification for ecotourism enterprises.

At the same time, most of the studies reviewed focus on the general or territorial level, whilst how specific rural guesthouses combine local resources, their own production, cultural practices, and additional tourism services remain insufficiently systematized. The link between such diversification and the formation of an individual

guesthouse's positioning also requires further clarification.

Thus, an analysis of contemporary academic works indicates that Ukrainian researchers have already established a sufficient theoretical framework for the study of rural tourism, its marketing support, branding, territorial positioning, and the diversification of tourism activities. The complex issue of positioning a specific rural homestead through the diversification of its tourism offerings remains under-researched. Further study is required to determine exactly which local resources and types of activity form the basis for the positioning of farmsteads, how they are integrated into the tourism product, and how they are used to build its market recognition.

This proposed study is aimed precisely at filling this research gap; it involves analyzing the practices of Ukrainian rural guesthouses and identifying the main directions for diversifying their tourism offerings as a mechanism for building their own tourism brand.

A distinctive feature of rural tourism is that diversification can be based on resources directly linked to a specific area and the farmstead's economic activities: traditional cuisine, local produce, winemaking, beekeeping, crafts, folk customs, natural landscapes, or historical and cultural heritage. Therefore, expanding the range of tourist offerings does not necessarily mean a mechanical increase in the number of services. What is more important is establishing meaningful connections between them, centered around a specific local feature.

The diversification of a rural guesthouse's tourism offering is viewed as the expansion and structural enhancement of its core accommodation service through other tourism products, services, and activities that provide additional incentives for tourists to visit and stay. These may include gastronomic and tasting programs, guided tours, masterclasses, health and leisure services, active holidays, participation in agricultural activities, an introduction to traditional crafts, themed and special events, and so on.

An important outcome of this approach is the enrichment of the tourist experience. While traditional country estate operations focus on accommodation and catering, a diversified offering engages tourists in activities and introduces them to the

area's local characteristics. This helps the estate stand out in the tourism market, clarify its position, and build a recognizable brand

This article aims to identify the main directions for diversifying the tourism offerings of Ukrainian rural guesthouses and to examine their role in shaping each guesthouse's individual positioning based on local resources, cultural heritage, and the specific nature of their economic activities.

The study uses publicly available information on rural guesthouses and a comparative approach to identify the distinctive features of their tourism offerings.

Ten establishments from different regions of Ukraine were selected for analysis; in addition to accommodation services, they offer tourism products or activities linked to local natural, cultural, gastronomic, or productive resources. The selection was purposeful and does not claim to be statistically representative. We compared the offerings, identified recurring diversification models, and then categorized them by sector, resource base, and role in positioning the holiday cottages.

Thus, the analysis shows that the most characteristic feature of the practices studied is the combination of diversification and local specialization. Additional services are most closely interlinked when they are based on one or more interrelated local resources. In such cases, diversification not only serves the economic function of expanding the tourism offering but also contributes to its substantive differentiation. It is precisely this feature that creates the conditions for shaping the individual tourism image of a rural homestead and its subsequent positioning in the market.

Table 1. Examples of diversification of the tourism offering at Ukrainian rural guesthouses

№	Region	Country House	An example of diversifying the tourism offering
1	Vinnytsia	«Kurkuli» Park and Country Estate (Tulchyn Territorial Community, Marusyne tract)	Diversification through active and family-friendly leisure activities: accommodation, swimming pool, bar, gazebos and BBQ areas, fishing, boat hire, children’s playground, table tennis, restaurant facilities, and the park’s natural surroundings.

Continuation of table 1

2	Dnipropetrovsk	«Hutir Halushkivka» (village of Hrechane, Petrykivka District)	Ethnographic and historical-cultural focus: museum of peasant life, Cossack themes, guided tours, workshops on pottery, Petrykivka painting, coin minting and other crafts, horse-riding activities, folk festivals, traditional Cossack lunch, and accommodation in a historic farmstead.
3	Zhytomyr	«Kit Bayun and the Crooked Duckling» (Teterivka village, Zhytomyr district)	In addition to accommodation: a restaurant, a sauna, walks in the woods, cycling, boating, fishing, swimming in the lake, a herbal barrel bath, and a wine cellar; it creates a unique atmosphere through a comprehensive countryside holiday experience and the estate's fairy-tale concept.
4	Transcarpathian	«Forest Song» (Sinyak village, Mukachevo district)	A combination of accommodation and meals with a focus on health and wellness: organization of treatment at a sanatorium, nature-based recreational activities, an introduction to the region's history, opportunities for fishing, swimming, and skiing; the farm also grows its own produce and bakes its own bread.
5	Ivano-Frankivsk	«On Babieva Mountain» (Obolonia village, Dolyna district)	Accommodation combined with home-cooked meals, a wood-fired sauna, and an apiary – offering the chance to 'sleep in beehives'; added value comes from the proximity of the Carpathian forest, the opportunity to pick mushrooms and berries, go for walks, and enjoy seasonal recreation.
6	Lviv	«Valentin's Farmstead» (village of Sapizhanka, Kamianka-Buzka District)	Gastronomic and cultural-educational aspects: home-cooked meals featuring Ukrainian dishes, a recreation of the atmosphere of a former German colony, proximity to cultural and historical sites, and opportunities for fishing and recreational activities.
7	Odesa	Frumushika-Nova (a village in the Tarutyn district)	Accommodation, restaurant, winemaking and tastings, signature products, brynza, meat delicacies, preserves, honey, excursions, fishing, photography, and ethnographic elements. In effect, tourism is integrated with in-house production and Bessarabia's local culture. Gastronomy; winemaking and tastings; ethnographic museums; excursions; in-house produce; fishing; steppe landscape.

Continuation of table 1

8	Poltava	«Lyalina Svitlytsia» (Opishnia village, Poltava district)	Gastronomic and ethnocultural focus: traditional Poltava cuisine, local produce, dishes prepared using traditional methods; the estate hosted the 'Borscht in a Clay Pot' gastronomic festival.
9	Cherkasy	«Kholodnyar Skyfal»' (village of Zalevky in Ripyashyi Yar)	Diversification through nature-based recreation and sightseeing: accommodation, a sauna, as well as themed tourist routes – «Place of Power - Shaeva Mountain», «The Haidamaks Trail», «Awakening», and others.
10	Chernihiv Region	«Sokolyny Khutir», (village of Petrushivka, Ichnia District)	A combination of accommodation with historical and ethnographic tourism: a museum, authentic farmsteads, Cossack traditions and entertainment, excursions, equestrian theatre, archery, masterclasses, boats and catamarans, home-style cooking, a Cossack menu, and original gastronomic offerings.

Source: *compiled by the author based on* [170-171, 174-178, 182, 184-186]

In particular, at «Frumushitsa-Nova», the combination of winemaking, sheep farming, local produce, gastronomy, ethnographic sites, and the steppe landscape shapes the image of a tourist complex linked to the culture and economic traditions of Bessarabia. A similar approach can be seen in ethno-cultural sites, notably 'Hutir Halushkivtsi' and 'Sokolynyi Hutir', where cultural heritage is combined with museum exhibitions, crafts, gastronomy, activities,s and events.

The diversification of rural guesthouses is most valuable when additional services are not merely a mechanical expansion of the offering, but are linked by a common local foundation and form a cohesive tourist experience.

The analysis shows that the diversification of the tourist offering at the farmsteads studied is often not arbitrary but resource-driven: additional services and activities are linked to the area's natural features, local culture, traditions, gastronomy, or economic activities. Consequently, it is not the mere expansion of the range of services that is decisive, but their meaningful integration around a local foundation, which creates the conditions for shaping a distinctive tourist experience and positioning the farmstead. Based on the practices identified at the sites studied, the main directions

of diversification, their content, resource base, and role in positioning have been summarised (Table 2).

Table 2. Areas of diversification for rural homesteads and their role in positioning

Area of diversification	Main focus	The resource on which it is based	Role in the positioning of the estate
Gastronomic	The use of local and authentic dishes and produce, the organization of tastings, masterclasses on preparing traditional dishes, and other gastronomic activities	Local and authentic cuisine, using our own or locally sourced produce	Shaping the estate's gastronomic identity and distinguishing it through its local culinary heritage
Manufacturing	Involving tourists in production processes; holding tastings, selling our own produce, and organizing visitors' direct participation in specific production processes	Farming, winemaking, cheese-making, and beekeeping	Highlighting the authenticity and local character of the estate by showcasing its own produce
Ethnocultural	The use of elements of traditional culture in tourism: organizing evening gatherings, folk festivals, masterclasses in traditional crafts, and other themed events	Traditions, folklore, and folk crafts	Shaping the ethno-cultural identity of the estate and distinguishing it through the presentation of local cultural heritage
Nature, leisure and wellness	Using the natural environment to organize recreational activities and health and wellness practices: walks, fishing, boat and cycle routes, visits to saunas and hot tubs, and apitherapy and herbal wellness treatments	The area's natural resources, local wellness practices	Developing the image of the country estate as a place for countryside holidays, leisure, and relaxation
Events	Organizing special events: festivals, themed evenings, seasonal and annual events	Cultural traditions, culinary specialties, and local cultural heritage	Creating newsworthy events, raising the estate's profile, and encouraging repeat visits
Educational	Organizing activities aimed at gaining new knowledge and experience: excursions, visits to museums, demonstrations of traditional crafts, and other educational events	Historical and cultural heritage, local traditions, and distinctive features of the area	Enhancing the substance and educational value of the farmstead's tourism offering

Source: compiled by the author

By diversifying in gastronomy, manufacturing, ethnoculture, nature and recreation, health and wellness, events, and educational activities, we can move beyond standard accommodation and create a comprehensive tourist experience. Combining these elements not only enables more efficient use of local resources but also adds tourism value, creating a recognizable, distinctive image for the farmstead and setting it apart from other rural tourism destinations. In this context, it is not an individual service that provides a competitive advantage, but the holistic nature of the experience the visitor receives.

The diagram presented here illustrates the relationship between the diversification of tourism offerings and the development of a rural homestead's tourism image. The examples identified show that additional services and activities are most significant for positioning when they are based on local resources, cultural heritage, traditions or the specific nature of economic activity. In such cases, individual services are combined into a cohesive tourist experience that sets the destination apart from other offerings.

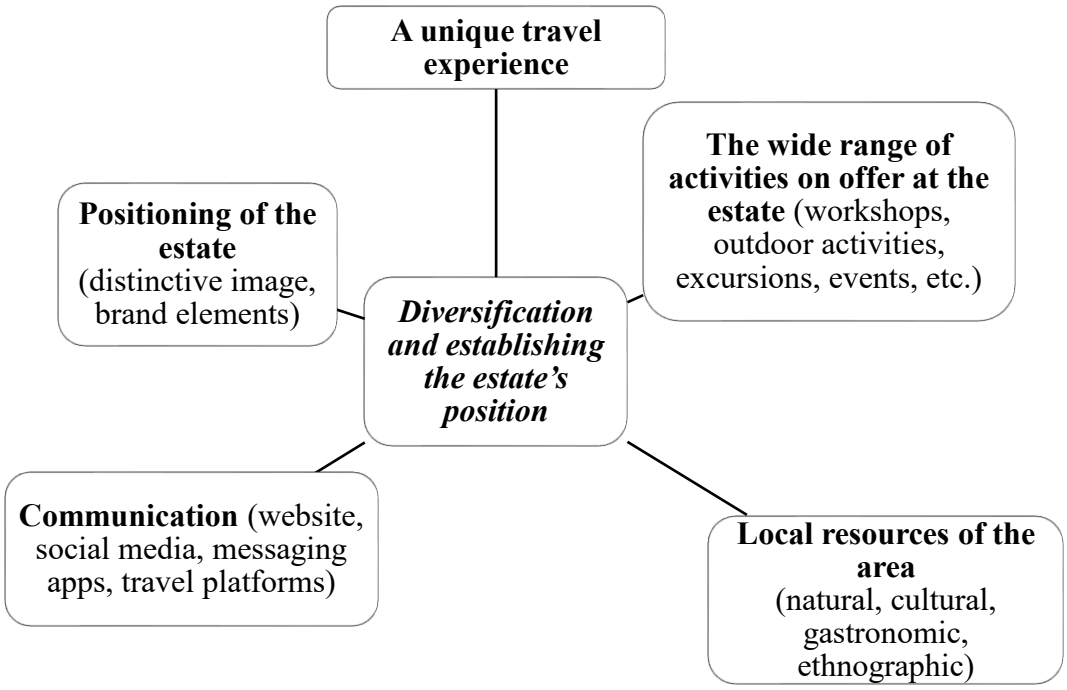


Fig. 1. The relationship between local resources, diversification of tourism offerings and the positioning of a rural guesthouse

Source: compiled by the author

Thus, in view of the identified practices, it is advisable to further develop the tourism offerings of rural homesteads, based on local specialization and the integrated use of the area's resources. The practical application of these findings involves orienting rural homestays towards local specialization and the integrated use of the area's resources. In particular, it is advisable to identify one or more key resources as the basis for a unique offering, combining accommodation with gastronomic, educational, wellness, craft, nature and event-based activities, the development of in-house production and local produce as an integral part of the tourist experience, as well as the systematic promotion of the homestead's distinctive features through both in-house and external marketing channels.

Consequently, a promising direction for the development of rural homesteads is the transition from a model primarily focused on accommodation to a comprehensive tourist experience, in which the area's local character and the homestead's uniqueness determine the content of the tourist offering and form the basis of its positioning.

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11. Management of marketing and logistics development of the fruit and vegetable industry

The economic foundations and performance of enterprises in the agri-food sector are subject to sector-specific characteristics. In Ukraine, entrepreneurial activity in the agricultural sector, together with related sectors, takes place against a backdrop of economic instability. The adoption of a business model prioritising the production of export-oriented agricultural products has led to the de facto decline of sectors producing goods with high consumer value. Among the most problematic is the fruit and vegetable sector: activity within it is characterised by enormous risks, which act as fundamental disincentives to the development of entrepreneurship.

The fruit and vegetable sector's enormous potential remains untapped, whilst the population's demand for fruit, berries and vegetables is largely met through imports. Due to the organisational and economic instability of the market and the lack of targeted state support, domestic business entities are not actively involved in the development of this sector, whilst those that do exist require the establishment of a competitive operational framework. Among the significant problems that need to be resolved to bring about a positive change in the situation and stimulate entrepreneurship in this sector are the following: fostering a culture of consumption of fruit and vegetable products; providing strategic state support for producers and establishing accessible market infrastructure; implementing effective innovation and investment projects for the development of the fruit and vegetable sector with the participation of small businesses; and developing adaptive models of organisational and economic mechanisms to improve the functioning of enterprises in the fruit and vegetable sector.

The study of this issue is of scientific, methodological and practical significance for the development of innovative approaches to the organisation of economic activity in this sector. The scientific basis for understanding the principles and mechanisms of the functioning of enterprises in the fruit and vegetable sector developed on the basis of the work of Amons S., Avercheva N., Bondarenko V., Dada O., Klymchuk O.,

Korman I., Kotler P., Krasniak O., Krykunova V., Levytska I., Lohosha R., Lyshenko M., Pavlyshyn S., Perrigot R., Petrenko O., Pyun J., Rudenko V., Rha J., Semenda O., Zakharchuk O., Zhuk R., Watson A.et al.

The aim of the study is to substantiate the theoretical and methodological foundations for developing a mechanism to improve the functioning of enterprises in the fruit and vegetable sector, with a view to ensuring the rational use of production potential.

In line with the stated aim, the study sets out the following objectives:

- to elucidate the theoretical and methodological principles underlying the mechanism of operation of enterprises in the fruit and vegetable sector;
- to interpret the organisational and economic conditions for the development and the specific features of the operation of enterprises;
- to methodologically characterise the components of the mechanism governing the operation of enterprises in the fruit and vegetable sector;
- to identify the characteristics of the development of the fruit and vegetable sector and to examine international experience in establishing mechanisms for the operation of enterprises in the fruit and vegetable sector;
- to assess the national characteristics of the development of the fruit and vegetable sector in Ukraine;
- to assess regional trends in the development of the operational efficiency of fruit and vegetable enterprises;
- to propose organisational and economic measures to improve the regional marketing structure of enterprises in the fruit and vegetable sector;
- to develop directions for improving the mechanism for attracting investment to enterprises in the fruit and vegetable sector;
- to substantiate the conceptual principles for enhancing the role of state regulation in improving the efficiency of the fruit and vegetable market.

The object of the study is the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector.

The subject of the study is the set of theoretical, methodological and applied

principles for the development of the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector.

The theoretical and methodological basis of the study was formed by the works of domestic and foreign economists on the issues of sustainable development of agro-industrial production and the fruit and vegetable sector; the improvement of the organisational and economic mechanism of entrepreneurial management; and the stimulation of innovation and investment processes.

The results of the study are presented in accordance with the methodological principles of management and the principles of the dialectical approach, which enables the study of the functioning of enterprises in the fruit and vegetable sector within the context of an open domestic market and export orientation during their development.

In substantiating the theoretical and methodological provisions governing the operation of enterprises in the fruit and vegetable sector, abstract-logical and monographic methods were employed; in assessing the factors influencing the formation of the agricultural market, an economic-statistical method was used; and in developing directions for improving economic relations, statistical and monographic methods were utilised.

In analysing the market and the specific features of the fruit and vegetable sector’s operations, information was drawn from legislative acts, data from the State Statistics Service of Ukraine, research findings from scientific institutions, and reference literature.

11.1 Conceptual Foundations of Marketing and Logistics Development of Fruit and Vegetable Industry Enterprises

The issue of food security is currently a pressing concern for all European countries, including Ukraine. Rising food prices and a lack of high-quality products on the domestic food market mean that consumers are forced to buy imported goods, which are more competitively priced. As our country moves towards accession to the European Union, this issue takes on particular significance. Therefore, the

development of the agro-industrial sector, and specifically the food industry, is particularly relevant. The fruit and vegetable sector is inextricably linked to agriculture and processing. An important driver of the development of Ukraine's fruit and vegetable sector has been international technical assistance, including the implementation of the Ukrainian Horticulture Business Development Project (UHBDP), supported by Canada and Israel [187]. The project, launched in 2014–2015, had a budget of CAD 19.325 million and was aimed at supporting small and medium-sized producers, enhancing their competitiveness, improving marketing and logistics practices, and facilitating access to international markets. At the current stage, government support for the sector is provided primarily through grant-based mechanisms targeting the development of orchards, berry production, viticulture, and greenhouse farming. As of May 2026, more than 350 grants totaling nearly UAH 1.7 billion had been awarded under the relevant programme [188]. There is currently a trend towards rising prices in Ukraine's fruit and vegetable market. To ensure the functioning of the fruit and vegetable sector, it is necessary to develop a specific management mechanism based on the interaction between market-based business practices and state regulatory policy. This mechanism is precisely the organisational and economic framework governing the operation of enterprises in the fruit and vegetable sector.

The development and improvement of the organisational and economic mechanism governing the activities of agricultural enterprises, including fruit and vegetable enterprises, have also been the subject of works by economists such as Bondarenko V., Klymchuk O., Levytska I., Lohosha R., Pavlyshyn S., Rudenko V., Zakharchuk O. and others. However, to date, no effective conceptual approach has been developed regarding the organisational and economic mechanism for the operation of enterprises in the fruit and vegetable sector that would integrate external influencing factors and the enterprise management system. Scientific issues of a theoretical and practical nature concerning the formation, evaluation and improvement of enterprises in this sector require in-depth study. To date, no methodology has been developed for calculating the economic efficiency of these enterprises, nor have the

elements of the mechanism been clearly systematised. Issues of institutional support remain insufficiently addressed. This is precisely why there is a need for generalisation, systematisation and a comprehensive approach to the problem of creating a mechanism for the operation of enterprises in the fruit and vegetable sector.

When developing the organisational and economic mechanism and its main elements, the following tasks must be addressed [189]:

- to define the tasks, objectives and principles of the management mechanism;
- to identify the conditions under which the management mechanism operates;
- to identify the factors affecting the operation of the management mechanism;
- to identify the actors within the management mechanism;
- to identify the objects of management;
- develop management methods, approaches and tools.

Based on these objectives, we will be able to define the outcome to be achieved through the operation the organisational and economic mechanism. Such objectives may include [190]:

- maximising profit;
- increasing market share;
- enhancing competitiveness.

Depending on the chosen direction, a sequence of actions is carried out in order of importance, respectively to them are key tasks in the development of a management mechanism: improving internal business processes within the enterprise; adopting innovations as quickly as possible.

The methodology for establishing the organisational and economic framework for the operation of enterprises in the fruit and vegetable sector is implemented in a specific sequence and comprises the following stages: organisational, production, control and improvement.

The development of such a mechanism begins with an assessment of the

preconditions for the existence of the phenomenon in question, the identification of factors influencing it, and the availability of institutional support.

The most important significance inshaping and operation of the organisational and economic mechanism are the conditions and factors that directly influence the efficiency of the enterprise's operations. Since the factors that will form the basis of the analysis will serve as the foundation for the development of the performance management mechanism, emphasising, measuring and accounting for them will improve the quality of the enterprise's performance management. In the formation the mechanism management, we shall identify external and internal environment of the enterprise that have the greatest impact on the whole its operations, determine his operational operations. These factors are [189, 190]:

- market dynamics and type;
- competition;
- consumer perception of the product;
- the pace of innovation;
- the ability to purchase goods;
- type of consumption.

Market dynamics and type are, first and foremost, an indicator of market volume dynamics: the larger the market and the greater its growth, the more effective the company's operations. However, the main task for the company is to constantly monitor the market, implement its product range policy and make changes to its food programme, as a situation may arise in the market where market growth will not improve operational efficiency through increased sales volumes.

A factor such as competition must be considered in terms of creation and destruction. As a rule, a market has a fixed set of competitors, among whom the market is divided, with each operating within their respective segment. This situation leads to the sharing of costs amongst competitors in shaping consumer perception, creating associations and protecting interests within the global economic landscape, which, in turn, has a positive impact on the company's operational efficiency. However, destructive rivalry – aggressive behaviour by competitors (waging price wars, utilising

administrative resources) – frequently occurs in the market.

As regards consumer perception of products, this factor indicates the extent to which a particular brand or service offered by the company is popular with consumers. There is a need to incorporate branding into the company's operational strategy to ensure its effective functioning.

It is essential to continuously monitor the innovative renewal of product groups in the market and, accordingly, to make management decisions in the field of innovation aimed at improving the company's operational efficiency. The company's task includes correlating the frequency of innovative products appearing on the market with its innovation potential. A company's high innovative potential, combined with a rapid rate of market introduction, enables a significant increase in production efficiency. On the other hand, low market demand for innovation does not require the company to incur innovation-related costs.

A factor such as purchasing power is very important, so the enterprise must always respond swiftly to changes in it. In the face of declining purchasing power, attention must be paid to reducing and optimising costs. When this factor increases, the focus is on ensuring growth in sales and increasing market share market share.

Study and taking into account the type consumption enables 'building good relationships' with consumers, which will help to increase sales of goods and products and improve the company's operational efficiency.

Internal environment factors include [191]:

- the organisation's financial position;
- technological development;
- the degree of acceptance of innovation;
- accumulated experience;
- business organisation;
- human resources;
- the 'price–value' ratio.

The key factor is the company's financial position, which indicates the business's investment attractiveness. A sound financial position increases the likelihood of

attracting additional capital for the company's development.

The level of technological development enables the efficient structuring of production business processes, which directly influences the company's operational efficiency.

A high degree of innovation enables the company to improve production efficiency through resource-saving technologies and a rational structure of production processes (organisational innovations).

The company's considerable experience and history help to foster a positive image. The quality of the organisation of business processes such as production, sales, logistics, management and communication makes it possible to assess the company's operational efficiency.

The potential of the company's staff and the level of tasks they are able to be tackled by them determine the company's competitiveness in the market, its stability and its capacity for development.

The price–value' factor illustrates the impact of a company's marketing potential on the efficiency of its production activities. Production efficiency helps to reduce costs and, consequently, leads to market leadership in terms of price. A product that is well received by the market allows for a high rate of return and enables the financing of processes aimed at improving production efficiency.

In identifying the stakeholders involved in performance management, three groups have been identified: owners, top management and the company's staff (Fig. 1).

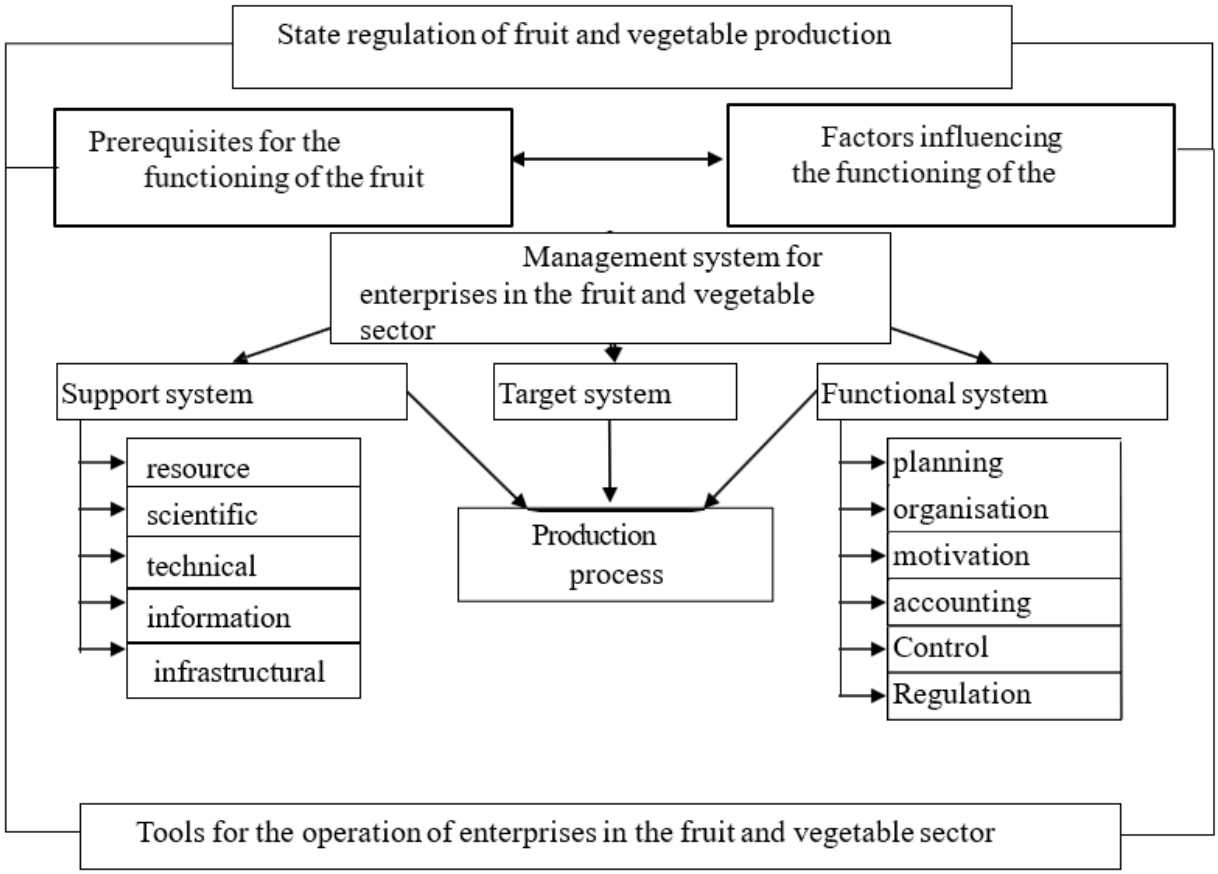


Fig. 1. Organisational and economic mechanism for the operation enterprises in the fruit and vegetable sector

Source: compiled by the author based on [192, 193]

In defining these stakeholders, we took into account their varying degrees of influence on the formation of the company's management mechanism.

Methods management, which enable increase efficiency through the high-quality preparation of management decisions include [189, 190, 192]:

- organisational;
- administrative;
- socio-psychological;
- economic.

Administrative methods are ways and forms of management based on administration and management through orders and directives.

Social and psychological management methods – ways of influencing the object

of management through social and psychological factors, aimed at managing social and psychological relationships within a team.

Organisational methods are management methods based on organisational principles and the organisational relationships between people. They concern the quality of business processes within an organisation: the distribution of functions, duties, responsibilities and powers, and the establishment of the framework for business relationships.

Economic management methods are a system of techniques and means of influencing staff through a specific comparison of costs and results (financial incentives and sanctions, financing and lending, wages, cost price, profit, price).

Instrumental support refers to a set of tools and rules, and their application, for formulating management decisions aimed at improving the efficiency of the enterprise's operations. We regard instrumental support as a performance management model that incorporates strategic considerations and goal-setting techniques.

The next stage involves analysing the management system and identifying the tools required for its operation. The operational stage involves carrying out tactical and operational actions and tasks: identifying areas for growth in production and selecting priority areas for the development of production.

At the monitoring stage, a diagnosis of the business entity's economic activity is carried out. The aim of this is to determine the outcome of the organisational and economic mechanism's operation, to identify weaknesses and shortcomings in its structure and in the functional links between its elements. Based on the results obtained, it is possible to determine the extent of the mechanism's shortcomings, identify their causes and outline possible areas for improvement.

The improvement stage involves developing a programme to enhance the effectiveness of the organisational and economic mechanism and implementing this programme.

The system for supporting the organisational and economic mechanism comprises subsystems for the legal, resource, regulatory and methodological, scientific, technical and information support of enterprise management [192, 194].

The organisational and economic mechanism for managing an enterprise comprises the following main functional subsystems: planning, organisation, motivation, control and regulation.

The state, represented by its authorities, can [188, 195]:

- implement economic and social policies with the aim of safeguarding the interests of all sections of the population;
- to mitigate the spontaneous processes of market self-regulation with a view to preventing chaos in the economy;
- to stimulate the market economy and ensure its efficient functioning, whilst limiting and preventing the negative consequences of the economic power wielded by owners, particularly monopolists;
- to guarantee the protection of national interests and the domestic market from external economic and political expansion.

State regulation of the fruit and vegetable sector can take two main forms: direct and indirect [193]:

Direct regulation is carried out through the expansion of state ownership (of the means of production, a share of national income, financial and credit institutions, etc.), the management of state-owned enterprises, and through legislative and administrative measures.

Indirect regulation is carried out through planning, forecasting, financing, budgetary regulation, the taxation system, lending, monetary policy, accelerated depreciation policy, pricing, industrial and investment policies, accounting and control, etc.

The state's planning function is realised through the development of strategies for regional development, agriculture and the agro-industrial complex as a whole.

State forecasting involves calculating the projected figures for the sector's development indicators. This may be reflected in annual plans and regional development programmes.

Funding may take the form of a range of preferential schemes for participants in the fruit and vegetable sector. These include [193, 195, 196]: the introduction of a

minimum (zero) rate of value added tax; nationwide development programmes: state support for the development of fruit and vegetable production, support for crop production, retraining and upskilling of the workforce, financial support for agricultural enterprises through the mechanism of reducing the cost of loans, and partial compensation for the cost of domestically produced agricultural machinery; funding within the framework of regional development programmes: regional financial leasing, vegetable growing and the processing sector, private smallholders and farms in the region, regional development strategy, and regional economic and social development programmes.

Budgetary regulation provides for the allocation of a specific amount of funds in the form of budgetary transfers. The Budget Code defines inter-budgetary transfers as funds transferred free of charge and irrevocably from one budget to another. Current legislation provides for the use of the following types of inter-budgetary transfers: equalisation grants, subventions, funds transferred from one budget to another, and various grants [188, 197].

In our view, the main objective of the state's investment policy for the fruit and vegetable sector is to create a favourable investment climate to attract investors.

Pricing policy involves setting fixed prices in the fruit and vegetable market and monitoring compliance with them.

Legal regulation involves providing a legislative framework to support the development of the fruit and vegetable market. Another important function of the state is to monitor compliance with anti-monopoly legislation. In the sphere of foreign economic activity, a balanced protectionist policy for the sector plays a significant role.

An integral part of the mechanism governing the operation of enterprises in the fruit and vegetable sector is a target-setting system that combines the definition of tactical, strategic and operational objectives [188].

Among the strategic objectives, the following stand out [196]: ensuring food security; attracting foreign investment; improving the standard of living of the population; expanding market share and increasing customer satisfaction.

Tactical objectives reflect the individual stages involved in achieving the

strategic objectives. They include [196]: increasing the competitiveness of goods manufacturing; improving product quality; utilising modern scientific and technological advances; cultivating organic raw materials; the development of waste-free technologies; attracting investment resources.

Among the operational objectives, we identify [196, 198]: the formation of competitive structures; establishing information flows; improving production efficiency; achieving steadily growing profits; increasing the level of innovation; making more efficient use of existing capacity; distribution of costs and risks amongst participants in the product chain; ensuring appropriate conditions for realizing labour potential; increasing the employment rate.

The system for supporting enterprises in the fruit and vegetable sector combines resource, scientific, information and technical management of the production process [199].

The functional subsystems include: planning, organisation, motivation, accounting, control and management.

Planning is represented bythe formulation a production programme, the preparation of a cost estimate.

Organization involves the allocation of tasks amongst those involved in production.

Accounting and control comprise initial, ongoing and final accounting, as well as monitoring of cash flow.

The motivation subsystem involves creating favourable working conditions for workers and providing comprehensive incentives for their activities.

The main function of production management is to summarise the results of the production process and to assess costs and revenues.

The main reasons for the development of fruit and vegetable production at regional and national levels are [196]: an increase in food security; the need to reduce losses of agricultural produce; supplying the market with off-season produce; increasing demand for domestic goods; improving the competitiveness of produce.

For producers, the factors that stimulate the development of fruit and vegetable

production are [199]: availability of raw materials; underutilisation of the sector's production capacity; low energy value and high nutritional value of fruit and vegetable produce; reduction of costs and time in the production chain; uninterrupted production process; overcoming the problem of seasonality in agricultural production; insufficient number of enterprises engaged in the full process of manufacturing fruit- and vegetable-based food products, from growing raw materials to packaging processed products in appropriate containers; the existence of reproducible processes; the existence of demand for the products.

Factors influencing the development of enterprises in the fruit and vegetable sector can be exogenous or endogenous [200].

Exogenous factors include: political, general economic, demographic, inflationary, currency-related, environmental, marketing, market conditions, competitive and others [200]. In our view, the most significant factors are: the incomplete reform of the land market; sectoral imbalances in production, with a one-sided focus on agriculture; the absence of market mechanisms to influence changes in producers' specialisation; consumer demand; and the availability of markets for product sales.

Internal factors influencing the operation of enterprises in the fruit and vegetable sector include [199]: raw material and logistical infrastructure; the level of innovation among economic entities; the development of centres of responsibility; availability of resources; the existence of a logistics network.

The interrelationship between all components of the organisational and economic mechanism is revealed in the production process. It encompasses a combination of the development strategy for an enterprise in the fruit and vegetable sector, the methodology for establishing the organisational and economic mechanism, and the choice of the organisational and legal form of the business entity. The production process is implemented using the operational tools of enterprises in the fruit and vegetable sector.

The tools for establishing the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector are divided into

methodological, procedural and organisational categories.

The methodological tools comprise principles, methods, functions and theoretical approaches to assessing the feasibility of the development and operation of enterprises in the fruit and vegetable sector.

The methodological toolkit comprises a mechanism for aligning the strategic objectives of enterprises in the fruit and vegetable sector with structural and functional factors, as well as methodologies for assessing the efficiency of the production process in enterprises within the fruit and vegetable sector.

The organisational toolkit brings together the process of modelling the optimised production structure, the organisational and legal forms of cooperation, and the organisational and structural support for the development of enterprises in the fruit and vegetable sector.

11.2 Determinants and Trends in the Marketing and Logistics Development of Fruit and Vegetable Industry Enterprises

The fruit and vegetable sector in Ukraine was characterised by dynamic growth prior to the crisis, which was linked, on the one hand, to real growth in household incomes and, on the other, to a decline in the volume of home canning.

Global fruit production is growing much more slowly than vegetable production [199]. Global production of vegetables and fruit tends to increase in countries with lower per capita incomes and low labour costs. At the same time, fruit and vegetable production is declining in countries with high income levels and expensive labour.

China has long remained the world leader in vegetable production. India ranks second, whilst the USA ranks third.

The growth in production has been driven by yield, which is generally on the rise across all regions of the world. The majority of the world's fruit and vegetables are produced for consumption in domestic markets, with only 4.4% of global production being exported.

In developed countries, processed fruit and vegetables account for more than

half of total consumption [201].

According to a 'Mind' survey in 2025, only one in four EU residents eats fruit twice a day (27%). A further 37% of the EU population said they eat fruit once a day, whilst the remaining 36% consume fruit even less frequently or do without it altogether. Vegetables are even less popular: 23% of Europeans eat them at least twice a day, whilst 40% of EU residents eat vegetables once a day.

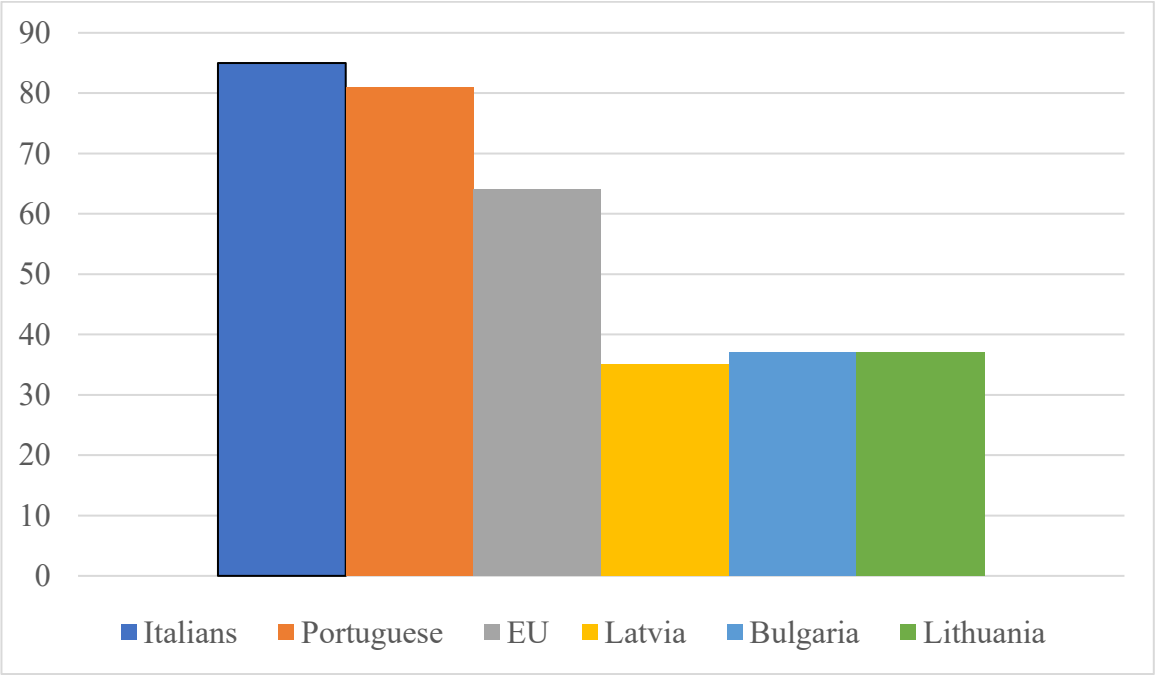


Fig 2. Fruit consumption among the population of selected countries in 2025, %

Source: compiled by the author based on [202].

As for vegetable consumption, Ireland and Belgium have the highest proportion of the population who eat vegetables at least once a day: in both countries, this figure stands at 84% of the population. In 18 of the 28 EU Member States, between 50% and 80% of the population reported eating vegetables every day, whilst the EU average stands at 64% [203].

According to the Agravery news agency, 2.8 million hectares of land in the EU are devoted to the production of fruit and berries, and 2.1 million hectares to the cultivation of vegetables. Spain is the leading fruit producer, with 942,000 hectares, accounting for 33% of all EU land devoted to fruit cultivation. Italy is the largest

vegetable producer (420,000 hectares, or 19.8%) [204].

As experience in various countries around the world shows, the development of the fruit and vegetable sector of agri-industrial production is only possible provided there is an active state policy in the sector aimed at the rational use of production resources, based on [199]:

- broad, economically sound, state regulation of economic relations between the various sectors of the agri-food industry;
- ensuring the population has access to fruit, berries and vegetables at affordable prices.

With this in mind, systems of state regulation are in place in most countries. Although there are significant differences between countries in the application of economic regulation mechanisms, they all predominantly pursue the following objectives: maintaining a stable economic situation in agriculture and the processing sector; ensuring food security; ensuring competitiveness.

These objectives are achieved through substantial budgetary expenditure and consumer spending, driven by high prices, using the following regulatory mechanisms: guaranteed purchase of surplus produce at minimum prices, specific forms of preferential lending, and customs regulation.

In the EU, regulation of the agri-food market covers the following key areas: prices of agricultural produce; conditions of production and distribution; the resource supply system; environmental protection; social infrastructure in rural areas.

“Food diplomacy” occupies a special place in the agricultural sector of leading countries today. The objectives, methods and forms of “food diplomacy” with regard to various groups of “Third World” countries have their own specific characteristics, which are determined, firstly, by their role in the international division of labour and the nature of their relations with the USA, and secondly, by their place in the global food economy and their dependence on food imports.

This determines the strategic approaches to agricultural protectionism adopted by the world’s leading countries. Among the various forms of protectionism, price in 2025 support plays a significant role, accounting for 75% of the total subsidy

equivalent for producers and EU countries; 87% in Canada; and around 50% in the USA. The share of direct subsidies, in terms of the total subsidy equivalent, to agricultural producers is around 50% in Norway, whilst in the EU and the USA it stands at 22–23%. The share of other forms of support for the agricultural sector (the provision of various services, the construction of infrastructure) reaches 60% in Austria and more than 40% in Canada. In France, the state regulates 20% of prices. The country has a network of state inspectors who directly regulate the prices of agricultural produce [203, 204].

In the USA in 2025, more than $60 billion is allocated from the budget to support agriculture. The main mechanism for providing subsidies in the country is through targeted programmes, covering approximately 85% of the area under cultivation. For each of the main crops, the government sets two types of price support – target prices and guaranteed prices. The country makes extensive use of compensatory payments, which are a form of direct investment in increasing farmers' incomes. Congress sets target price for various crops. To qualify for subsidies, farmers must set aside part of their land from cultivation. If the market price farmers receive for their harvest is lower than the target price, the government compensates for the difference [203, 204].

In the USA there areboth successfully operating programmes to support farmers. Their implementation is aimed at ensuring stability or growth in prices for agricultural produce and farmers' incomes. Support programmes include measures to control price levels and production volumes, direct payments to farmers, export subsidies, as well as other indirect forms of support for farms. The main commodities covered by US government support programmes include wheat, cotton, sugar, fruit, vegetables, tobacco and peanuts.

The USA pays particular attention to the processing of fruit and vegetable produce. In recent years, the value of agro-industrial production has accounted for more than 13% of gross domestic product. The key organisational, technological and technical conditions, underpinned by appropriate agricultural policy measures, will enable the agricultural sector to become not only the largest in the world, but also the most efficient. The components of this policy are [199, 207]:

- a rational combination of spheres of production and means of production, linking agriculture with the most important sphere of the agro-industrial complex;

– the processing, storage, transport and marketing of agricultural and food products. In this context, in the first and third spheres, industry and capital create the necessary opportunities for farmers to operate successfully, but, most importantly;

– they support the product "from field to shelf";

- agricultural production, and the production of fruit and vegetables, are rationally distributed across the country in accordance with natural conditions;

- a high level of technical and energy infrastructure;

- economic support for farming, which has been developed over many years based on the introduction of industrial technologies utilising vertical and horizontal integration, specialisation and concentration of production.

Economic support in this country comprises the following elements [204, 208]: support for farmers' incomes; price regulation; support for the procurement of raw materials and the marketing of produce; incentives to improve production efficiency; regional and general economic support (Table 1).

Table 1 - Key measures of the state support mechanism for the agricultural sector in the USA and Ukraine

Measures	Description of state regulatory measures, USA	Description of government regulatory measures, Ukraine
Income support for farmers		
Pest and disease control	Government organisations monitor and control diseases and pests in farm animals and crops	-
Price regulation		
Exemptions from excise duty on fuel used fuel	Fuel used for agricultural production purposes is not subject to excise duty	-
Loan schemes for farmers	Preferential terms are provided for the granting of loans. This category includes both the provision of the loans themselves and a government guarantee of loan repayment	Provision of repayable grants for the purchase of machinery and equipment, the replenishment of working capital, the production and processing of agricultural produce, the assessment of compliance with organic production standards (raw materials), the construction and refurbishment of production and non-production premises, the establishment of perennial plantations, the development of credit and service cooperatives, irrigation and land reclamation

Continuation of table 1

Marketing support for products		
Advisory support	Farmers are offered, on a non-commercial basis, advisory assistance with product marketing	-
Support with product processing and marketing	Through various marketing support programmes, the state helps producers to sell their goods and creates more stable conditions in the food market	-
Regional support		
Programm es to support farmers	State governments provide assistance with the implementation of regional programmes in the fields of scientific research, implementation and education, the provision of information services to farmers, the performance of regulatory functions and the monitoring of food quality	KPKVK 2801580 'Financial support for agricultural producers': provision of repayable grants for the purchase of machinery and equipment, replenishment of working capital, production and processing of agricultural produce, assessment of compliance with organic production standards (raw materials), construction and refurbishment of production and non-production premises, and the establishment of perennial plantations, irrigation and land reclamation
General economic support		
Tax incentives	The state provides certain tax advantages for cooperatives and the income international trading corporations	Provision of repayable aid for the development of credit and service cooperatives
State support for transport infrastructure	The government funds the construction and maintenance of water and railway lines	A state programme for partial compensation of the cost of domestically produced agricultural machinery and equipment, namely: 25% funded through budget programme expenditure code 2801580 'Financial support for agricultural producers' under the heading 'Partial compensation of the cost of agricultural machinery and equipment of domestic production'
State support for transport infrastructure	The Government funds the construction and maintenance of waterways and railways	The State Programme for the partial compensation of the cost of domestically produced agricultural machinery and equipment, namely: 25% funded through budget programme expenditure code 2801580 'Financial support for agricultural producers' under the heading 'Partial compensation for the cost of domestically produced agricultural machinery and equipment'; 15% funded by budget programme expenditure code 2801230 'Financial support the development of farms'

Source: developed by the author based on [202-204].

The long-standing surplus of agricultural and food production over domestic consumption has enabled the USA not only to successfully sell its surplus and assist other countries, thereby expanding future markets, but also to broaden the range of products on its food shelves through imports

In accordance with this, the Council for the Stabilisation of Agricultural Production, through state cooperatives and cooperative marketing boards, purchases agricultural produce from producers at base prices agreed at the start of each year. The Ministry of Finance, within the framework of the approved budget, grants loans to the corporations and departments at bank interest rates for the purchase of agricultural produce. Following this, the trade departments resell the produce to processing enterprises or for export and sale on the markets.

If the weighted average price – for example, for a particular category of grain sold to the end consumer – is lower than the base purchase price, the difference, minus all costs, is paid to the farmer. Similarly, in the case of perishable produce, such as fruit and vegetables, which are sold on the market at a price lower than the base price, the farmer is also paid a supplement. State-owned corporations have been established in the country for this purpose: the Canadian Wheat Board (CWB, 1943), the Canadian Dairy Production and Marketing Commission (CDPMC, 1966) and the National Agricultural Products Council (NAPC, 1970), which are vested with the authority to buy and sell to processors or have the right to export certain categories of products.

Base prices for agricultural products and contractual arrangements between corporations and producers enable the state to control the volume of production of those products that are in high demand on domestic and foreign markets.

Among EU countries, agricultural production in Austria is characterised by a relatively high level of intensity. This country is characterised by a large share of fruit and vegetables in its final agricultural output and a high level of self-sufficiency in key agricultural products: cereals – 106%, vegetables – 135%, beef and veal – 141%, pork – 105%, and milk – 103% [203, 204].

The Austrian Institute for Economic Research conducted an analysis, the results of which indicate that the accession of Central and Eastern European countries to the

EU will have mixed consequences for Austria's agricultural sector. Producers of grapes and other fruit will benefit to some extent from the expansion of the sales market, whilst producers of cereals and livestock products (meat and milk) will face increased pressure from rising production and falling prices [209].

According to the institute, the integration of Central European EU countries will have less of an impact on the Austrian economy in the short and medium term than Austria's accession to the EU. At present, a relatively small amount of wine is produced in Central and Eastern Europe. The accession of countries in this region to the European Union will help to raise living standards in those countries and lead to increased demand for Austrian wine products. Furthermore, the ban on planting new vineyards, as provided for in the EU-15 wine market regulations, will limit the export opportunities of the newly admitted EU members.

The experience of the European Union's 2004 enlargement demonstrated the application of a transitional model for integrating the agricultural sectors of new Member States into the Common Agricultural Policy (CAP), including the gradual alignment of the level of direct payments with the level of support provided to farmers in the EU Member States. At the current stage, a similar issue is becoming increasingly relevant in the context of Ukraine's European integration. Ukraine, which has candidate country status and has been engaged in accession negotiations since 2024, entered a more substantive phase of the negotiation process in 2026, involving the gradual alignment of its agricultural policy and institutional framework with the requirements of the Common Agricultural Policy. However, unlike the 2004 enlargement, the specific parameters of Ukraine's future participation in CAP support mechanisms, including the level and modalities of direct payments, have not yet been finally determined and remain subject to the accession negotiation process [187, 198, 201].

Thus, the development of agricultural production and the fruit and vegetable market in developed foreign countries has its own specific characteristics. However, the most common factors for them are:

- ensuring that agricultural producers' incomes are at a level that allows the

majority of commodity producers to expand their production;

- protecting national markets from competition that undermines the interests of agriculture;
- providing the population with fruit, vegetables and berries at affordable prices, and improving the environmental sustainability of production;
- creating the economic conditions for the export of fruit and vegetable produce, where this is in line with the country's geopolitical interests.

A relatively high level of state regulation of the production, processing and marketing of fruit and vegetable produce in the most developed countries contributes to an increase in the population's consumption of fruit and vegetables.

In the EU, two-thirds of the population consume at least one portion of fruit and vegetables every day. The latest data from the European Health Interview Survey (EHIS) show that daily consumption of fruit and vegetables is widespread across the EU; on average, one-third of the population (34.4%) aged 15 and over do not consume any fruit or vegetables in a day; half of the population (51.4%) consume between 1 and 4 portions of fruit and vegetables daily, whilst the remaining 14.1% consume more than 5 portions a day. One portion is defined as 100 grams [203].

Agriculture in the UK is among the most mechanised in the world and boasts exceptionally high productivity whilst employing a minimal labour force (1.4%). The country has a well-developed system of farms (around 250,000) and large-scale livestock complexes [210].

Arable farming accounts for 23–25% of the country's agricultural output. Cereal cultivation dominates arable farming (over 30 per cent of arable land), with wheat (18%) and barley (11%) being the main crops, along with oats. The main breadbasket of Great Britain is East Anglia, particularly the South East, as well as the areas surrounding Greater London. Industrial crops include sugar beet and potatoes (in England), and long-stalked flax. Areas specialising in flower cultivation, hop-growing, vegetable growing, fruit growing and soft fruit cultivation have developed around the major cities. More than half of the sown area is occupied by perennial forage grasses [211].

In the UK, one-third of the population (33.1%) consumes more than five daily portions of fresh fruit and vegetables; in Denmark, the figure is 25.9%; and in the Netherlands, 25%. The figures for fresh fruit and vegetable consumption in Romania and Bulgaria are 3.5% and 4.4% respectively [204, 223].

According to Agrinsieme, Italians consume an average of 219 g of fruit per capita per day and 228 g of vegetables per capita per day. The World Health Organisation's general recommendation for a healthy diet is 400 g [211].

According to the ICE office in Berlin, based on data from Fruchthande, on average, every German citizen consumes around 105 kg of fresh fruit and vegetables per year, of which 25.9 kg are apples.

According to the French state agency FranceAgriMer, the French consume more than 100 kg of fruit and vegetables per year.

France is one of the largest agricultural nations in the European Union. It accounts for 16.3% of agricultural land. In 2024, the value of agricultural production amounted to 75 billion euros, representing 18.3% of the EU's total production [219].

According to recent data, global leadership in wine production and grape cultivation is characterised by significant geographical differentiation. In 2025, Italy ranked first in the world in terms of wine production, with approximately 44.4 million hectolitres, ahead of France, whose production amounted to approximately 36 million hectolitres. At the same time, China remained the world's leading producer of fresh grapes, while Italy ranked second [204, 210].

Despite the lack of government programmes to support horticulture, Ukrainian horticulturists have begun to gradually revive the sector and are even establishing new orchards. The Ministry of Agrarian Policy and Food of Ukraine notes that, based on this year's results, the total harvest of fruit, berries and nuts across all categories of farms in the country amounted, as in the previous year, to around 3.3 million g.

According to official data, berry production in Ukraine is increasing by 4% annually. Today, it is a thriving industry developing across the whole country. The return on investment in berry farming is quite high, whilst both the domestic and export markets remain undersaturated [212].

Thanks to the support of regional and local councils and the involvement of investors, several berry-growing cooperatives have been established in the Vinnytsia, Ternopil and Lviv regions, providing local residents with employment opportunities and well-paid jobs.

A limiting factor in increasing production is the insufficient amount of storage capacity for according to the chairman

According to “Ukrsadprom”, 2 million tonnes of fruit are produced in Ukraine, yet there are only around 300 fruit storage facilities in operation. Storage capacity stands at just 250,000 tonnes, with only 70,000 tonnes of this equipped with controlled atmosphere technology. That the lack of loans at reasonable interest rates is hindering the construction of fruit storage facilities. Now loans at 20–23% simply kill desire to do so [214].

The issue of providing the population with fruit and vegetable products is particularly relevant for Ukraine, since a certain part of the territory does not have sufficiently favorable natural and economic conditions for cultivation fruit, berry and vegetable crops. A significant part of the country's population is deficient in many vitamins, minerals and other biologically active compounds that are essential for human life. In this regard, providing the population of Ukraine with high-quality vegetables, fruits, berries and products of their processing is currently an acute problem. problem.

Fruits, berries and vegetables are the most important food products for the population of all age groups. These products contain organic acids, sugar, mineral salts and other substances necessary for the body. Their main the advantage is the presence of biologically active substances: vitamins, trace elements, antibiotics.

The World Health Organization (WHO) believes that the diet a healthy diet should include apples, carrots, cabbage, tomatoes, hot chili peppers, broccoli, onions, and blueberries. All of these the products have a unique combination of active elements that strengthen the body's immune system, destroy cancer cells, support the functioning of the heart, brain cells and blood vessels, and have a positive effect on psychological state and mood of a person. Therefore, the development of a comprehensive program

of food security of the state should be interconnected with programs of healthy nutrition, agricultural production and related industries.

According to the results of the State Statistics Service of Ukraine, the total production of agricultural crops for the period 2021–2025 is characterized by the following data (Table 2).

Table 2 - Total agricultural crop production of Ukraine in 2010–2025

Indicator	2010	2021	2022	2023	2024	2025	Deviation, % 2025/2010	Deviation, % 2025/2024
Harvested area, thousand hectares:								
Beet Sugar	492	330	237	291	314	275	-44,11	-12,42
Potato	1412	1343	1291	1312	1323	1320	-6,5	-0,23
Crops	468	464	447	447	446	440	-5,98	-1,35
Vegetables fruit crops and berries	223	210	206	197	199	200	-10,31	0,50
Production volume, thousand hectares:								
Beet Sugar	12663	14599	10331	14011	14882	13968	10,31	-6,14
Potato	8122	9638	20839	21750	22208	22504	177,07	1,33
Crops	8122	9638	9214	9415	9286	9440	16,23	1,66
Vegetables fruit and berries	1747	1999	2153	2007	2048	2571	47,17	25,54

Source: developed by the author based on [202].

The dynamics presented in Table 2 indicate significant structural changes in Ukraine's agricultural production during the analysed period. Despite the reduction in the harvested area for most crop groups, the production of vegetables, fruits and berries demonstrated a substantial increase, reaching 2.571 million tonnes in 2025, which was 47.17% higher than in 2010 and 25.54% higher than in 2024. This growth indicates an increase in the productive potential of the sector, which can be associated with improvements in production technologies, changes in the structure of cultivated areas, the introduction of more productive varieties, and the concentration of production in more efficient agricultural enterprises. At the same time, the reduction in the harvested area devoted to vegetables, fruits and berries by 10.31% compared with 2010, combined with a substantial increase in output, indicates a positive shift in land-use productivity. Such changes create new requirements for the organisation of marketing channels,

storage infrastructure, transportation, distribution and supply chain management, particularly given the highly perishable nature of fruit and vegetable products.

According to the State Geocadastre, in Ukraine in 2023, gardens occupy 727.2 thousand hectares, and fruit and berry plantations in fruit-bearing age – 206 thousand hectares. The leader in the cultivation of fruit crops is apples, 1.5 million tons (in agricultural enterprises 0.5 million tons and households 1.0 million tons), which is 1.4 times more than in 2024. Due to favorable natural and climatic conditions in 2025, the yield apples in all categories of farms was 16.0 t/ha, which is more than the previous year by 35.7%. They are followed by stone fruits: cherries, plums, sweet cherries, apricots and peaches. In terms of quality, plums came in first place in the segment stone fruits. It accounted for 36% of the total stone fruit production in the country, while the share of cherries decreased to 31%, and sweet cherries and apricot – 13% and 16%, respectively [202, 214].

The production of fruit and vegetable products involves the cultivation vegetables, fruits and berries intended for consumption by the population in fresh and in a recyclable form.

Analyzing data from the State Statistics Service of Ukraine, in 2025 there is a decrease in the production of fruit and vegetable mixtures juices compared to 2024 [202]. Other indicators have dynamics, data are presented in Table 3.

Table 3 - Production of certain types of products in processing and canning of fruits and vegetables of Ukraine for 2010–2025, thousand tons

Indicator	2010	2021	2022	2023	2024	2025	Deviation, % 2025/2010	Deviation, % 2025/2024
Tomato juice	72,4	58,7	44,1	44,2	44,2	47,3	-34,67	7,01
Apple juice	108	173	86,1	74,6	74,0	106	-1,85	43,24
Mixtures of fruit juices and vegetables	315	235	189	187	187	184	-41,59	-1,60
Jam, marmalade, puree, jelly, confiture, jam, preserves, from other fruits and nuts, heat-treated (except products homogenized)	59,4	58,2	46,1	49,8	44,4	63,2	6,40	42,34

Source: developed by the author based on [202].

In a market economy, one of the main places belongs to price mechanism. The principles of its regulation, on the one hand, are based on on general methodological principles, and on the other hand, have significant features in relation to markets for certain types of products. When determining marketing strategies of enterprises must take into account the regularities changes in product sales prices. In the fruit and vegetable market, one of the biggest problems that requires an immediate solution, there is pricing. Let us consider the dynamics of prices for vegetables, fruits and berries in Ukraine [215].

The highest prices across all agricultural sales channels enterprises in 2021 are observed during 2010–2025.

The analysis showed that in 2025 the selling prices of agricultural enterprises have dynamics compared to 2024. Although the price of beet sugar fell by 10.19%. Potatoes have a growth trend – 13.64%, vegetable crops – 7.54%. The price of fruit and berry crops fell by 42.35%. This is presented in more detail in Fig. 3 [204].

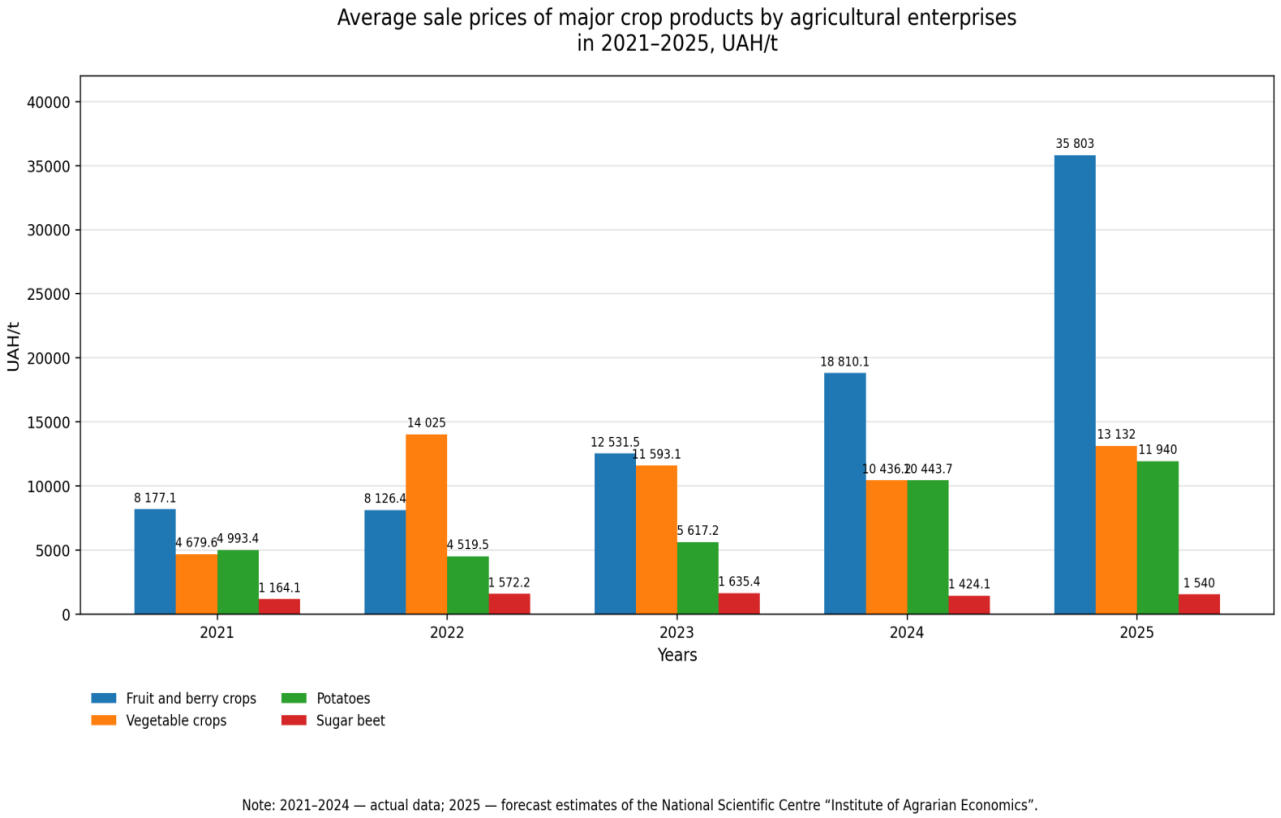


Fig. 3. Selling prices of main types of products agricultural enterprises for 2021–2025 , UAH /t

Source: developed by the author based on [204].

In general, the average sales prices for crops in agricultural enterprises for in recent years have provided a moderate level of production profitability. The level profitability of production of the main types of agricultural products in enterprises of Ukraine is presented in Table 4.

Table 4 - The level of profitability of production of the main types of agricultural products economy in Ukrainian enterprises 2010–2025

Indicator	2010	2021	2022	2023	2024	2025	Deviation, % 2025/2010	Deviation, % 2025/2024
Harvested area, thousand hectares:								
Beet Sugar	16,7	17,8	27,7	24,6	12,4	-11,4	-28,1	-23,8
Potato	62,1	9,9	24,6	0,6	10,0	6,8	-55,3	-3,2
Crops	23,5	14,5	32,09,9	15,3	9,9	13,3	-10,2	3,4
Vegetables fruit crops and berries	14,9	65,8	58,3	25,0	35,4	6,4	-8,5	-29,0

Source: developed by the author based on [202].

According to the analysis of customs statistics, during 2021–2025, exports vegetables of all kinds in value terms has almost doubled, while their imports decreased significantly. Last year, unlike 2021, there was a positive foreign trade balance [202].

In 2025, fruit exports amounted to 88.4 thousand tons, which is 1.7 times more than 2021 and 1.3 times the previous year. Export deliveries of fruits are formed mainly by households, which are the main producers of walnuts (in 2025, 99.0%, or 125.9 thousand tons). Their export in the overall structure was 46.4% (41.0 thousand tons). The apple harvest in the country is the main reason for the expansion of fruit exports in 2025. Export shipments they increased by 1.8 times – to 42.4 thousand tons [202].

In 2025, the value of fruit export shipments amounted to UAH 3.9 billion, including walnuts – 82% (3.2 million UAH). This is more than 3 times, compared to since 2021, which indicates the dynamics of inflationary-devaluation processes (in 2021, the USA dollar exchange rate against the hryvnia was UAH 11.88, and in 2025 – 27.20). The price of walnuts increased in 2025 compared to 2021 by 2.3 times and was 77.7 UAH/kg (2.8 USD) [202, 214].

According to the publishing house "Vegetables and Fruits", in the consumer basket Ukrainians, fruits and berries occupy almost the last place in terms of compliance of actual consumption with rational (90 kg) and minimum (68 kg) norm. The demand for these products in Ukraine is met accordingly by 58.7% and 77.6%. The need for fruits and berries of domestic production has been established production for the rational provision of the population of Ukraine amounted to 3.5 million tons. That is, there is a need for additional formation of the total supply of domestic fruits and berries in the amount of up to 1.5 million tons [214].

Calculations of fruit and vegetable consumption norms are not the same and are divided into physiological (minimum) and medical (optimal). In addition, The medical standards currently in use vary by various sources (Table 5).

Table 5 - Vegetable and fruit consumption norms per person for 2021 in Ukraine, kg

Products	Rational norm (calculations of the Ministry of Health of Ukraine)	Actual consumption in 2025 (data from the State Statistics Service of Ukraine)	Sufficiency indicator consumption	For reference: actual consumption in 2024 (data from the State Statistics Service of Ukraine)
Vegetables and melons	161	163,9	1,02	159,7
Fruits, berries and grape	90	57,8	0,64	52,8
Potato	124	139,4	1,12	143,4

Source: developed by the author based on [202, 212].

According to the Ministry of Health, the established norm consumption of vegetables and fruits (fresh, processed, frozen) – 350 grams vegetables and 330 grams of fruit. The actual consumption of vegetables, fruits we can be seen in Table 6.

Table 6 - Fruit and vegetable consumption in Ukraine per person per 2010–2025, kg

Indicator	2010	2021	2022	2023	2024	2025	Deviation, % 2025/2010	Deviation, % 2025/2024
Potatoes	129	141,0	138,0	140,0	140,0	139,4	8,06	-0,43
Cucurbits and food crops	144	163,0	161,0	164,0	161,0	163,9	13,82	1,80
Fruits, berries and grape	48	52,0	51,0	50,0	54,0	57,8	20,42	7,04

Source: developed by the author based on [202].

Analysis of the structure of per capita consumption of vegetables and fruits shows that in the country, vegetables account for 70% and fruits for 30%. It is likely that this ratio will not change in the future, because it is related to historical food traditions, recommendations of domestic medicine, the structure of fruit and vegetable imports vegetable production, the need to expand perennial plantings and many other factors.

The development of horticulture and vegetable growing largely depends on rational use of production potential and, above all, land as the main means of production.

Both gardening and vegetable growing are quite labor-intensive and capital-intensive industries. Fruit production requires spending labor is 25–30 times more than when growing grain crops, and berry crops cultures – 40–50 times [219].

In the fruit and vegetable industry, an important place belongs to the sphere of processing and storage of fruits, berries and vegetables, where there was a downward trend specific gravity of the raw material being processed.

The analysis shows that the current system and state of production, storage, processing, transportation and sale of fruit and vegetable products is not fully meet the conditions of the consumer market.

The State Statistics Service indicates that in Ukraine there are 337 processing enterprises. Less than half of them are engaged in processing of berries and fruits.

The efficiency of processing enterprises is being held back a large number of interrelated internal issues, including the inefficiency of the management system and organization are particularly prominent production, high costs, weak competitiveness of the output products. As a result, the development of negative financial and economic indicators.

A significant part of the shortcomings of processing enterprises is transferred to producers of fruit and vegetable products. In the absence of adequate market infrastructure in most cases they use their monopoly situation for understating purchase prices and overstating sales prices. In In villages, the construction of small, primitive vegetable processing plants has been developed and fruits. And this leads to the fact that

the state of the processing industry in the present time has proven to be unstable and this situation should be considered in restrictions with suppliers of fruit and vegetable products. In conditions that have developed, in the system of measures to stabilize and develop the fruit and vegetable industry, in our opinion, it is important to overcome conflicts of interest agricultural producers and processing enterprises industry based on integration on mutually beneficial terms. After the reforms in the fruit and vegetable industry, negative trends that led to a decline in production, growth consumer prices for finished products. Price, credit, tax and investment policy negatively affected the financial condition of enterprises industry.

According to the Ministry of Health of Ukraine, the target consumption level of fruits and berries is 300 g per day or two servings of 150 g per day. A frozen, canned and dried vegetables, fruits and berries are acceptable alternative to fresh and slightly inferior to the latter in nutritional value [212].

In 2025, the production of canned vegetables increased compared to 2021 by almost 14%, the production of jams, jellies and purees decreased by 31.92%. Juice production is dynamic and accounts for 3.76% compared to 2024. Such dynamics can be largely attributed to imports of canned goods during that period.

In Ukraine, jam is not a very popular product, but on the shelves in is presented in a fairly large assortment in supermarkets. Jam is a product obtained from whole or small pieces of fruit, berries and some vegetables boiled in sugar or molasses syrup until jelly-like consistency. Ready-made quality jams do not retain their shape fruits, as they are completely cooked. The consumer of jam, in basically, it is a city resident with an average or above average income. Jam consumption is mainly in the winter period rather than in the summer. For companies that produce jams for fillings in ice cream, pastries, yogurts, seasonality is less important.

According to the State Statistics Service of Ukraine, in 2025 there were 1.4 kg of jams, fruit jellies and pastes were produced per person. Compared since 2021, production in 2024 has decreased by 14.29% [202].

An analysis showed that imported jams account for 50% of the range of processed fruit and vegetable products in supermarkets. Their pricing is higher than

that of Ukrainian products and is characterised by original. The main advantage is a wide variety of flavors and additives. Many foreign jams do not use sugar (Fig. 4.).

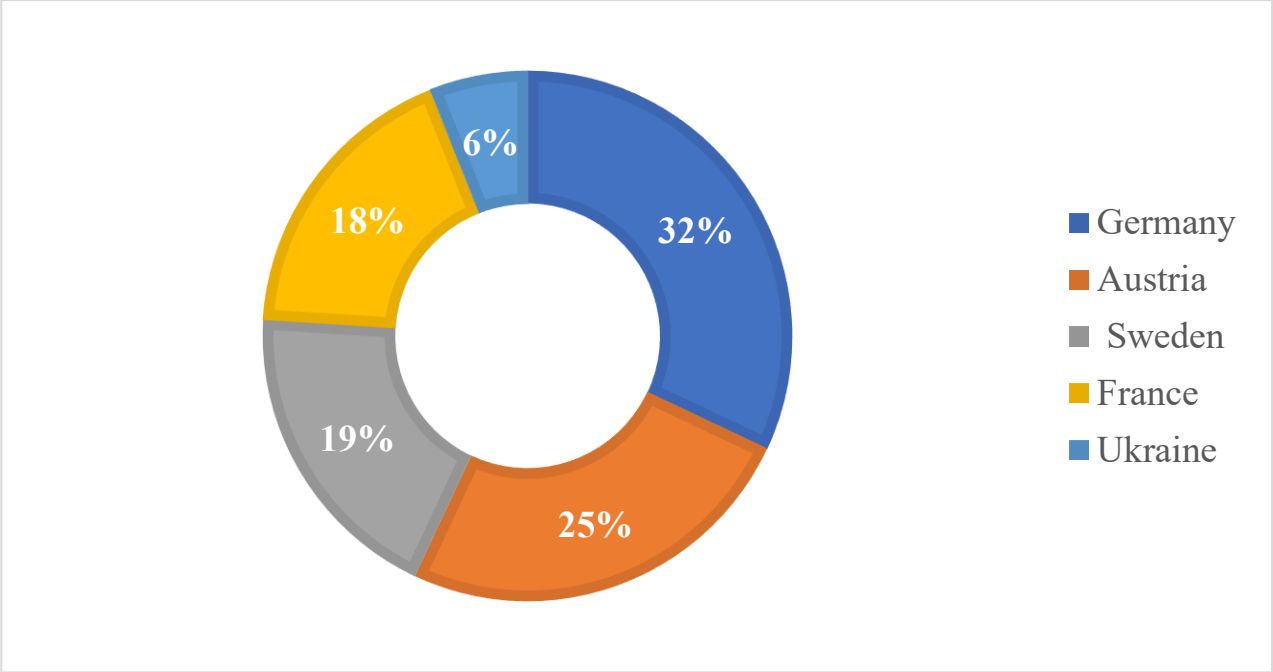


Fig. 4. Main importers in the Ukrainian jam market in 2025

Source: developed by the author based on [202].

According to Ukrinform, berry imports by EU countries have tripled over the last five years and continue to rise. Significant volumes of berries are grown in EU countries; however, demand for these products remains substantially higher than domestic production.

The industry association "Ukrainian Agribusiness Club" reports that imports of processed berries, fruit and nuts from Ukraine to the EU-28 have risen sharply since 2021, reaching 39.4 thousand tonnes in 2024. Supplies in the first half of 2025 totalled 16.7 thousand tonnes, which is 1.8 times higher than the corresponding figure for 2024 and 3.5 times higher than in 2021 – 4.7 thousand tonnes [214].

In the first seven months of 2024, the largest exports from Ukraine to the EU were strawberries and prepared strawberries – 34.2%, worth USA$3.150 million – and raspberries, blackberries, mulberries and currants – 65.8%, worth USA$6 million [202].

In recent years, Ukrainian companies have increased their strawberry exports to the EU from USA$442,000 in 2021 to USA$1.3 million last year. In the first half of

2025, the value of strawberry exports amounted to USA$1.45 million and could exceed USA$2 million for the year [204].

The value of exports of blackberries, raspberries, redcurrants, elderberries and gooseberries has also risen sharply, from USA$1.2 million in 2021 to USA$14.5 million last year. The rate of growth remains just as rapid this year. In the first half of 2025, exports of these types of berries amounted to USA$5.4 million, which is 2.16 times higher than the figures for the same period in 2024 (USA$2.5 million). These figures are 10 times higher than the five-year average (USA$533,000) [204].

Analysis has shown that there is fierce competition in the fruit and vegetable production market, and the manoeuvres and actions of rivals in this market can cause the leadership to shift from one player to another. The winners in such a challenging environment will be those companies that manage to reduce their costs and focus on the product range that is most profitable and will ensure the company's stability during the crisis.

The key factor in improving the efficiency of fruit and vegetable production should be the strengthening of enterprises' material and technical base, the facilitation of sales of finished products to the insolvent population through price reductions, a reduction in fruit and vegetable imports, and well-organised marketing, the objectives of which is to increase workers' interest in the productive use of resources and improve product sales, the development of market infrastructure, and the organisation of advertising.

11.3 Mechanisms and Instruments for Managing the Marketing and Logistics Development of Fruit and Vegetable Industry Enterprises

The development of the processing industry is determined by a multitude of factors. These include innovation policy, public relations, human resources management and many others. Marketing is no exception. This factor is one of the main drivers of economic prosperity for enterprises.

The development of marketing activities at the present stage faces numerous

challenges. One such challenge is streamlining the organisation of interaction between enterprises in the sector and small rural businesses with a view to providing them with marketing services. In our view, some of these initiatives are designed to provide marketing support to all categories of suppliers, which is entirely unnecessary, as agricultural enterprises, intermediaries and other large suppliers are also well aware of market conditions. As for bringing small rural producers together into cooperatives, reorganising enterprises or setting up a specialised department within a single enterprise – all with the aim of establishing marketing in the region – this requires considerable effort. Meanwhile, the need among rural producers for marketing and other (for example, logistical) services is growing by the day. In today's environment, possessing information and knowledge about the production and marketing of innovative products is of vital importance. Today, this market niche remains unfilled in many regions of Ukraine. The Vinnytsia region is no exception. Specialists from state bodies cannot tackle this task, as they have a different remit. Nor is the task within the capabilities of the processing sector, if its operators wish to organise such a structure relying solely on a single enterprise. Providing advisory services to farmers requires considerable funding and specially selected experts, as establishing long-term and productive relationships is of the utmost importance [209, 227].

The tasks that will be set for such consultancy firms are important and serious. The establishment of such organisations must take into account a number of key considerations. These organisations can and should be established in various organisational and legal forms, which will only lead to increased economic competition between them and, consequently, to an improvement in the quality of the services offered. Organisations of this type must be as free as possible from external pressures; this fosters freedom in management decision-making and in the conduct of business. Their internal environment must be structured in such a way as to motivate staff to work effectively and increase labour productivity.

Setting up consultancy firms, particularly for small rural businesses, requires a certain amount of considerable effort at the initial stage, primarily in terms of resources. These resources may come from various sources. However, borrowed and external

sources are too costly and entail interference by their owners in the activities of the newly established organisation, the extent of which may be excessive. The most advantageous source is the enterprises' own funds. It seems to us that within the boundaries of several neighbouring districts and natural-economic zones, for example within the processing industry (as a system with well-established structures), it is advisable to cooperate its entities one sectoral affiliation (arable farming and livestock farming) to establish and efficiently organise marketing structures. They will tasked with to analyse the spending power demand of and to help small rural producers to produce more goods of better quality at lower cost and to sell their goods and services profitably and in a timely manner [227, 228].

Recently, pricing, credit, investment and tax policies Governments are helping to improve the financial position of processing enterprises, increase their numbers and, as a result, boost the volume of raw material procurement. At the same time, however, there is the problem of a relative rise in the cost of raw materials, as large businesses are the main suppliers. This necessitates the identification of and reliance on an additional and significant source, which small agricultural businesses should become.

Market relations, based on the application of the laws of commodity production, will lead to the expected increase in the efficiency of cooperative marketing organisations for small agricultural businesses, most likely only if a number of conditions are met, namely: a diversity of organisational and legal forms, universal coverage (encompassing all enterprises, where possible), and the provision of service support based on commercial principles: the organisation of scientific support and the training of qualified personnel (educational institutions); and the organisation of logistical support and supply (dealers and cooperation between enterprises in the sector).

The effective functioning of cooperative marketing organisations is impossible without a system of financial support. Financial support for the activities of marketing cooperatives is provided by the marketing cooperatives themselves. It should be noted that no financial investment, nor any perfect material and technical base, can yield the expected results in the absence of effective internal incentives amongst participants to

develop cooperative marketing, or – in newly organised associations – flexibility and the ability to adapt easily to rapidly changing external conditions [207].

Financial independence fosters autonomy in securing resources. Of course, not all resources—such as information—can be owned outright. However, these organisations must strive towards this, as the rural raw materials market is a highly attractive prospect for many competitors, who possess the necessary resources to operate within it and are unlikelybe willing to share them. At the initial stage, however, the mobilisation of resources should take place through the conclusion of lease agreements and the recruitment of individuals who own their own vehicles [198, 225].

Operating in the rural raw materials market, with its fierce competition, also requires a specific organisational structure for enterprises. Firstly, it must have a flat hierarchy of management levels, which will allow it to possess the necessary flexibility and speed in decision-making and implementation. Secondly, the organisational structure must be as simple as possible [228].

The nature of the market in which enterprises will operate also shapes the management system. In our view, it should be both forward-looking and focused on current operations, whilst being multifaceted and comprehensive. Management should cover the following areas: logistics and material supply; service provision; innovation in the production and delivery of services; service marketing; human resources; finance; and accounting.

When establishing an organisation designed to fulfil such a task, human resources are of great importance. Staff are divided by role into core and support staff. Whilst the selection criteria for support staff may not be as stringent, core staff – that is, those who will directly develop approaches and engage in dialogue with clients, namely representatives of small rural businesses – must be selected with great care. After all, the organisation’s effectiveness depends entirely on the quality of their work. These staff members must, on the one hand, be highly qualified specialists with a willingness to learn, and on the other, be sociable. Moreover, the latter quality is particularly important for rural residents.

The complexity and financial risks associated with operating in this sector of the

commodities market require enterprises to adopt a sound organisational and legal structure. Naturally, the organisational and legal structure must be in line with the conditions and interests of the owners who have come together to establish it. Nevertheless, disregarding this rule in the face of fiercecompetition can lead to extremely negative consequences [224].

Current experience in the agricultural raw materials market shows that operating alone in this market is very difficult and that it is mainly cooperatives (for example, associations of traders) that survive [218]. It would therefore be effective for enterprises within a given territory (for example, several neighbouring districts) to join forces. However, whilst this collaboration has its positive aspects, it also has what appear, at first glance, to be negative ones.

However, the negative aspects can easily be turned to the advantage of the owner-enterprises. For example, when a firm operates within a specific territory, a limit may arise beyond which it becomes very difficult to compete (the so-called ‘competition threshold’), which will inevitably affect the supply of raw materials. But this situation can be easily resolved. In this case, the cooperative will supply raw materials to the factories based on their shareholding in the cooperative. It should be noted that this rule will be the guiding principle for the distribution of raw materials amongst the owner-enterprises.

The difficulty of competing gives rise to requirements regarding the number of such organisations within a specific territory belonging to a single group of owners. The number of organisations must be carefully considered in accordance with the conditions of the raw materials market prevailing in that region or district; otherwise, competition will arise between their own structures, which is extremely detrimental, as it will only lead to efforts being scattered across rivalries, whereas they need to focus solely on one objective – achieving victory in competition with other market participants.

Cooperative marketing structures within processing enterprises must be strictly focused on quality standards for the services they provide [209]. To this end, it is necessary to monitor competitors’ practices in identifying shortcomings and to carry

out continuous quality control, not only during the preparation of services but also during their delivery. When organising cooperative agri-marketing, it is also important to take into account current objective conditions and the specific features of its development. Without taking these factors, the proposals developed are unlikely to contribute to making the processing sector more productive and efficient than it is at present.

Despite the wide variety of forms and types of cooperative marketing structures, these are, first and foremost, service-oriented organisations. The objects of socialisation within them are (or are not) the members of the enterprises and the enterprises' assets – fixed and current assets. The scale of such cooperation depends on the state of their resource provision, the production infrastructure available in the region, and other factors. The consolidation of processing enterprises which, for example, have a shortage of certain material and technical resources and a certain surplus of others, makes it possible to rectify this situation and improve the efficiency of resource utilisation.

Depending on the degree to which processors socialise their assets, delegate management functions, and coordinate the future alignment of economic interests amongst potential participants, the following models of cooperative marketing are distinguished as legal entities: cooperatives, partnerships and companies [197]. All these models are autonomous, independent and democratically managed organisations, established on the basis of a voluntary alliance of processing enterprises.

The development of cooperative marketing organisations is accompanied by various issues of a controversial nature, for example, the "non-profit" development of these service organisations [197].

Another issue giving rise to differing views on the prospects for establishing such organisations is the so-called "undermining of the economic interests" of small businesses in rural areas, which will lead to a lack of demand for the services on offer and, consequently, the organisation's failure [195].

The situation in which processing enterprises are cooperating in the field of marketing for small market players in our country is unique. Processing enterprises are

only just beginning to operate within market relations and are functioning effectively. Therefore, participation in the work of such a structure is particularly important for them. And in the context of sustained economic growth, such an association represents for them not only an opportunity to improve the organisation of the production process and make more rational use of available resources, but also a means of survival and growth [195].

The economic situation in the country has improved significantly, but the problems faced by processing enterprises have not diminished [193]. In this situation, the need to organise cooperative marketing structures is only growing. However, under current conditions, the creation of a full-scale service system and its infrastructure is unrealistic due to objective (including economic) reasons. In this context, we propose fundamentally new solutions for supporting small rural businesses, which involve the development of cooperative marketing services organised by sector, based on the processing industry – as the most well-established system for the procurement and processing of agricultural raw materials and the sale of the resulting products. Such cooperation not only fits organically into the envisaged system for supporting small rural producers and processing enterprises, but is also, in all likelihood, the first stage in its creation.

Domestic experience in the development of cooperative marketing organisations shows that pooling the efforts of processing enterprises, particularly at the initial stage of market relations, enables them to meet their economic and social needs more fully, to manage production effectively and to protect their interests in a market economy [220]. The effectiveness of marketing organisations established in this way will depend to a large extent on the organisation of various types of support services. Nevertheless, the processing sector needs to pool its resources, whilst the organisations formed in this way should engage the services of other organisations on a commercial basis to resolve many of their problems. Practice shows that, all other things being equal, on the performance of processing enterprises, one of the key factors is the organisation of raw material supply. Therefore, where possible, they should pool their efforts, and the organisations formed in this way represent the potential of other market players.

The relatively short transitional period in the development of Ukraine's processing enterprises has not yielded much experience in providing marketing services to geographically isolated farmers. Depending on the paths taken by such marketing organisations as they take shape, various options may be utilised to serve them, including the infrastructure available in former collective and state farms. However, the moral and psychological climate surrounding this raw materials sector, fierce competition and, quite simply, sound economic calculation are forcing processing enterprises to join forces based on shared interests, so that they can make effective use of their own equipment and successfully secure their own supply of raw materials.

There are various ways of forming alliances. It all depends on the organisers' specific interests, their creative approach, the scope of current legislation, regional and national characteristics, the specific nature of the raw materials market, competitors, consumer preferences and many other factors. Naturally, these characteristics vary across all regions and, indeed, across districts. Therefore, the founders must choose and decide on their own approach to cooperation.

As for the Constitution of Ukraine, it is undoubtedly intended to apply to processing enterprises as well, to regulate the fundamental provisions of their legal activities, including cooperative activities. Cooperative relations are also regulated by the Civil Code of Ukraine. It provides a comprehensive overview of the nature of a cooperative, of working with its organisations—including processing enterprises—and of establishing the legal framework. The Code of Ukraine also states that relations relating to the establishment of cooperatives are further regulated by other national and regional laws and regulations. In essence, most of the fundamental principles can also be implemented in certain other forms of association of processing enterprises. The fundamental principles of co-operation [224]:

- Voluntary participation in the cooperative. No fewer than two members, but no more than fifty, may, under a joint activity agreement, combine their efforts and act jointly to further their own interests by achieving an objective that does not contravene the law.

- The association's authorised capital is formed on the basis of members' contributions. The amount of a contribution is determined on the basis of its value. A contribution may consist of anything that members independently contribute to the common cause. A participant in the company may not be exempted from the obligation to contribute to the authorised capital, including by setting off claims against the company. The amount of the authorised capital may not be less than a multiple of the minimum wage established by state law on the date of submission of documents for state registration of the company.

- The supreme governing body of the company is the general meeting of its members; day-to-day management is carried out by the executive body (collective and/or sole), which is accountable to the general meeting. The supreme governing body decides only on the most important matters relating to the company's economic activities. Matters falling within the exclusive competence of the general meeting may not be delegated to the company's executive body for decision.

- The distribution of profits is determined by the value of the contribution; the members of the company are not liable for its obligations and bear the risk of losses arising from its activities only to the extent of the value of their contributions

- Information regarding the company's activities must be accessible to all its members. Any waiver or restriction of this right, including by agreement between the members, is unlawful.

- Relationships between members are based on contractual terms. Various arrangements are possible regarding the settlement of accounts between members of the business. Each member's income is generated through improving the quality and scope of their participation, and by seeking more favourable conditions and sales markets.

The company is not entitled to make decisions on the distribution of its profits in the following cases:

- until the company's entire authorised capital has been paid up in full;

- until the fair value of a participant's share (or part thereof) in the company has been paid out in the cases provided for by the Law 'On Limited Liability

Companies';

- if, at the time such a decision is taken, the company meets the criteria for insolvency (bankruptcy) in accordance with the state law on insolvency (bankruptcy), or if the company comes to meet those criteria as a result of taking such a decision;
- in other cases provided for by national legislation.

Since, from an economic point of view, a limited liability company is a centralised pooling of the efforts of several members, certain other cooperative principles apply to it as well, which are of paramount importance at the present stage of economic development. For example, upon leaving the company, a member is entitled to receive a share of the assets corresponding to their share in the authorised capital; a member of the company has an interest in increasing the company's capital, as part of the profit is distributed in the form of dividends proportional to the shares in the authorised capital; every member of the company participates in management through the general meeting.

The choice of a limited liability company is undoubtedly justified not only by the significant alignment of principles in its formation, but also by the positive aspects of the processing business (for example, opportunities of a material, technical, financial and other nature). Thus, the fundamental principles of establishing cooperatives in accordance with current requirements for processing business structures can certainly be implemented within a limited liability company, provided they are organised rationally. A rational approach to cooperative marketing is based on its members obtaining the necessary benefits at minimal cost.

The established structure will organise cooperation with smallholder (farm) holdings. In organising such interaction to serve farms and private smallholdings, we proceeded on the basis that the structure brings together, first and foremost, managerial and organisational skills and capital, whilst not excluding the personal labour of the members, with the aim of maximising the efficient use of the resource potential of processing enterprises in the interests of small-scale producers in rural areas. To this end, it is necessary to systematise the interaction between such organisations and raw material producers by establishing mutual obligations, and not merely on the basis of

a contract. Business relations between them should not be one-off or spontaneous, but long-term and based on mutual benefit. This approach allows each party to plan their work with greater confidence, at least in the immediate future.

Organising marketing services for representatives of the rural raw materials market benefits not only the processing sector but also the raw materials producers themselves. After all, the successful sale of produced goods depends not only on the price agreed by the parties but also on guaranteed purchases, as well as other services, including logistical support. Of course, in the early stages of a marketing organisation's development, the possibility of logistical support is unlikely. However, as the organisation develops and becomes more established, it will build up reserves which should be channelled towards these objectives, as this represents a significant contribution to the competitive struggle.

Research and practice show that it is advisable to commence operational activities of any organisation with an analysis of market conditions, that is, by stepping up marketing efforts. However, the specific nature and intended purpose of the services provided, in which cooperative marketing organisations specialise, necessitate a partial departure from these approaches. Here, the delivery of services—that is, marketing activities—should not precede, but rather be inextricably and simultaneously linked to their production. After all, there are countless ways of bringing services to the consumer, and it is impossible to work through and prepare for all of them at the marketing stage alone.

Marketing activities, as a driver of a competitive environment in the economy, must be strengthened across all areas, including the procurement of raw materials from small rural producers. Although many players in the sector are involved in this in one way or another, they all operate in isolation.

Much has been said about the need to introduce marketing in the interests of small agricultural producers. Undoubtedly, life does not stand still, and much is being done to resolve the problem of sales, at various levels. For instance, the Ministry of Economic Development, Trade and Agriculture of Ukraine is establishing networks of wholesale food markets and agricultural marketing services for agro-industrial

production. A number of territories have been identified for the planned economic experiment on organising such markets between regions, primarily based on modern fruit and vegetable distribution centres, cold stores and other infrastructure facilities. The following key objectives have been set for the wholesale food markets [222, 226]:

- to stimulate growth in production volumes and sales, and to increase the profitability of producers and partners in the agro-industrial complex;
- to provide the population with high-quality food throughout the year;
- providing all suppliers of agricultural produce with free access to a competitive market.

Now that Ukrainian shop shelves are filled with imported goods, whilst high-quality domestic produce is gathering dust in warehouses, it is particularly important to help buyers and sellers find one another. It is also worth noting that wholesale markets serve as an effective channel for promoting agricultural produce from producers to consumers.

Domestic experience shows that the successful implementation of many initiatives requires a mixed approach combining ‘top-down’ movements (with the help of government and other proactive representatives) and ‘bottom-up’ movements (by the market participants themselves). Organisers need to strike the right balance between these two approaches – they must be able to shape the marketing structure.

Undoubtedly, when applied correctly, marketing can be a very useful tool. However, most of those who have high hopes for the development of the marketing co-operative movement, particularly following a start that promised too much, may have to temper their enthusiasm somewhat due to the emergence of numerous problems that are undermining the effectiveness of the process that has been set in motion.

The realities of life show that it is impossible to organise marketing activities in rural areas smoothly from the outset. Problems and situations that cannot be predicted in advance are bound to arise. These include issues relating to the population’s ethnicity, culture, age and standard of living, as well as transport and many others, right down to natural conditions. Some problems may arise as soon as marketing activities begin in the village, whilst others may emerge later. Some situations can be resolved

in the short term, whilst others may be of a long-term nature. Furthermore, the range of problems is varied in terms of their geographical origin: depending on the region and even the district, the approaches to serving the population differ. However, whatever the problems may be, they must be effectively addressed. This is a crucial factor for survival in the market. And young cooperative marketing organisations must take this into account in operate effectively in the market and ensure the necessary economic growth. Furthermore, they need to stand their ground against other competitors, who are always seeking to squeeze out or prevent new entrants from entering the market. In any case, the existing competition will keep them on their toes. And it takes time to learn and understand the intricacies of operating in the market.

The existence and development of any organisation are impossible without the provision of resources [188]. These resources must be provided on a contractual basis. The scale of provision may vary: it all depends on the scope of the marketing units' activities, which, in turn, is determined by their success in the market. However, it is worth noting that the provision of marketing services must take place between processors and representatives of the agricultural market. This is because the raw materials for the industry require careful storage, and therefore transporting them a hundred or two kilometres would be extremely risky and far too expensive.

Of course, the success and value of any organisation lie in its staff; therefore, a special fund must be established to retain them and prevent staff turnover. The funds from this fund will be directed, first and foremost, towards staff training, improving their working conditions, social programmes, as well as financing the basic portion of salaries in cases where, for various reasons, there are insufficient funds from the organisation's operations (this may be due to the seasonal nature of raw material procurement). In addition to this fund, it is advisable to establish other specialised funds, such as a savings fund. Their number and purpose may vary and depend on the organisation's management.

In conclusion, it is worth noting that the organisational and legal forms, internal environment and models of interaction between marketing entities—built on the principles of cooperation between processing enterprises—may vary. Everything

depends on the specific interests and aspirations of the participants, their capabilities, as well as the conditions of the agricultural raw materials market, which varies across different regions and even districts. However, discussions with leaders of the agricultural and processing sectors in the Vinnytsia region and neighbouring regions indicate that the proposed approaches can be implemented in the practical operations of enterprises, albeit not in every region of the country without exception.

The issue of improving the effectiveness of enterprises' investment management systems remains a key priority. Despite the measures adopted by the Government to improve the performance of entities in this sector, many of them in numerous regions still lack sufficiently cost-effective and functional mechanisms for implementing these measures.

Various proposals for improving the systems for accumulating long-term investments by enterprises and organisations in the sector have been outlined in the works of both foreign and domestic scholars and specialists [198, 200, 208, 213, 215, 222].

The authors of these sources emphasise that the key to the successful achievement of this objective by processing enterprises lies in the coordinated operation of the individual parts and links within the mechanism's structure, as well as in the methodology of accumulation, which is expressed through economic methods and actions that contribute to success in investment activities. Many of them note that any activity involving certain difficulties is one of the primary tasks in establishing the framework for industry players. We have no doubt that, under market conditions, it is precisely the optimal combination of sufficient output and minimal costs that becomes one of the key factors ensuring the necessity of production, break-even operation and the competitive advantages of this mechanism of enterprises.

The mechanism for shaping investment must be refined and meet certain criteria. It must be, both organisationally and theoretically, simple, user-friendly and comprehensible, purposeful, reliable, comprehensive in terms of its ability to address key issues, adaptable, flexible and easily refined in other respects. Furthermore, economic practice in neighbouring regions shows that any mechanism, including the one we have

developed, will be successfully organised only if the fundamental ideas behind its creation are consistent.

To gain a complete understanding of how this mechanism behaves, it is necessary to know not only the nature of its elements, but also their state and the nature of the relationships between them. It is practically impossible to explore all potential ways of organising connections within the system by trial and error. The number of connections in the resulting system can be reduced by grouping its elements according to homogeneous characteristics, thereby forming relatively independent and distinct functional subsystems. In this context, from the perspective of our design objective, the connections between subsystems take on greater significance, whilst connections between elements of different subsystems are ignored.

The mechanism operates according to a specific pattern through the interaction of all elements of the enterprise's organisational structure, which together constitute a set of activities aimed at accumulating long-term investments. At the same time, however, the accumulation system, as a complex organism, is characterised by relative autonomy within the enterprise's economic management system. The purpose of the mechanism, as a type of activity, is to ensure a holistic, purpose-driven interconnection between all components of its structure and the effective implementation of accumulation activities.

Based on the stages of the reproduction process, it becomes possible to restore and develop the enterprise's organisational, technical and scientific potential, to accumulate resources for further development and expansion of the scale of economic activity, and to ensure economic growth. To achieve this, the mechanism for accumulating investment is being refined from the early stages of development, designed to address the tasks of balancing the required volume of capital investment with the enterprise's available financial resources, identifying funds for accumulation, ensuring the formation and optimisation of the physical and value structure of fixed assets, actively influencing the improvement of the efficiency of investment fund utilisation, and ensuring the enterprise's long-term financial stability.

The mechanism is organised as a combination of four parts:

- motivational (marketing department);
- directional (company management);
- management (investment department);
- support (company services).

The proposed expansion of its remit transforms the structure and focus of management functions, as well as their interrelationships. To account for these changes, we propose the use of two management tools, the combination of which into a single management structure, in our view, characterises them most effectively. The first tool is a framework for the distribution of powers and responsibilities amongst managers at all levels, which clearly delineates the scope of managerial authority; its implementation creates a clear, system-wide management structure geared towards the required outcome.

The second is a system of accumulation that operates within the existing mechanisms for generating income and recovering costs. To transition to a new cycle of production, it is necessary to introduce a mechanism for converting income into capital, which can be implemented either as a cost-recovery mechanism in the case of simple reproduction, or as an investment mechanism in the case of expanded reproduction. The expanded cycle includes a mechanism for generating investment resources. The cost-recovery mechanism is activated as soon as demand for the enterprise's products begins to be met. Demand leads to the generation of profit and the emergence of opportunities for accumulation, which stimulates the accumulation system. The mechanism will only function if there is sufficient economic conditions, making the enterprise attractive to external sources in the literal sense of the word, and will not function in the absence of instruments for generating demand.

A universal tool for stimulating accumulation processes is the mechanism of price setting, which satisfies both the producer and the consumer in equal measure. The demand thus created, and its fluctuations—controlled by the marketing department—form the motivational component of the mechanism, which transmits the impulse for action to the steering unit. It signals the need for the enterprise to transition from simple reproduction to an expanded form of reproduction and to accumulate capital from

external and internal sources through the activation of the mechanism.

The motivational mechanism is a kind of ‘engine’ that transmits the impulses and energy of economic laws to the economic entity. As shown in Fig. 8, the initial impulse of the mechanism is set by market demand, which creates the need for the marketing department to foster competition; this is realised through the existence or change in demand for a specific type of the enterprise’s products. In response, the enterprise is compelled to improve product quality, reduce costs, expand production and develop new products. It is demand that creates the motivation, intensity and specific directions of producers’ investment activity. And the system of capital accumulation ‘channels’ the impulse from demand to production. Part of the motivational framework is embedded directly within the enterprise’s economic mechanism, whilst the part that lies outside it forms part of the systems of market and state regulation.

Any change in or creation of demand for a company’s products requires additional capital investment. Based on marketing research or in response to changes in sales volumes, a decision is taken on whether to establish new production facilities or expand existing ones to meet the demand. Based on an assessment of demand and the total number of shareholders, a decision is made on the formation of a portfolio of viable investment projects. The decision is taken collectively, with the advice of the investment department. A funding strategy is developed collectively, based on specific key points (a list of necessary equipment and materials, the amount of funds required, the timeframe for the capital accumulation process, recommended lenders, the maximum amount of own funds to be utilised, etc.). In addition to the capital accumulation strategy, a programme to optimise the enterprise’s attractiveness to lenders is developed collectively – a plan for specific changes to its economic structure and organisation. Part of the fundamental responsibilities for implementing the programme rests with the enterprise’s management, whilst the task of demonstrating the enterprise’s attractiveness to specific investors is carried out by the management department

The information is then forwarded to the management department (investment

department). To ensure the effective organisation of the capital accumulation process by the management, this department is vested with managerial functions that extend to all other organisational units of the enterprise, but within the limits of achieving the objectives of the mechanism. At the same time, management decisions are made on the basis of rationality and a balance of the parties' views. This fundamentally new approach to the organisation of management, based on its decentralisation, is designed to accelerate the process of attracting investment. The management subsystem, having received the impetus to act, directly influences the support services (financial, technical, technological and others), and also establishes interaction with the capital market through the development of economic regulators and instruments. To ensure sound management decisions are made, the support service collaborates with the investment department.

Cooperation between the investment department and the support services takes place within the parameters set for them. Effective interaction between the investment department, the support services and the external environment is impossible without a dedicated team of trained staff and the necessary material and technical resources.

As practice has shown, the investment department cannot function without appropriate resources, the definition of its scope of activity, and staff remuneration. By resources, we do not mean merely the appropriate equipment at employees' workstations, but rather their ability to perform their duties in general.

The level of staffing, equipment and remuneration forms the basis for establishing cooperation with the external environment. However, some researchers believe that this does not fully resolve the issue. Effective cooperation with the capital market should be managed by a dedicated department within the organisation. However, effective interaction between senior management and the external environment does not occur in isolation. A comprehensive connection is established between sources whose objective strategic significance has been demonstrated at present and is anticipated in the future. Moreover, the strategic significance of these sources is understood to refer to the volume and nature of the funds invested in them. Furthermore, the adaptation of external relations is based on flexibility, the ability to

promptly reflect business and economic changes in the company's situation in its interactions with investment partners, as well as the ability to adapt to the capital market.

Since the multi-channel system for forming long-term investments encompasses the entire organisational structure of the enterprise and also involves interaction with the external environment and the capital market, a specific centre or department is required to manage these investments in the necessary direction; this unit will act on behalf of the management body. As practice has shown, the staff of such a unit may well consist of 4–7 employees, depending on the scale and complexity of the investment process. One of them – the manager, the most qualified specialist – is constantly at the centre of events and oversees the process of capital accumulation from both external and internal sources. He or she is in constant communication with the heads of other departments within the organisation to guide them towards the set objective. Some of the staff process the information received from other employeesdepartments and divisions of companies. The remaining staff have been carefully selected (based on knowledge, interpersonal skills and professional qualities), as the success of identifying and establishing contacts with capital market representatives depends on these employees; each of them is responsible for establishing cooperation with 3–4 sources, or more, depending on their individual workload. Within the executive structure of the management subsystem, the following tasks are carried out: forecasting the required volume of investment resources; examining the possibilities for raising these resources from various sources; determining investment methods; and establishing the optimal structures and volumes of sources for raising investment resources. In addition, the department determines the staffing requirements of the mechanism. Small enterprises may well be staffed by 1, 2 or 3 employees (a director plus 2 staff members, or the most qualified employee – a manager – plus 2 less qualified staff members).

The selected investment targets generate a demand for investment resources, which can be forecast [188, 220, 228]. However, whilst not disputing the views of these scholars, we consider this method to be insufficiently rational, as it is highly susceptible to constantly changing market conditions. Therefore, the selected enterprises employ a

modernised version of these approaches, namely: the cost of one component of the required funding structure is determined and fixed, whilst for the remainder, maximum limits are set based on an analysis of market conditions and contractors' requirements.

At the same time, the possibility of raising investment resources from various sources is explored, and a procedure is established for channelling them into this activity, taking into account the enterprise's economic capabilities and its efficiency. As is well known, all sources of investment funding are divided into equity, raised funds and borrowed funds. However, not all of them are accessible. The reasons for this vary: these include the enterprise's lack of attractiveness, high interest rates on such funds, difficulties in securing loans, and others. Therefore, one of the key considerations is identifying the most advantageous sources.

Researchers believe that securing certain priority sources of funding (whether own funds, loans or external funding) will have a positive impact on the enterprise's economy and lay the foundations for the swiftest possible and full-scale launch of new or modernised production facilities and, consequently, rapid growth. However, reality shows that the manufacturing sector in the Vinnytsia region, and indeed in other regions, has not yet achieved such investment attractiveness. We therefore believe that a decision on priorities must be finalised and, first and foremost, the possibility of raising investment resources from the cheapest internal sources (profits, depreciation allowances) must be assessed. The next steps in identifying these sources are as follows: to investigate the potential for utilising the funds raised (primarily by converting individual investment programmes into share capital), and to analyse the situation in the money market (which is largely determined by the lending rate) in order to establish the feasibility of raising credit funds. The identification of funding channels must be finalised by selecting potential investors (who finance the organisation).

The selected sources of long-term investment determine the methods of investment (self-financing, equity financing, borrowing, leasing, mixed financing and others). On this basis, by breaking it down by individual funding channels, it is possible to determine the optimal proportions in the structure and volume of capital formation sources from the perspective of a rational balance between equity, borrowed and raised

funds. A specific (temporal) organisational procedure for financing investment programmes is established within the framework of the regulations, which, in turn, must possess characteristics that ensure a rapid return on investment and the ability to prevent a decline in financial stability. Consequently, controls are carried out over the flow of funds and their expenditure.

When preparing the main budget, and during its comprehensive analysis, planning and adjustment, all departments of the organisation are involved in the process, though the investment department remains the priority. The main tool is the implementation of budgetary management of financial and other resources. This is based on the integration of financial and management accounting, which operate under strict regulations, monitoring and ensuring the rationality of funding.

However, the functioning of the mechanism depends on external and internal factors: the economic climate, competitors' strategies and activities, social changes in society, environmental conditions, the state of the labour market, changes in the financial markets, legislation, the difficulty of attracting investors, global production technologies, and the assessment of sales markets. Much also depends on the organisation's internal environment. Unexpected redundancies, new staff, restructuring, expansion or downsizing of the organisation's operations, the behaviour of customers and staff, and the actions of shareholders, which may either facilitate or hinder operations. The degree of flexibility regarding these and other factors will contribute to the success and effectiveness of the mechanism.

A review of academic literature and practical recommendations has enabled us to develop a system of indicators that makes it possible to assess the effectiveness of investment activities and investment attractiveness [189, 226].

Among the key indicators that determine the level of investment attractiveness—and which we have used in our work—are the long-term investment coverage ratio; the ratio of borrowed capital; the ratio of borrowed to equity capital; the autonomy ratio; cash flow; net/balance sheet profit; return on assets; capital intensity; the profitability index; the depreciation ratio of fixed assets; accounts receivable turnover ratio; accounts payable turnover ratio; return on fixed assets; return on sales; net income (revenue) from sales;

financial stability ratio; payback period; assessment of the likelihood of a company's bankruptcy.

1. 's coverage ratio long-term investment characterizes the number of units of current assets per unit of the company's current liabilities.

2. The debt-to-equity ratio is the proportion of borrowed capital in the total value of capital at the enterprise's disposal.

3. The ratio of borrowed to equity funds characterises the structure of the enterprise's financial resources. It is calculated as the proportion obtained by dividing the amount of borrowed funds by the amount of equity capital.

4. The autonomy ratio characterises the proportion of funds invested by the enterprise's owners in the total value of its assets.

5. Cash flow – the total amount of cash inflows and outflows of the enterprise.

6. Net/balance sheet profit characterises the final financial result of the enterprise's operations.

7. Return on assets – the amount of net income generated per unit of fixed assets.

8. Capital intensity – the amount of fixed assets required to generate a unit of net income.

9. Profitability ratio – the ratio of income to expenditure from investment activities.

10. Fixed asset depreciation ratio – the proportion of depreciated fixed assets in their total value.

11. Accounts receivable turnover ratio – a measure of business activity that indicates the effectiveness of managing receivables from customers and other debtors.

12. The accounts payable turnover ratio indicates the number of times accounts payable have been turned over during the year.

13. Return on fixed assets – the amount of profit per unit of fixed assets utilised, %. Return on sales – the amount of profit per unit of net revenue received, %.

14. Net income (revenue) from sales characterises the total income (revenue)

from the sale of products (goods, works, services) net of VAT, excise duty and other deductions.

15. Financial stability ratio. When equity exceeds liabilities, this indicates a sufficient margin of financial stability and the enterprise's relative independence from external sources of finance.

16. Payback period – the period during which an enterprise fully recovers the funds invested in specific investment projects.

17. Assessing the likelihood of a company's bankruptcy characterises the degree of risk of the company going bankrupt.

To analyse and assess a company's investment attractiveness, we will use the Delphi method of expert assessment [198].

Expert assessments are the primary means of obtaining and analysing qualitative information. A significant number of tasks, to a greater or lesser extent, utilise expert information arising from the resolution of problems relating to management, planning, forecasting, etc.

This is due to the need to take into account both qualitative and human factors, which are always present in such tasks and have a significant impact on the effectiveness of the solution.

These factors play an important role in assessing the future. Experience, intuition and a sense of perspective, combined with information, help specialists to identify more accurately the most important goals and directions for development, as well as the best solutions to complex scientific, technical and socio-economic problems in situations where there is no information about how similar problems have been solved in the past.

Conclusions

1. The theoretical and methodological foundations of the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector have been examined. The objectives, methodology for development, and external and internal factors influencing the functioning of the organisational and economic mechanism for enterprise management have been identified. The role of the

state in the functioning of the organisational and economic mechanism for enterprise management has been substantiated. The implementation of the proposed directions for developing the mechanism governing the operation of enterprises is intended to facilitate the structural reorganisation of enterprises, ensure motivation for highly productive labour and enhance competitiveness. The research conducted provides an opportunity to address further tasks regarding the formation of the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector.

2. Through an analysis of contemporary approaches in the academic literature to the interpretation of the organisational and economic mechanism governing enterprise operations, its interconnection with the economic efficiency of an enterprise's activities has been substantiated; this is characterised by a conceptual approach to assessing the performance of market economic entities based on pricing, the financial and credit mechanism, tax mechanisms, agricultural risk insurance, investment support, ensuring market transparency and safeguarding a competitive environment.

3. The proposed approach to identifying the constituent elements of the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector makes it possible to fully elucidate all components of the management system for business entities and to identify the main strengths and weaknesses in their operations. Foreign and domestic experience in shaping the organisational and economic mechanism governing the operation of enterprises in the fruit and vegetable sector has been assessed; the main measures of state support for the agricultural sector in the USA are presented. The experience of developed countries demonstrates that an active state policy for the development of the fruit and vegetable sector must ensure a rational combination of production sectors and means of production, a transition from importing fruit and vegetable produce to the acquisition of necessary new technologies and licences, the maintenance of a stable economic situation in agriculture and processing, food security, and the competitiveness of domestic enterprises.

4. One of the promising areas of market activity is wholesale trade on a made-to-order basis via distribution and logistics centres. The economic rationale for introducing this form of trade lies in creating additional conveniences for the wholesale buyer by providing them with the necessary information about the goods. Optimising the ratio between the volume of output and the costs of enterprises in the fruit and vegetable sector ensures production requirements are met, enables break-even operations and provides competitive advantages, which forms the basis of the mechanism developed to enhance the effectiveness of investment formation systems.

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12. Developing internet marketing in agricultural enterprises: integrating digital channels, customer analytics and sales management

Theoretical Foundations for Integrating Internet Marketing and Sales Operations

Developing internet marketing in an agricultural enterprise requires customer acquisition activities to be aligned with production capacity, the preparation of commercial offers and order fulfilment. Disseminating product information is only the initial stage of this process. Business outcomes emerge when the enterprise establishes a match between the buyer's requirements and its offering, agrees on delivery terms and fulfils those commitments. Digital communications should therefore be evaluated across the entire customer interaction process, while maintaining a distinction between marketing, sales and financial outcomes.

The need for integration arises because functional units work with different information. Marketing may record website visits and enquiries, a sales manager may document negotiations and agreed offers, and the accounting system may record shipments, revenue and payments. When these records are disconnected, management sees only separate parts of the operation. Under such arrangements, an increase in enquiries does not explain changes in sales, while declining sales cannot be traced separately to acquisition problems or fulfilment problems.

In Ukrainian scholarship, A. V. Riabchyk examines the organisational aspects of internet marketing in agricultural enterprises. Her study combines an assessment of agricultural companies' digital presence with an analysis of how the associated activities are organised. Of particular relevance to the present study is the shift from listing tools to ensuring their coordinated use [229, pp. 999–1001]. S. O. Koberniuk and V. L. Karpenko consider marketing digitalisation in terms of its functions, resource provision and development programme [230, pp. 206–210]. These contributions provide a basis for specifying the links between marketing decisions and sales operations.

This chapter aims to substantiate an organisational and methodological approach to developing internet marketing in agricultural enterprises through the integration of digital channels, customer analytics and sales management. It examines the information and managerial links between contact with a prospective buyer, qualification of the buyer's requirements, order fulfilment and subsequent interaction. The focus is on enterprises producing agricultural products; adjacent parts of the agri-food market are considered only where they help explain these relationships.

The study is theoretical and methodological. It employs a critical review of scholarly publications, comparison of sales contexts, conceptual differentiation of indicators, modelling of information relationships and operationalisation of marketing outcomes. The proposed procedures are not presented as having been empirically validated on a sample of Ukrainian enterprises. Their purpose is to establish a reproducible basis for implementation and subsequent testing using observed data.

Within the proposed approach, internet marketing is defined as marketing activity that uses internet channels to identify demand, present an offering, organise interaction and maintain buyer relationships. This definition encompasses communication and analytical functions without treating them as substitutes for production or physical delivery. A technology used in production falls within the scope of the study only when its data are used directly to formulate an offer or serve a customer.

Enterprise digitalisation is consequently broader than the development of internet marketing. Automated monitoring of machinery, production operations or inventory can generate information useful for sales, but does not in itself determine how customers are acquired. A relevant marketing decision might involve using reliable information on available product quantities on a website or when preparing an offer. It is this functional relationship, rather than the presence of digital technology, that brings the decision within the process under examination.

A digital channel should be distinguished from a touchpoint. A channel describes the medium of interaction, whereas a touchpoint is a specific event within that interaction. Viewing a page, downloading a specification, sending an email enquiry and clarifying terms by telephone may all relate to a single sales opportunity.

Conversely, one visitor may represent several distinct enquiries. Simply adding up contacts therefore does not provide a valid estimate of the number of prospective buyers or future transactions.

Sales management encompasses the conversion of an identified requirement into an agreed and fulfilled delivery. Within this system, internet marketing initiates and develops interaction, while customer analytics explains its progression and outcomes. Customer analytics draws on data about buyers, contacts, requirements, orders and repeat enquiries. Web analytics is one component of this broader activity and cannot independently reconstruct all transactions, particularly when negotiations and contracting take place outside the website.

These conceptual distinctions affect the allocation of responsibility. If an enquiry arrives through the website but is not processed promptly, the problem may occur after the advertising channel has performed its role. If enquiries do not match the enterprise's product offering, the message, audience targeting and qualification form require examination. A general conclusion that "internet marketing is ineffective" would obscure different causes in these two cases, each requiring a different managerial response.

Integration is understood here as the alignment of four elements: data definitions, operational sequences, employee responsibilities and evaluation rules. The technical exchange of records between applications is required only insofar as it supports that alignment. Even automated data exchange does not produce a coherent record system when employees apply different definitions of a new customer, a fulfilled order or campaign revenue.

The methodological distinction of the proposed approach lies in combining the customer sales opportunity, time-based cohort and fulfilled order as interrelated units of analysis. This makes it possible to examine digital acquisition in relation to product seasonality, the time needed to agree terms and actual delivery performance. The approach specifies the managerial content of integration and establishes a basis for comparing alternative decisions without assuming their effectiveness in advance.

The Evidence Base and the Limits of Digital Performance Evaluation

Research on internet marketing in agricultural enterprises differs in its objectives and types of evidence. Conceptual research may substantiate the components of a system, descriptive analysis may characterise observed practices, and empirical research may test relationships in a defined sample. A methodological error occurs when one type of conclusion is treated as another: anticipated benefits are presented as verified financial effects, or an individual example is taken to represent the entire agricultural sector.

S. O. Koberniuk, O. V. Yatsenko and L. M. Pomazan analyse digital presence and a web resource in agribusiness [231]. Such studies are useful for identifying areas for a website audit. However, external metrics for a corporate domain cannot automatically be equated with the activities of an individual legal entity. Moreover, revenue data for one period and digital activity metrics for a later period do not establish a causal effect of the latter on the former.

I. O. Deineha and S. P. Harbar examine the sales potential of online marketing, focusing on the characteristics of the agricultural market and interactions among its participants [232, pp. 281–283]. O. V. Larchenko discusses the organisational and economic prerequisites for integrating digital tools [233, pp. 280–282]. These works help frame the problem addressed by the proposed methodology. Nevertheless, a general statement that efficiency may improve does not establish the magnitude of the effect for a particular agricultural enterprise.

O. Serhiienko analyses the role of marketplaces and the relationship between online acquisition and physical order fulfilment [234, pp. 290–292]. T. M. Bilousko examines the digitalisation of marketing activities, including the use of information systems in customer relationships [235, pp. 433–434]. These research strands can be brought together through a common question: what information must pass from communication to the sales transaction for the enterprise to monitor whether its promise to the buyer has been fulfilled?

M. V. Nehrei describes the prospects and constraints of digital transformation in agriculture, including the necessary resources and competencies [236, pp. 94–98]. This

suggests that implementation should be differentiated according to enterprise capabilities. It is an analytical implication for the present methodology, rather than a reason to assign the same level of digital readiness to all agricultural enterprises. Likewise, a description published in 2023 should not be presented as a direct measurement of conditions in subsequent years.

O. V. Semenda and I. I. Korman systematise lead generation tools in digital marketing and consider the specific features of business-to-business (B2B) interaction [237]. The practical significance of this work lies in linking acquisition to the subsequent handling of customer requirements. However, the number of contact details obtained does not in itself indicate effective demand or whether an enquiry matches production capabilities. Managerial analysis therefore requires an additional definition of a qualified sales opportunity.

International studies broaden the methodological basis, but their findings must be transferred carefully. In their study of B2B customer journey management, C. Homburg and M. Tischer combined 38 qualitative interviews with 612 survey responses and also drew on archival financial data. They examine a positive mechanism operating through loyalty and a negative mechanism operating through coordination costs [238, pp. 1052, 1059–1065]. This supports analysing both the outcomes and costs of integration, but does not establish an effect for a Ukrainian agricultural enterprise.

A. Purmonen, E. Jaakkola and H. Terho conceptualise the B2B customer journey in terms of purchasing, usage and the involvement of multiple actors [239]. In agricultural sales, this perspective helps distinguish the sequence of internal opportunity stages from the actual course of interaction. The recording framework may be orderly, while a buyer returns to specification details, changes quantities or involves another participant in approval.

D. Fernández-Uclés and colleagues investigated the online reputation of agri-food organisations in Andalusia. From a list of 826 organisations, 466 with websites were selected for analysis; the data were collected in September–October 2021 [240, pp. 370–372]. Published in 2024, the study is relevant to a discussion of methods for

investigating digital presence, but is not a current measurement of the Ukrainian market. Nor can a reputational outcome be equated with sales without additional evidence.

The university report by S. Pesci, R. E. Galt and E. Reyes on direct-market farmers in California draws on 364 responses, 28 farmer interviews and 5 interviews with technical assistance providers. It distinguishes online presence from online sales and describes barriers to organising them [241, pp. 1, 10–15]. The pandemic-period experience is used here as historical comparative evidence, without transferring its proportions or rates of change to contemporary Ukrainian enterprises.

Official statistics also require scrutiny of the population covered. For example, Eurostat indicator tin00111, which concerns enterprises receiving online orders accounting for at least one per cent of turnover, excludes agriculture, forestry and fishing [242]. Its aggregate value therefore cannot describe the prevalence of electronic sales among agricultural enterprises. The authority of the statistical institution does not remove the need to align statistical coverage with the subject of the research.

The critical review identifies a research gap: the selected literature provides insufficient linked data on digital acquisition, demand qualification, fulfilled orders and the full costs of the associated processes. This is a bounded conclusion about the works reviewed, not a claim that such research does not exist. Further development of the topic requires a methodology that defines these relationships before data collection and makes them testable without substituting activity metrics for financial outcomes.

Segmenting Agricultural Demand and Selecting Digital Channels

Digital channel selection should begin with a description of the sales context. Segmenting buyers solely by enterprise size or geography is insufficient unless purchasing purpose, frequency of need, order size and fulfilment terms are also considered. The same product may be sold to a processor, intermediary, retailer or final consumer. Each context changes the information required, the participants involved in approval and the way the order is placed.

For methodological purposes, three sales contexts are distinguished: wholesale supply to businesses, recurring supply to retail and service organisations, and direct

sales to final consumers. This classification is not intended to be exhaustive; its purpose is to show how the management of digital interaction varies. An enterprise may operate in several contexts simultaneously, but should evaluate their enquiries and outcomes separately.

A wholesale buyer may need to agree on quality specifications, batch size, availability dates and delivery terms. In this context, a digital channel helps identify a prospective trading partner and reduce initial information uncertainty. An order form designed for immediate retail purchases may be unsuitable. A facility for submitting the parameters of an enquiry and receiving a substantive response from the responsible employee may be more appropriate.

Recurring supply to retail organisations involves coordinating repeated transactions. Consistent information on the product range, available quantities and order confirmation deadlines is important. If a digital channel generates demand that the enterprise cannot serve according to the agreed schedule, additional enquiries increase the workload without a corresponding business outcome. Acquisition metrics should therefore be compared with the proportions of orders confirmed and fulfilled.

In direct sales to final consumers, the digital interface may perform both informational and transactional functions. Buyers need to understand the contents of the offering, price, availability, collection or delivery arrangements, and the procedure for clarifying an order. However, automated ordering does not eliminate the need to control picking, packing and delivery. If these operations are not integrated with record-keeping, the website may accept orders that subsequently require further manual agreement before fulfilment.

Table 1 summarises the relationship between sales contexts and the requirements for digital interaction. Its categories constitute an analytical model developed to frame a managerial problem, rather than findings from an enterprise survey.

Table 1. Sales Contexts and Requirements for Digital Interaction

Sales context	Principal buyer requirements	Role of the digital channel	Outcome to evaluate
Wholesale supply to a business	Product specifications, batch size, timing and delivery terms	Help establish suitability and communicate a substantive enquiry	Qualified opportunity, agreed offer and fulfilled delivery
Recurring supply to a retail or service organisation	Product range, repeat requirements, schedule and procedures for clarification	Keep the offering up to date and support agreement on recurring transactions	Fulfilment on agreed terms and repeat orders
Direct sales to consumers	Order contents, availability, price and collection or delivery arrangements	Enable clear ordering and confirmation	Fulfilled order, service costs and repeat purchase

Source: developed by the author. The classification serves an analytical purpose; an individual enterprise may combine several contexts.

Seasonality should be specified at the level of the product group and operation. The period in which demand arises, the date when products become available and the time of actual delivery may differ. An advertising calendar should therefore not be based solely on order receipt dates. It must consider when buyers begin searching, how long agreement takes and when the enterprise can fulfil its commitments.

For products suitable for long-term storage, communication may involve several rounds of negotiation. For perishable products, information on availability and delivery timing has a different operational significance. These differences do not establish the universal superiority of any channel. They determine how frequently offers should be updated, how quickly enquiries should be answered and how promotion of unavailable items should be suspended.

Search-based acquisition should be analysed in terms of the match between a page and user intent. A visitor seeking product specifications and one ready to negotiate supply may require different content. Google's official documentation explains the technical and content-related conditions for making pages accessible in search, but does not guarantee a particular ranking or a sale [243]. Evaluation of search engine optimisation should therefore combine accessibility checks with an analysis of the enquiries generated.

Social media can be used to explain the offering, demonstrate activities and maintain contact. Methodologically, a response to a post should be distinguished from an identified requirement. A comment or view indicates interaction, but is not sufficient to classify a person as a qualified prospective buyer. That classification should be based on a recorded requirement, the feasibility of supply and a clear next step.

Email and personal communication are particularly relevant where an offer requires clarification. Their performance should be assessed by the progression of an agreed interaction, rather than solely by whether a message was opened. A reply requesting an alternative delivery date may be more valuable than numerous opens with no subsequent contact. The analytical record should therefore capture the next decision without accumulating unnecessary amounts of private correspondence.

A marketplace enables interaction within an environment whose rules are largely determined by the platform operator. An enterprise's own website provides different opportunities to organise its offering and accumulate data. These channels should be compared in terms of access to relevant demand, service costs, fulfilment conditions and the availability of the information required. A high number of platform views does not establish its superiority if the resulting orders make a smaller economic contribution or entail disproportionate costs.

A digital offering needs a designated content owner. A marketing employee may be responsible for page clarity, but information on specifications, quantities and readiness to supply must be coordinated with those responsible for the relevant operations. An update procedure and a review date should be established for critical information. This makes content quality part of fulfilling the commercial promise, rather than merely a matter of writing or visual presentation.

Budget allocation across channels must reflect their different functions. A channel used for initial awareness does not necessarily receive the final contact before a sale, while a channel used to conclude the interaction may serve demand generated earlier. Reducing investment in one activity solely on the basis of the last interaction can therefore affect the acquisition process as a whole. Such a decision should be tested by comparing cohorts and outcomes over an adequate observation horizon.

Segmentation in the proposed methodology thus determines more than the recipient of an advertising message. It specifies the required data, the qualification procedure, the acceptable response time and the unit used to evaluate outcomes. A channel is selected after these conditions have been established, and its subsequent use is adjusted according to verified data on the progression and completion of interactions.

Managing the Transition from Digital Contact to Order Fulfilment

A coordinated sales process begins by defining which event the enterprise treats as an enquiry. A completed form, telephone call, email and platform message may express the same requirement from the same buyer. If each record creates an independent sales opportunity, the number of enquiries is overstated. Conversely, if all messages from one customer are merged without regard to product or timing, the enterprise loses the distinction between separate purchasing requirements.

Recording a contact should therefore be separated from creating a sales opportunity. A contact records that an interaction has occurred. A sales opportunity arises when the requirement, the party expressing it and the potential outcome can be described. For an agricultural enterprise, a sufficiently specific initial description may include the product group, approximate quantity, desired delivery period and delivery location. The precise set of attributes should be determined by the sales context rather than by a universal form for all buyers.

Qualification means checking whether an enquiry meets established conditions. It should not be equated with certainty that a purchase will follow. At this stage, the enterprise determines whether it can meaningfully continue the interaction. An enquiry for an unavailable product group differs from one for an available product with an unagreed delivery date. The former may be irrelevant to the current offering, whereas the latter requires clarification or postponement to another period.

A decision not to continue the interaction should have a structured reason. It is useful to distinguish product mismatch, quantities below or above those the enterprise can serve, unsuitable timing, inability to deliver, disagreement over price and lack of response. The list does not determine the reason automatically: the responsible employee records it on the basis of the available information. An “unknown reason”

category is preferable to an arbitrary assumption that would subsequently distort the analysis.

Handing a qualified opportunity over to sales requires a designated recipient and a next action. Sending a notification does not establish that the enquiry has been accepted. The handover time, acceptance time, responsible person and agreed next step should be recorded. Where one person performs these functions in a small agricultural enterprise, the procedure remains relevant: it distinguishes an enquiry received from one on which substantive work has begun.

A commercial offer should be linked to a specific version of the buyer's requirements. During negotiations, the buyer may change the quantity, timing or product specifications. Retaining only the latest state obscures the reasons for changes in price and the time taken to reach agreement. For analytical purposes, it is sufficient to record material versions that alter the terms of the transaction; documenting every message in excessive detail increases recording costs without a corresponding benefit.

A signed contract and a fulfilled order are different outcomes. A contract records agreed commitments, whereas fulfilment records the actual performance of the specified operation. Quantities or dates may change between the two. Channel evaluations based on contracts may therefore differ from those based on fulfilled deliveries. Reports should state which outcome is used and should not combine these stages in a single indicator without explanation.

Partial fulfilment requires a separate rule. If a sales opportunity leads to several shipments, the number of orders should not artificially increase the number of customers acquired. The relationship between the opportunity, order and fulfilment should be retained. This makes it possible to assess conversion to a sale, physical delivery volume and monetary outcomes separately, without changing the unit of analysis within a calculation.

After-sales interaction is included in the model insofar as it explains repeat enquiries, returns or changes in requirements. Completion of delivery does not necessarily end the relationship with the buyer. At the same time, sending identical messages to all previous customers cannot be regarded as adequate personalisation. A

subsequent contact should have a clear connection to the product, the period of need or an agreed area of interest.

Table 2 summarises opportunity stages and responsibilities. It describes the enterprise's internal operating procedure. Buyers may revisit earlier issues, so transitions between stages should allow clarification and renewed agreement while retaining the history of events.

Table 2. Operational Stages of a Sales Opportunity

Stage	**Basis for recording the stage**	**Next action**	**Control focus**
Enquiry recorded	A message expressing a requirement has been received	Check validity and duplication	Retention of contact and source information
Requirement clarified	Key enquiry parameters are known	Check compatibility with supply capabilities	Completeness of the necessary parameters
Opportunity qualified	The established conditions for proceeding have been met	Assign responsibility for preparing an offer	Acceptance for processing and response time
Offer communicated	Defined terms have been provided to the buyer	Agree, clarify or record a rejection	Version of the terms and reasons for changes
Order agreed	The required confirmation has been received	Organise fulfilment	Link to the opportunity and the scope of the commitment
Order fulfilled	The defined business event has been recorded	Reconcile the outcome and determine subsequent interaction	Actual quantity, adjustments and repeat requirements

Source: developed by the author. Rejection, deferral or a return to clarification is recorded separately, together with the date and reason.

Each transition needs a completion criterion. For example, communicating an offer means that the buyer has received a defined set of terms, not merely that a document has been prepared. Agreement should be recorded on the basis of the confirmation required by the enterprise. These criteria reduce the dependence of analytics on individual employees' interpretations and make comparisons across periods more meaningful.

Response times should also be differentiated. An enquiry for the immediate receipt of perishable products and preliminary discussions of a wholesale delivery may require different intervals. The methodology does not prescribe a universal response-

time standard in hours. The enterprise should set one according to its promise to the buyer, working arrangements and fulfilment capacity, and then monitor compliance.

A failure to meet the response deadline requires an investigation of its cause. It may reflect staff shortages, incomplete enquiries, the absence of up-to-date product information or unclear responsibilities. The appropriate response may therefore involve revising a form, updating reference data, changing the handover procedure or redistributing the workload. Increasing the advertising budget does not remove such a constraint and may widen the gap between acquisition and service capacity.

Integration is completed through feedback from sales to marketing. Information on recurring mismatches in enquiries should inform changes to messages and page structures. Data on rejections caused by timing or quantity constraints should inform segmentation and the promotional calendar. Marketing should not, however, receive more information than is needed for the decision concerned. The value of feedback lies in its ability to change an action, rather than in the number of records transferred.

Customer Data Architecture and Data Quality Assurance

The data model should reflect the business substance of interaction rather than the structure of a particular software product. For this purpose, buyers, contact persons, sales opportunities and orders should be distinguished. In B2B relationships, the buyer is an organisation on whose behalf several people may act. In direct-to-consumer sales, an organisational entity may be absent, but the distinction between a contact and a fulfilled order remains necessary.

Each entity should have a stable internal identifier. A telephone number or email address may change and does not always uniquely identify a buyer. Using either as the sole key risks incorrect merging or duplication. An internal identifier preserves the history, while contact details can be used for their intended purpose. In a research dataset prepared for analysis, personal information should, where possible, be replaced with anonymised identifiers.

The relationship between a buyer and sales opportunities must accommodate multiple opportunities. A company may negotiate different products or delivery dates simultaneously. If all negotiations are stored in one record, it becomes impossible to

determine accurately why a particular opportunity was lost or how long agreement took. Conversely, several contact persons involved in the same purchase should not create several independent opportunities merely because they use different email addresses.

Identifying the source of an enquiry requires recording how that source was established. An automatically transmitted campaign tag, a buyer's own statement and a manager's assumption have different evidential strength. The source value should be retained together with its confidence category or method of collection. Unknown origins should not be distributed proportionally among channels merely to produce a complete chart. Doing so creates the appearance of precision without adding information.

The levels of web analytics must also be distinguished. Google Analytics documentation separates traffic-source dimensions at the user, session and event levels [244]. They address different questions and may therefore have different values for the same interaction. In the proposed model, a web identifier is not automatically equated with the buyer organisation. A link is established only where there is an appropriate basis and within the permitted scope of data use.

The temporal structure of records should contain not only the creation date but also the dates of material transitions. Receipt of an enquiry, qualification, communication of an offer and fulfilment should be recorded separately. If only the current stage is retained, stage durations cannot be reconstructed. This matters for channel comparison: differences in fulfilment speed may relate to the product mix or the timing of requirements rather than to acquisition quality.

Product and unit-of-measure reference data should be harmonised across marketing and sales records. Quantities expressed in tonnes, kilograms, packages and batches cannot be added together without conversion. At the same time, not every product difference should be reduced to a single physical measure. Different products often require separate calculations, and aggregation is appropriate only once the economic meaning of a common denominator has been defined.

Table 3 sets out the minimum information required. The principle of minimality means that every field should support a specific operation or analytical question. Where the purpose of a field cannot be explained, the requirement to complete it should be reconsidered.

Table 3. Minimum Information Required for Integrated Analysis

Data category	Required information	Managerial purpose
Identification	Buyer, contact, opportunity and order identifiers	Prevent duplication and retain relationships
Origin	Channel, campaign where available, and method of source identification	Analyse acquisition while accounting for uncertainty
Time	Dates of enquiry, qualification, offer, fulfilment and record entry	Define cohorts, measure durations and assess recording timeliness
Requirement	Product, quantity, unit of measure, delivery period and location	Qualify opportunities and compare homogeneous groups
Process	Stage, responsible person, next action and reason for rejection	Identify delays and mismatches
Fulfilment	Actual quantity, revenue on the selected basis, and returns	Reconcile marketing and business outcomes
Costs	Channel payments, services, labour and other defined costs	Evaluate acquisition and economic contribution

Source: developed by the author. Whether a field is mandatory depends on the transaction stage and the purpose of the analysis.

Data quality should be monitored in terms of completeness, consistency, timeliness and traceability. Completeness is assessed against the fields required at a particular stage. An initial enquiry should not be required to provide all the information that will become necessary only when a contract is concluded. After qualification, however, the absence of a product group or required delivery period may obstruct meaningful analysis and require clarification.

Consistency requires logical checks. A fulfilment date should not ordinarily precede the creation date of the corresponding order, unless this is explained by the migration of historical data. A negative sales quantity needs a defined interpretation, such as a return, rather than automatic deletion. Validation should flag unusual records for investigation while allowing exceptions that have a legitimate business explanation.

Timeliness means that a record is fit for the decision when that decision is made. Data entered after the season ends may be useful for retrospective analysis, but cannot help redistribute workloads during active sales. The event date should therefore be distinguished from the entry date. The interval between them helps assess whether the system supports current management or merely produces retrospective reports.

Data provenance is particularly important when several systems are combined. If a marketing report and the accounting records show different revenue, the definitions, periods and transactions included should be checked first. The difference may be explained by returns, partial fulfilment or a different recognition date. Altering figures to make them match mechanically, without explaining the causes, would undermine the purpose of analytical control.

The technical transmission of offline events to web analytics is subject to limitations. Measurement Protocol documentation specifies different requirements for particular scenarios, including attribution of an event to a session and its export to advertising systems [245]. A long B2B sales cycle cannot therefore be assumed to have been fully reconstructed merely because this mechanism has been connected. The primary business link between an enquiry and an order should be maintained in the customer or sales record system.

Access to data should correspond to employee responsibilities. Revising advertising content generally requires aggregated reasons for rejection rather than each buyer’s complete payment history. Preparing an offer, by contrast, may require specific agreed terms. Role-based access combines analytical usefulness with proportionate information use. The applicable legal procedures must be determined separately according to the nature of the data and the way they are processed.

The architecture should support gradual implementation. A small enterprise may begin with a harmonised register and controlled data exchange if these provide the necessary links. Automation becomes appropriate when manual operations generate material errors, delays or excessive costs. Software should be evaluated according to its ability to support the defined model, rather than the number of functions the enterprise does not actually use.

Cohort Analysis and Performance Indicators

Digital channels must be compared on a common temporal basis. Enquiries received towards the end of a period have less time to convert into fulfilled orders than those received at its beginning. Calculating conversion without accounting for this difference may make a channel with more recent enquiries appear weaker. To address this bias, sales opportunities should be grouped into cohorts according to the date of a defined initial event, with each observed over the same horizon.

The initial event may be receipt of a valid enquiry or its qualification. The choice depends on the question being investigated. When acquisition quality is assessed, all valid enquiries should be included. When sales handling is examined, acceptance of a qualified opportunity may be the starting point. Switching between these bases without explanation changes the meaning of the indicator even if its name remains unchanged.

The observation horizon H is set before outcomes are compared, according to the cycle of demand and fulfilment. It is not an arbitrary means of improving an indicator. Different product segments may use different horizons, but comparisons within a segment must remain consistent. Reporting outcomes over several justified horizons may be useful where this allows the speed and extent of conversion to be examined.

The qualified opportunity rate is defined as the number of qualified opportunities divided by all valid, unique opportunities in the cohort:

$$\mathrm{QLR} = \frac{\mathrm{Q}}{\mathrm{V}} \tag{1}$$

In equation (1), Q is the number of qualified opportunities and V is the number of valid, unique opportunities assessed. Duplicates and spam are excluded according to predefined rules. The indicator captures how well the demand acquired matches the enterprise’s conditions, but does not establish that a transaction will be fulfilled. Changes in the rate require an analysis of the reasons for rejecting enquiries, rather than numerical comparison alone.

The conversion of qualified opportunities into fulfilled sales over horizon H can be expressed as follows:

$$CR(H) = \frac{W(H)}{Q(H)} \quad (2)$$

Here, Q(H) is the number of qualified opportunities for which a full observation period H is available, and W(H) is the number that led to the defined fulfilled-sale outcome within that horizon. Opportunities for which H has not yet elapsed are reported separately. The end of the observation period does not automatically mean that an opportunity has been lost: a sale may occur later but will belong to a different evaluation horizon.

The cost of acquiring a new customer is calculated for a consistently defined cohort:

$$CAC(H) = \frac{C_{acq}}{N_{new}(H)} \quad (3)$$

C_{acq} denotes acquisition costs allocated to the cohort concerned, and $N_{new}(H)$ is the number of unique new buyers making their first fulfilled purchase within the specified horizon. The meaning of "new" must be defined in advance: it may refer to the first purchase in the entire available history or to a buyer absent during a specified baseline period. Limitations in historical data should be reflected in the indicator's name or accompanying explanation.

The cost composition in equation (3) must be transparent. If one enterprise includes only advertising payments while another also includes labour, external services and analytics system costs, the resulting values are not directly comparable. For internal management, it is useful to report both a narrowly defined channel-cost measure and a broader acquisition-cost measure. They support different decisions and should not be treated as interchangeable.

Revenue attributed to channels can be expressed as the sum of allocated shares of individual order revenue:

$$R_j = \sum_i w_{ij} \times R_i \text{, where} \sum_j w_{ij} = 1 \quad (4)$$

R_i is revenue from order i on an agreed accounting basis, and w_{ij} is the share allocated to channel j. The channel classification includes an unknown-source category. The sum-of-shares condition in equation (4) prevents the full revenue from one transaction from being counted repeatedly in the totals of several channels.

However, it does not make the chosen allocation method evidence of causal contribution.

The ratio of revenue attributed to advertising to advertising expenditure is defined as:

$$\mathrm{ROAS} = \frac{\mathrm{R_{ads}}}{\mathrm{C_{ads}}} \quad (5)$$

Equation (5) is useful for describing an accounting relationship, but it does not measure profitability. It does not automatically account for production, delivery, service or return costs. Comparing channels with different product mixes solely on the basis of return on advertising spend (ROAS) may direct the budget towards sales that generate more revenue but a lower economic contribution. Analysis of the composition of the outcome is therefore also required.

The proportion of buyers making a repeat purchase over horizon H is defined as follows:

$$\mathrm{RR(H)} = \frac{\mathrm{N_{repeat}(H)}}{\mathrm{N_{first}(H)}} \quad (6)$$

$N_{first}(H)$ comprises buyers with a first fulfilled purchase and a complete subsequent observation period H; $N_{repeat}(H)$ comprises those who make another fulfilled purchase within H. Defining a repeat purchase requires distinguishing a new order from several shipments under one transaction. Otherwise, the operational division of a delivery may create a misleading impression of sustained customer relationships.

Sales-cycle duration can be measured using the median time from qualification to the first fulfilled order among completed opportunities. The number and proportion of incomplete observations must be reported alongside it. If longer-running opportunities remain open, the median for completed opportunities alone may understate the actual cycle. Where sufficient data are available, time-to-event methods that account for incomplete observation can be considered; such an estimate requires separate methodological justification.

All the ratios above are undefined when the denominator is zero. Reporting them as zero distorts interpretation: a lack of data for calculation differs from observed zero

performance. The numerator, denominator and data-availability status should be displayed alongside the resulting ratio. This is particularly important for small cohorts, where a single transaction can substantially change a relative measure.

The indicator system should cover several levels without mechanically collapsing them into one index. Channel activity, demand suitability, transaction fulfilment, economic contribution and repeat interaction describe different aspects of the process. A single weighted score may conceal weak fulfilment behind high traffic. The primary analytical outcome should therefore be an explanation of differences and a choice of the next action, rather than a ranking based on arbitrary weights.

Indicators must be considered together with cohort characteristics: product, buyer type, period of need, order quantity and supply availability. If the composition of acquired buyers changes, the difference in average conversion may be explained by that change. Comparisons should first be made within homogeneous groups, with aggregation justified subsequently. This reduces the risk of attributing to a channel an effect caused by the sales mix.

Economic Evaluation and the Distinction between Attribution and Incremental Effects

The economic evaluation of internet marketing must correspond to the decision it is intended to support. Current budget allocation, the selection of a new customer record system and changes to sales organisation require different definitions of costs and outcomes. Short-term decisions should focus on costs that will change as a result of the action. A case for long-term development must account for implementation, training, maintenance and routine system use.

The first requirement is to distinguish attributed outcomes from incremental outcomes. Attribution determines how a recorded event or revenue is allocated among touchpoints according to an established rule. Google Analytics documentation describes how this allocation depends on the model and the lookback window used to include previous interactions [246]. Changing these settings may alter the report even when the enterprise’s actual sales remain unchanged. Periods should therefore be compared using consistent rules.

Incremental effect addresses a different question: what outcome occurred specifically because of the action under study, compared with a defensible estimate of what would have occurred without it? The IAB and Media Rating Council guidelines for retail media measurement address this principle through a baseline scenario and experimental or non-experimental evaluation methods [19, Section 4]. What is transferred to the agricultural enterprise is the logic of comparison, not sector-specific benchmarks or predetermined effect sizes.

A buyer who already intended to place a repeat order may interact with an advertisement before doing so. An attribution model may allocate some or all of the revenue to advertising. Without a counterfactual scenario, however, it is not known whether the purchase would have occurred without the message. This does not make attribution unhelpful: it describes the observed journey. Nevertheless, its result alone should not support a claim that advertising generated additional sales.

The following definition is proposed for evaluating the return on incremental outcomes:

$$\text{iROMI} = \frac{\Delta M - C_{campaign}}{C_{campaign}} \quad (7)$$

In equation (7), ΔM is the estimated incremental contribution margin before campaign costs, and $C_{campaign}$ comprises the corresponding costs of conducting the campaign. Contribution margin here means sales revenue less the defined variable costs of production and fulfilment. The composition of those costs is fixed before the comparison. If campaign costs have already been deducted from ΔM, subtracting them again would constitute double counting.

Estimating ΔM requires a separate research design. In the absence of a control or another defensible comparative scenario, actual contribution margin and costs may be calculated, but their difference should not be described as a demonstrated incremental marketing effect. In that case, the measure should be given a descriptive name and its interpretive limits stated explicitly. Methodological integrity depends on defining the quantity correctly, rather than on reporting more decimal places.

In agricultural sales, changes in revenue should be separated into price, quantity and product-mix components. If product prices rise, revenue may increase with no change in physical sales volume. If the share of higher-priced products grows, average order revenue also changes. Neither circumstance independently establishes an improvement in digital acquisition. Financial analysis should therefore be supplemented with physical measures and comparisons within product groups.

Contribution margin also depends on fulfilment conditions. Two transactions generating equal revenue may entail different picking, packing, transportation and service costs. If a channel attracts numerous small orders, the associated revenue must be assessed against the corresponding workload. A wholesale transaction, meanwhile, may have a lower margin per unit but a different cost structure. A universal claim that either retail or wholesale channels are superior is unwarranted without such analysis.

Additional acquisition activity may also displace sales from another channel. If the same buyer switches from placing an order through personal contact to ordering through the website, the digital channel records new revenue, but the enterprise's total sales do not necessarily increase. The economic outcome may instead be a change in service costs, fulfilment speed or data quality. Evaluation should therefore cover the enterprise as a whole rather than an isolated channel.

Integration entails both initial and recurring costs. Initial costs may include process documentation, data cleansing, exchange configuration and training. Recurring costs include maintaining reference data, quality control, users' work and technical support. Allocating all costs to the first short period can distort comparisons, but ignoring them entirely overstates performance. The allocation rule must correspond to the horizon of the managerial decision.

Coordination workload requires particular attention. An additional report or mandatory field takes time even when the software has already been purchased. The enterprise must assess whether the information changes decisions sufficiently to justify collecting it. If data are duplicated across several systems, integration may actually increase labour requirements. Economic evaluation must therefore include changes in operational work as well as external payments.

Parameter uncertainty should be examined through scenarios. For example, alternative shares of personnel costs allocated to acquisition or different justified repeat-purchase horizons can be considered. Such calculations reveal how sensitive a conclusion is to its assumptions. They do not replace observation, but help identify which data most strongly influence the decision and require more precise measurement.

A scaling decision should be based on the expected incremental outcome of the next expansion, not merely on the average performance of past expenditure. Greater workloads may change acquisition costs, the composition of demand and fulfilment capacity. The success of a small campaign therefore does not guarantee a proportional outcome from a substantially larger budget. Activity should be expanded gradually, checking whether the conditions underlying the previous conclusion still hold.

Implementing the Integrated Approach

Implementation should begin by documenting the existing process. This requires establishing where enquiries originate, who handles them, how offers are prepared, where outcomes are stored and which information remains unrecorded. The description must reflect actual working practices, including informal channels. If a substantial share of agreements is reached in person, designing the system solely around website data will leave the main part of the process unobserved.

The next step is to select a specific managerial question. It should be sufficiently focused to be answered with available or obtainable data. For example, an enterprise may investigate why qualified enquiries do not progress to an offer, or how the proportion of fulfilled orders differs by source. Asking how to improve the effectiveness of all marketing is too broad for initial implementation and makes it difficult to identify the information required.

Definitions and responsibilities are then agreed. Employees must share an understanding of the unit of record, qualification criteria, the definition of a fulfilled sale and the reasons for ending an interaction. This stage produces a concise data dictionary and a transition procedure. The document must be usable in day-to-day operations: an excessively detailed policy that is not used does not ensure consistency.

The initial trial should be limited to a defined product segment or process sufficient to test the data model. Its scope must allow an enquiry to be traced through to fulfilment. Selecting only operations that are already well documented may produce an unduly favourable picture, so the reasons for selection should be stated in the evaluation. The initial trial tests whether the procedure works; it does not necessarily demonstrate its financial effect.

Critical inconsistencies in reference data must be resolved before automation. Configuring exchanges between systems that identify products or buyers differently accelerates the propagation of errors. Mapping rules should be established first, followed by validation of a small set of records, before the exchange is expanded. Systematic reconciliation of selected transactions helps detect problems that are not visible in aggregate totals.

A performance dashboard should follow the decision process. Alongside the number of enquiries, it should show qualification, processing status, fulfilment and the availability of financial data. An indicator without an explanation of its period or denominator creates a risk of misinterpretation. It should be possible to move from an aggregate figure to an anonymised list of the transactions underlying it, subject to access rights.

Reviewing results should lead to a defined action. A high proportion of unsuitable enquiries calls for changes to the message or form. Delays after qualification require a review of handovers or workloads. Where orders are agreed but not fulfilled, delivery capability requires priority attention. The connection between an indicator and an action is what turns reporting into a management instrument.

After deficiencies have been addressed, evaluation should be repeated using the same indicator definitions. Simultaneously changing the process, calculation rules and cohort composition makes interpretation difficult. Where a definition must change, the change should be documented and the comparative period recalculated where possible. Otherwise, apparent improvement may reflect a new recording method rather than a new business outcome.

Staff training should be linked to specific operations. Employees need to understand why a reason for rejection is recorded, how duplicates are merged and when a new opportunity should be created. General familiarity with system functions does not guarantee consistent use. Understanding should be tested through situations typical of the enterprise, including partial fulfilment, repeat enquiries and changes to agreed terms.

Readiness to expand should be assessed beyond technical functionality. It requires sufficiently complete critical fields, stable responsibilities, reconciliation with business records and clear use of the results. If the system produces reports while employees continue to maintain independent, inconsistent registers, integration remains incomplete. Addressing the reasons for parallel record-keeping may be more important than adding functions.

Table 4 presents the implementation sequence and the outcomes to be checked at each stage. It does not prescribe universal deadlines or percentage thresholds, since these depend on transaction volumes, the quality of existing data and sales complexity.

Table 4. Implementation Stages and Criteria for Progression

Stage	**Activities**	**Outcome to verify**
Process documentation	Identify channels, operations and data storage locations	The points at which a required relationship arises or is lost are known
Agreement on definitions	Define entities, stages and outcomes in a data dictionary	Employees classify typical transactions consistently
Limited trial	Apply the model within a defined segment	Enquiries can be traced through to fulfilment
Data reconciliation	Check duplicates, timing, quantities and revenue	Discrepancies are explained or referred for correction
Use of analytics	Review cohorts and reasons for lost opportunities	Indicators have informed specific, testable decisions
Cost evaluation	Record configuration, operating and maintenance costs	The resources required for implementation are known
Expansion	Extend the approach to other segments or operations	Data quality, manageability and analytical usefulness are maintained

Source: developed by the author. The table defines a verification sequence rather than universal quantitative benchmarks.

Organisational resilience requires work to continue when the responsible employee or technical tool changes. The data dictionary, transition rules and reconciliation procedure should be available to the enterprise rather than retained solely in one individual's experience. This reduces dependence on a particular person and facilitates subsequent investigation of system outcomes.

Improvement may also involve reducing the recording burden. Where a field is unused, an indicator does not inform a decision or one report duplicates another, retaining it should be reconsidered. The development of internet marketing is not measured by the number of configured events or connected applications. The criterion is the enterprise's ability to align demand, its offering and fulfilment more effectively at an acceptable cost.

Analytical Scenarios for Applying the Methodology

Hypothetical organisational situations are used to explain the proposed approach. They do not describe findings from an investigation of particular enterprises and do not contain empirical effect estimates. Their purpose is to demonstrate how the same digital metrics may call for different decisions depending on the sales context.

In the first situation, an agricultural enterprise attracts wholesale enquiries through its website. After an advertising message is changed, enquiries increase, but managers report a growing workload. Assessing performance requires establishing whether the proportion of valid and qualified opportunities has changed. If the new enquiries concern quantities the enterprise does not serve, the problem lies in the match between the offering and audience expectations.

In this case, the page content and mandatory enquiry fields should be reviewed. Information on supply arrangements may help buyers assess suitability before making contact. However, an excessively complicated form may also impede a relevant buyer. The change should therefore be tested against qualified opportunities and subsequent fulfilment, not merely a reduction in the total number of messages.

Another explanation for the same outward pattern is delayed processing of relevant demand. If qualification confirms suitability but offers are sent late, adjusting the audience will not solve the problem. Handover times and the preparation of terms

need investigation. Thus, two enterprises experiencing the same increase in enquiries may require different actions: one may need more precise positioning of its offering, while the other needs to reorganise sales handling.

The second situation concerns direct sales of perishable products. The website accepts orders, while availability is confirmed manually. Some orders subsequently have to be revised through contact with the buyer. In this case, website ordering metrics do not capture the full outcome. Orders placed, confirmed and fulfilled must be compared, and the reasons for discrepancies identified.

An integration solution may align the available offering with picking and packing capacity. However, automatic display of stock availability is useful only if the underlying records are reliable. Where updates are delayed, automation may provide false confirmation of availability. The information process should therefore be checked before selecting the technical method of transmission.

Economic analysis must also account for the costs of clarification and changes. A channel may generate substantial revenue while requiring extensive manual work per fulfilled order. Comparing channels solely by advertising cost per order placed conceals this workload. Fulfilment indicators, the number of adjustments and contribution margin after the defined service costs become useful measures.

The third situation involves repeat wholesale purchases. An enterprise sends messages to previous buyers ahead of the anticipated period of need. Some recipients place orders, and the system attributes revenue to the campaign. This is sufficient to describe the interaction, but estimating the incremental effect requires knowing what would have happened without the message. Otherwise, a routine purchase may be incorrectly attributed in full to the campaign.

Where there are enough customers, a comparison of randomly assigned groups at the buyer-organisation level can be considered. Employees should maintain a consistent procedure for other contacts so that differences are not explained by unequal sales management practices. If there are few organisations, the reliability of statistical inference may be limited. In that case, describing the observations and uncertainty is preferable to claiming a precise return on investment.

A fourth situation arises when an enterprise compares its own website with a platform. Both channels may receive orders from the same buyers. Without linking records at the customer level, each channel may appear to generate new relationships. Analysis must distinguish genuinely new buyers, returning buyers who have changed their ordering method, and transactions of unknown origin.

A returning buyer's move to another channel can be economically worthwhile even without increased sales. Reduced service costs or more accurate fulfilment represent a different type of outcome. That outcome should be explicitly identified and measured. This allows the digitalisation of sales to be evaluated beyond the acquisition of new audiences while retaining economic precision.

In a fifth situation, a sale occurs long after the initial digital interaction. A standard web analytics window may not capture the full relationship. If the enterprise relies only on the last recorded contact, initial acquisition will go unrecognised. Arbitrarily attributing the entire sale to the first contact is not a solution either. An opportunity history, a description of the attribution method and a category for uncertainty are required.

Taken together, the scenarios demonstrate the explanatory purpose of the integration methodology. It helps locate the gap between acquisition, agreement and fulfilment, and identify the data needed to test an explanation. Applying it does not guarantee in advance that every digital action will have a positive effect. A justified analytical outcome may be to change the message, revise the process or decide against expanding expenditure.

Methodological Conditions for Empirical Validation

Further validation of the proposed approach requires three tasks to be distinguished: establishing whether the data model works, evaluating changes in process organisation and measuring the economic effect. Successful record exchange demonstrates technical capability but does not prove improved sales performance. Reduced processing time indicates an operational change, but its financial significance depends on workloads, costs and fulfilment outcomes.

A single-enterprise study must define the scope of observation. The description should include product groups, buyer types, the period, data sources and transaction inclusion criteria. Excluding records with unknown sources may overstate the quality of the observed relationships if such records are numerous or differ from the remainder. The extent and causes of missing data should therefore be reported rather than concealed through data cleansing.

The stability of definitions must be checked before periods are compared. Introducing a new qualification rule may change the proportion of suitable enquiries without changing the audience. Including returns in financial outcomes from a particular date also affects comparability. If a common basis cannot be reconstructed, periods should be analysed separately or the conclusion restricted to the genuinely comparable data.

A before-and-after comparison is a descriptive starting point. Causal interpretation requires other changes to be considered, including season, prices, available quantities, product range, delivery geography and buyer composition. Even including these characteristics in a statistical model does not automatically remove the influence of unmeasured factors. The language of the conclusions must therefore match the design: an observed association is not always a demonstrated consequence of implementation.

Where an experiment is feasible, assignment should occur at the level of the unit making the purchasing decision. In B2B settings, this is often the buyer organisation rather than an individual browser or contact person. Otherwise, one company may be exposed to different conditions simultaneously. Analysis should respect the initial assignment rather than consider only customers who actually opened a message: selection based on a post-treatment response introduces additional bias.

The primary experimental outcome is defined in advance. It may be a fulfilled sale, contribution margin or another measure aligned with the decision. A large number of secondary indicators increases the risk of selecting a chance improvement. The primary criterion should therefore be distinguished from explanatory observations, and findings interpreted in terms of both statistical and business significance.

Sample adequacy depends on the baseline event rate, the minimum effect worth detecting and the acceptable level of uncertainty. A universal number of enterprises or buyers is inappropriate across all research questions. Where wholesale transactions are infrequent, a short experiment may not produce conclusive evidence. Extending observation also requires control for seasonal changes and should not continue merely until a desired conclusion appears.

A multi-enterprise study requires a harmonised data dictionary. Differences in software systems are not the main obstacle when customers, opportunities, fulfilment and costs are defined consistently. Conversely, using the same software does not ensure comparability where enterprises apply different rules. Definition alignment should first be checked on a limited set of transactions from each participant.

The sample must reflect the subject of the research. Findings from large agricultural holdings cannot be presented as describing all agricultural enterprises, nor can processors' data be treated as direct measurements of producers. With purposive enterprise selection, conclusions apply to the cases described. Representativeness requires a separate justification of selection and coverage, rather than a sample size that merely appears adequate.

Assessing digital presence through publicly accessible websites can supplement internal data, but addresses a different object of analysis. It can establish whether information and contact options are available and how the offering is presented. External observation does not reveal actual customer relationship management (CRM) practices, costs or fulfilled transactions. Reports should therefore distinguish observable interface characteristics from unknown internal process characteristics.

Empirical validation should include robustness analysis. It is useful to examine how outcomes change under another justified observation horizon, definition of repeat purchase or cost composition. If a conclusion depends entirely on one assumption, this dependence must be reported. Such a finding is valuable for management because it identifies the information that needs clarification before scaling.

Synthesis and Directions for Further Research

The development of internet marketing in agricultural enterprises should be examined through the alignment of customer acquisition, requirements handling and sales fulfilment. An inventory of digital tools does not explain this relationship in the absence of shared definitions, responsibilities and outcome records. The proposed approach specifies integration as the organisation of transitions between contacts, sales opportunities and fulfilled orders.

The theoretical significance of the approach lies in distinguishing digital channels, touchpoints, customer sales opportunities and business outcomes. This helps explain the difference between audience activity and demand realised through transactions. Product characteristics, seasonality, available quantities and delivery timing are particularly relevant to agricultural enterprises because they determine channel suitability and the evaluation horizon.

The methodological contribution is the combination of a data model with cohort analysis. Separate records for buyers, contacts, opportunities and orders provide a basis for measuring qualification, conversion to fulfilled sales, acquisition costs and repeat purchasing. Cohort analysis accounts for unequal observation periods and reduces the risk of misleading comparisons between recent and completed opportunities.

Economic evaluation requires channel-attributed revenue to be distinguished from incremental effect. Attribution explains the accounting allocation of an outcome, whereas causal inference requires a defensible counterfactual scenario. In addition to advertising payments, defined service and coordination costs must be considered. This allows integration to be assessed in terms of its business substance rather than only traffic or revenue metrics.

Practical application of the methodology involves gradual implementation: documenting the process, harmonising data, conducting a limited trial, reconciling records with fulfilled transactions and checking that analytics informs decisions. Expansion is appropriate once the functionality and usefulness of these relationships have been established. A justified managerial outcome may involve developing a

channel, changing service arrangements or reducing activities whose costs are not warranted.

The study is limited by the absence of an original empirical estimate of the proposed approach's effect on enterprise financial performance. Further research should test the data model, validate indicators using cohorts with complete observation periods and investigate incremental effects while accounting for seasonality and buyer heterogeneity. Such testing is necessary to move from methodological substantiation to conclusions about the conditions under which particular decisions are economically justified.

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13. Marketing product policy of the enterprise: theoretical and practical aspects

13.1 The essence and structure of marketing product policy

Marketing product policy has its origins in the early stages of the product concept of marketing, when entrepreneurs began focusing primarily on the product itself (1920s–1930s). The previous production concept had become insufficient, as consumers started preferring higher-quality products, paying attention to appearance, uniqueness, and differentiation from competitors' alternatives. During this period, product characteristics began receiving increased attention. Marketing product policy reached a more refined form within the framework of modern marketing, where consumer needs serve as the main benchmark rather than demand, as was previously the case. At this stage, new and previously unknown needs are identified, and production is oriented toward satisfying these specific needs.

In 1960, E. Jerome McCarthy proposed the "4 Ps" model, which explains the essence of marketing. This model highlights four core elements of marketing: product, price, place, and promotion. The model laid the groundwork for theoretical research in the field of marketing, leading to the establishment of marketing institutes and associations dedicated to conducting market research and formalizing marketing terminology and concepts. It was within this model that the product and its key characteristics emerged as a distinct and fundamental element of marketing, gaining appropriate significance.

For a long time, the term "marketing product policy" was rarely defined in academic marketing literature, or its definition was assigned a rather limited meaning. This was primarily due to an insufficient awareness of the priority significance of this marketing aspect based on the principles of comprehensiveness and flexibility in addressing marketing issues. As marketing science evolved, the situation changed. Modern academic sources contain a significant number of interpretations of this term, yet views remain ambiguous.

Ukrainian researcher L. Moroz interprets the concept of marketing product policy as follows: "The term 'product policy' is quite broad and covers various aspects of a firm's product strategy and tactics. This includes forming the product assortment, modifying existing items, withdrawing obsolete ones from production, developing and launching new products, and ensuring an appropriate level of their quality and competitiveness. Creating attractive product packaging, utilizing barcodes, and developing an effective trademark along with its official registration are also of key importance... All of this combined constitutes the essence of a marketing product policy aimed at maximally satisfying consumer needs" [257]. Product policy entails a defined course of action for a manufacturer or the presence of pre-considered principles of behavior. It is designed to ensure the continuity of decisions and measures regarding: forming and managing the product assortment; maintaining the competitiveness of goods at an appropriate level; finding optimal market niches (segments) for products; and developing and executing strategies for packaging, labeling, and product servicing.

Ukrainian researcher S. Harkavenko considers that "product policy is a set of measures to form a commercially effective assortment. The theoretical foundation that enables sound decision-making includes the concepts of product competitiveness, innovation and assortment policy, and the product life cycle concept..." [250].

In our view, the interpretations listed above primarily reveal the goals and objectives of marketing product policy, rather than its core idea and purpose. Product policy is not only the targeted formation and management of the product assortment, but also taking into account internal and external factors influencing the product, its creation, production, market promotion, and sales, along with legal backing for such activities, and pricing as a means of achieving strategic goals of product policy, among other aspects. Product policy can also be viewed as marketing activity associated with planning and implementing a set of measures and strategies to build competitive advantages and create product features that ensure its ongoing value to the consumer, satisfy specific needs, and yield corresponding profits for the firm.

Ukrainian researcher V. Kardash believes that the product is the most crucial component of the marketing mix for influencing consumers. The set of tools used to

influence consumers through the product is generally associated with the concept of an enterprise's product policy [255]. A rather effective definition of marketing product policy was proposed by domestic researcher A. Voichak. According to this definition, marketing product policy is "a set of measures within which one or several products are used as the main tools of an enterprise's production and sales activities" [249]. Based on this definition, the primary task of product policy is finding an idea for and actually creating such a product or service, along with skillfully managing them in a way that other marketing elements are either not required at all or used minimally as auxiliary tools to achieve the company's goals. Subsequently, this definition underwent certain modifications, and marketing product policy is currently viewed as "a set of measures to create and manage an enterprise's products to satisfy consumer needs and achieve the enterprise's own goals" [249]. This definition reveals the core essence of marketing product policy, as its primary content is the creation and management of a product in accordance with market demands.

Product policy encompasses all goal-oriented strategies aimed at introducing new products or product lines to the market, modifying existing products, or withdrawing former products or product lines from production. In this context, a fundamental aspect is analyzing how potential buyers (compared to competing products within the relevant target groups) perceive the product, as well as orienting the enterprise's marketing actions toward reinforcing or altering this perception.

The market environment is characterized by exceptional dynamism and volatility, which requires the enterprise's product policy to align with the demands of both actual and potential customers. Meanwhile, existing effective demand must be taken into account, with timely responses to its upward or downward trends. These factors influence the definition of the key tasks of product policy based on the enterprise's goals. The effectiveness of implementing a marketing product policy in business operations depends on several conditions: - a clear understanding of the goals and potential of production activities; - market opportunities, as well as the nature and development prospects of the market; - proper market research; the presence of a long-term corporate strategy; - the development of a marketing strategy for the enterprise

and the optimal alignment of its capabilities and resources with the conditions of the external business environment. Product policy permeates the entire marketing system and serves as the foundation for other marketing decisions, as the selection and application of marketing tools directly depend on the specific nature of the product, the conditions of its purchase and use, and the features of its promotion.

Thus, marketing product policy is the activity associated with planning and implementing a set of measures and strategies to build competitive advantages for a product by developing and maintaining features that create value for the consumer, thereby satisfying specific needs while securing corresponding profits for the enterprise. Marketing product policy depends on the operational realities of the manufacturing enterprise, the specifics of production, and the characteristics of the products and consumers, yet the enterprise's goals remain the dominant factor.

The main tasks of an enterprise's marketing product policy can be outlined as follows (Figure 1) [254, p. 129]. Within the scope of these primary tasks, marketing product policy involves addressing the following issues:

1. creating competitive advantages for the product;
2. adapting product parameters to changes in the market environment;
3. adjusting product characteristics and marketing actions in accordance with the stages of the product life cycle;
4. optimizing the enterprise's product mix program;
5. planning the market introduction of new products;
6. selecting the timing for entering the market with new products;
7. determining the timeline for withdrawing obsolete products from the market.

Managing product competitiveness is a primary task, as every enterprise is interested in ensuring that its products best satisfy market demands. However, over time, even a competitive product loses its market position. To prevent this, it is necessary to consider the product life cycle theory and adapt the product's characteristics accordingly. For the same purpose, the product mix program must be adjusted, which involves developing new products, modifying existing ones,

withdrawing outdated goods from the market, and establishing an optimal balance among different product categories.

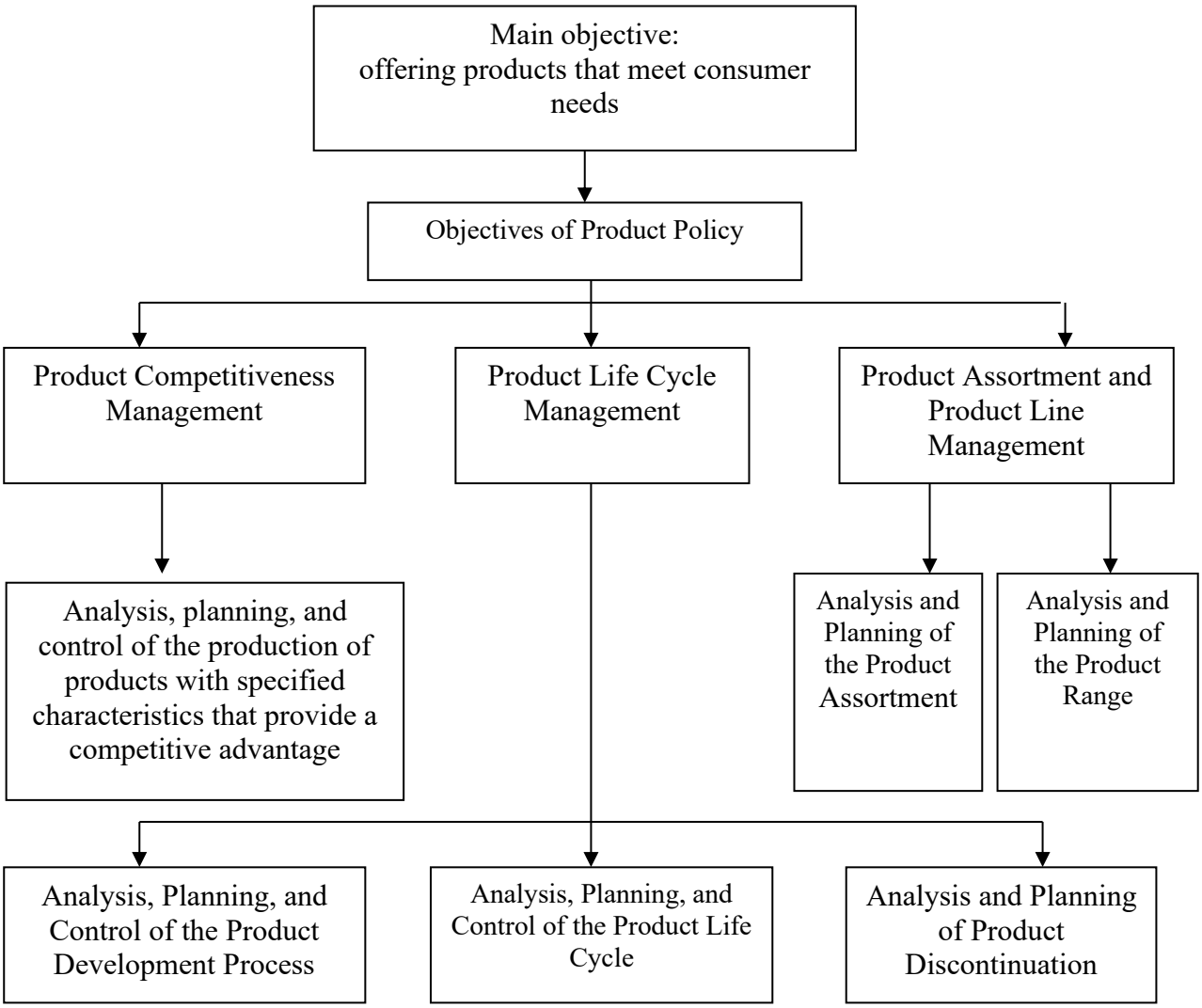


Figure 1. Key objectives of Marketing Product Policy

Source: [254, c. 129]

One of the central tasks of marketing product policy is its contribution to the preservation and development of the enterprise as a socio-economic system. In this regard, three essential goals of an enterprise can be highlighted: resource replacement, ensuring guarantees for the enterprise's survival, and creating conditions for production growth. Indicators of achieving these goals include: sales volume, coverage of variable and fixed costs, profit and reduction of production costs, production growth, and market share.

The primary task of marketing product policy is creating a product or service and managing them effectively to satisfy consumers' actual and latent needs as fully as possible. A product that satisfies buyer needs and desires to the maximum extent — and fulfills their latent needs — will sell itself. It is precisely such a product that generates the maximum profit level, thereby fostering the development of the enterprise. Creating such a product and its concept requires detailed market research, analysis of the enterprise's potential capabilities, proper organization of the manufacturing process, and subsequently adapting the parameters of the resulting product to market conditions. Given the constant shifts in the business environment, this process continues almost endlessly. As a product "ages," it is replaced by a new or modified item, or its scope of application changes, illustrating the dynamic nature of marketing product policy [267].

The key task for a manufacturer within product policy is the effective management of the development and offering of products that best satisfy consumer needs. However, in today's market, products with similar functions are typically offered by numerous competing manufacturers. Naturally, every enterprise seeks to ensure that consumers choose its offering over the alternatives. Based on this, the main factors shaping product policy are the development of a product concept and the construction of an optimal product policy structure. An essential condition for crafting an optimal marketing product policy is adhering to appropriate procedures for analysis and decision-making. Decision-making requires a clear vision of long-term production, sales, and export goals; a comprehensive strategy for the enterprise's production and sales activities; market research and assessment of market demands; and thorough knowledge of internal capabilities, resources, and their future trends.

Solving the tasks of marketing product policy at various managerial levels requires a strategic approach — a long-term course designed with a future perspective in mind. In this regard, two main criteria serve as the cornerstone [261, p. 165]:

1. attracting and retaining consumers in selected market segments who ensure the enterprise's stable financial position both at present and in the long term;
2. evaluating potential options for increasing overall profit volumes.

Having explored the essence and tasks of marketing product policy, let us examine its structure (Figure 2). Product development proceeds in two directions: creating a fundamentally new product or improving products already available on the market (product modification or modernization). From a marketing perspective, the primary theoretical challenge lies in distinguishing between a modified product and a modernized one. Modification refers to a product that is nearly homogeneous with the initial (typical) model but features a different scope of application. Minor, non-fundamental changes to the original item take place during the modification process [266, p. 165].

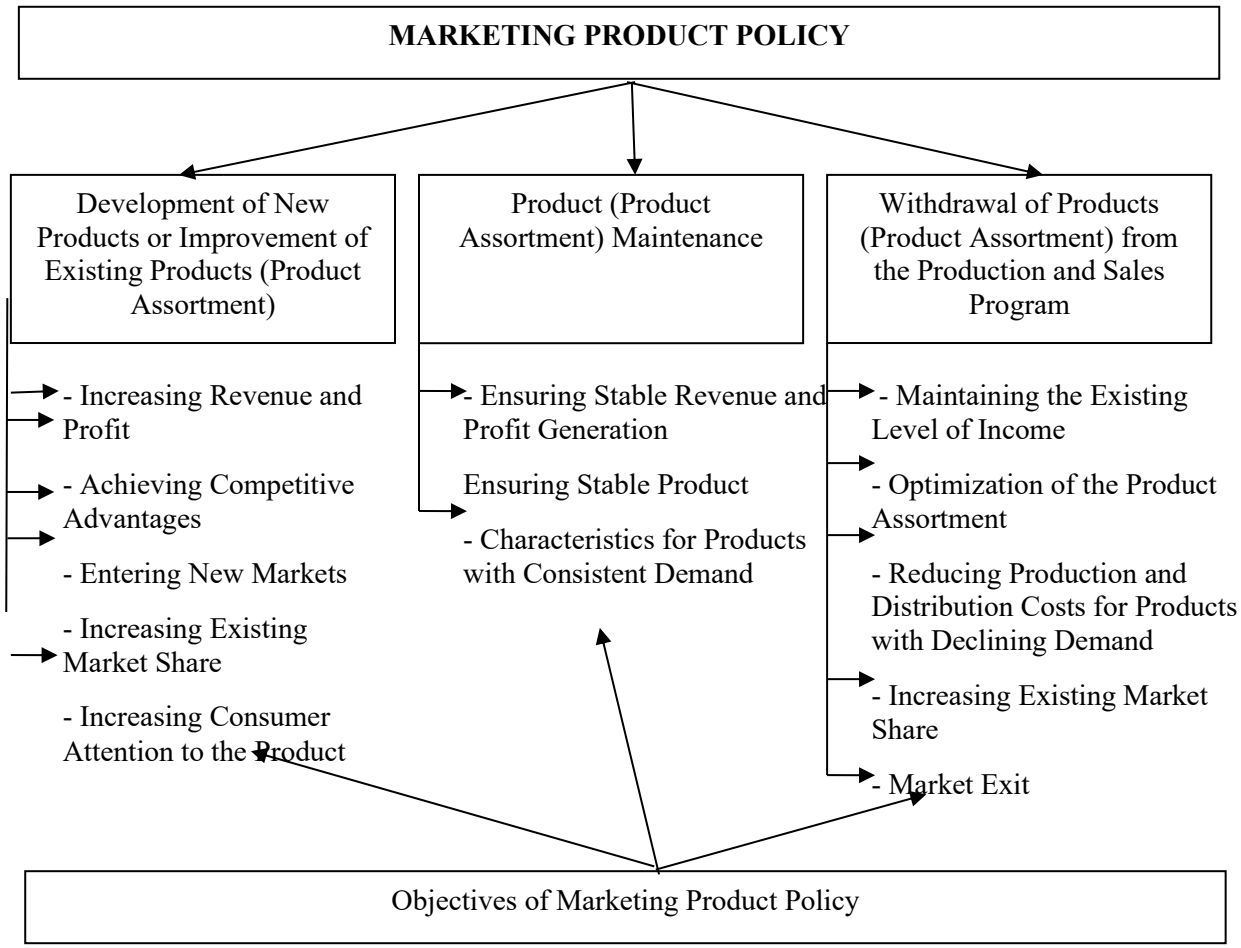


Figure 2. Structure and objectives of the Enterprise's Marketing Product Policy

Source: [248, 249, 250, 256]

Modification must be distinguished from product modernization, which is defined as creating products with improved properties through notable changes to the original item, replacing it altogether. The criteria for categorizing products under each

type are presented in Table 1. Decisions regarding product modification must be grounded in relevant calculations that balance the costs and returns of product renewal. Accordingly, the ultimate goal of such changes should be increasing enterprise profitability. Simultaneously, the factor of manufacturing technology novelty must be taken into account, as changing technology can lead to increased expenses that outweigh any positive outcomes.

Table 1

Criteria for identifying modified products

Characteristic	Change in characteristic	
	Modernization	**Modification**
Field of application	Remains unchanged or is expanded	Changes
Technical level	Increases	Remains unchanged
Product manufacturing	Is discontinued	Continues
Standards requirements	Changes	Is supplemented
Price	May Change	May change
Conventional name	Is supplemented	Is supplemented

Source: [264, p. 166]

Introducing a new product to the market carries significant risk; however, in the event of success, profits will be considerably higher than when introducing a new modification of a product within existing product groups. It should be noted that leading innovators operate under conditions of heightened risk; yet, through the effective implementation of a new product, they build a reserve of "economic strength". This strength manifests in a portfolio of new, competitive products and is characterized by relatively lower unit production costs. Their followers face fewer risks, but competition conditions for them are more challenging, resulting in correspondingly lower economic performance [254, p. 108]. It should also be noted that manufacturing new products does not always guarantee success, especially when specific market requirements or the latest scientific and technological achievements are not taken into account. Launching a new product can also cannibalize sales of other items that are economically beneficial for the enterprise. Therefore, it is essential to form a product

mix and develop a product policy flexible enough to contribute to growing sales volumes and overall company profits [254, p. 166].

Product servicing relates to processes that preserve the specific set of product characteristics that satisfy the needs of targeted buyer segments, thereby ensuring active and stable sales for the enterprise. Servicing involves organizing and managing physical distribution processes to maintain and control product quality. Service and warranty coverage are integral elements of product policy, representing services provided to customers both before and after purchasing a product. Service is viewed as a comprehensive system of customer care. Technical support consists of providing services to restore product functionality, assisting customers in solving operational issues, verifying product or component compatibility with other goods and systems, and providing consultations on safe operation and proper maintenance [264, p. 196].

Product elimination involves a thorough analysis of market conditions and, in the event of declining demand for a product, the development of measures to withdraw it from the market. During market analysis, the following trends are observed: declining demand and sales volumes; falling profit margins; shrinking market share; rising distribution costs; the emergence of a more advanced substitute or replacement product; intensified competitor activity, and more. Delaying the phase-out of an obsolete product can lead to reduced profits due to several factors, including: significant accumulation of outdated goods in distribution channels; increased advertising expenses; suppressed initiative for new product development; and a potential decline in company prestige caused by consumer perceptions of technological obsolescence.

Thus, the structure of marketing product policy represents a set of elements used by an enterprise to influence consumers through the product, based on organizational goals. Its components typically include: new product development; product quality and competitiveness management; product life cycle management; determining the optimal product mix; developing and implementing packaging, labeling, and product design strategies; after-sales service; and building a positive product image. In other words, it encompasses all factors that influence the creation of the product's augmented features

and product management, from the initial concept to its retirement from the market [266, 267]. Managing marketing product policy entails making managerial decisions regarding [261, 264, 266]:

- introducing new products;
- product design, attributes (structure, size, color, materials, manufacturing technology), an acceptable level of new product quality, and competitiveness;
- trademarks (support, branding strategy, positioning);
- packaging and labeling (concept, additional packaging features);
- service, warranties, and other company obligations to consumers (staff training, delivery terms);
- modification of existing products;
- product phase-out decisions;
- product line decisions;
- the number of product types and modifications;
- product line positioning relative to competitors;
- expanding or contracting the length of the product line.

As enterprises adapt to market conditions, making sound managerial decisions regarding product policy becomes increasingly complex due to several challenges. These include legislative instability, low consumer purchasing power, limited organizational focus on marketing, saturation of the domestic market with imported goods, imperfections in the product certification system, the prevalence of low-quality counterfeit goods, lack of competitiveness diagnostics, inadequate information support for product policy management, absence of comprehensive and strategic approaches to marketing product policy management, and weak oversight of product policy management processes. These issues reduce overall enterprise performance and the effectiveness of product policy in particular, driving the need for a new approach to forming an enterprise's marketing product policy.

13.2 Modern perspectives on the product as an object of product policy

The central element of marketing product policy and marketing as a whole is the product, as it satisfies consumer needs through its combination of properties and generates profit for the enterprise. In the process of mutual need satisfaction, two key factors exert the greatest influence: the need to manage relationships emerging during exchange, and the nature of satisfying consumer needs. These two factors are interconnected, as consumer needs and desires are not constant. Needs change and become more refined, driving the dynamic nature of exchange processes. This evolving nature of the products offered by an enterprise in the market forms the core or nucleus of marketing product policy. All organizational efforts to develop and implement an effective marketing product policy are centered around this core [261]. Identifying a product idea, along with creating and maintaining its attributes in response to shifts in the marketing environment, constitutes the foundational aspect of product policy.

Economic literature contains a substantial number of definitions for the term "product". Numerous economic disciplines define it from various perspectives. According to the most common definition, a product is viewed as a "product of labor made for exchange". The marketing approach to this interpretation requires further clarification and the highlighting of priority directions. In particular, the famous American scholar and founding figure of marketing science, Philip Kotler, suggests considering a product as "a means through which any need can be satisfied" [266]. A more detailed interpretation, in his view, reads as follows: "A product is anything that can satisfy a want or need and is offered to the market for attention, acquisition, use, or consumption. It can include physical objects, services, persons, places, organizations, and ideas".

According to Ukrainian scholar V. Kardash, the category of a product is directly identified with consumer characteristics, as well as the ability of an item or good to satisfy needs. A product can be characterized through its price, quality, competitiveness, or through verbal, quantitative, and graphical attributes [255]. As a carrier of functional and useful properties that satisfy consumer demands, a product

can be viewed from both general and highly specific perspectives. From a general perspective, one considers the underlying concept of creating a product directly for the consumer. Conversely, a concrete product always possesses precise characteristics and is offered to the consumer with defined features.

Another Ukrainian researcher, A. Voichak, considers that a product is "a combination of tangible and intangible attributes offered to satisfy needs and provide expected benefits for both consumers and producers. For producers, the benefit of a product lies in generating revenue and profit, or in achieving other market objectives — provided, of course, that the product is sold. For consumers, a product is a bundle of properties capable of satisfying their needs and solving specific problems" [249].

A substantial number of similar definitions exist in academic literature. Based on their analysis, a product can be viewed as "any manufactured item presented in the market with the aim of satisfying a specific need and earning a profit". This definition reveals the core idea of a product and the purpose of its existence according to the marketing approach. Accordingly, a manufactured item automatically becomes a product once it enters the sphere of exchange.

Thus, understanding a product from a marketing standpoint differs somewhat from the traditional economic view. From the perspective of economic theory, the primary factor is the socially recognized value of a product (exchange value), whereas from a marketing perspective, the key emphasis is placed on its consumer utility—its ability to satisfy specific needs. The better these needs are fulfilled, the higher the chances of market success for the enterprise.

In order to gain public recognition for their products, enterprises concluded that it was necessary to create an appropriate marketing environment for both the product and the business as a whole [248, 250, 267]. Factors of the marketing environment include product characteristics that ensure product attractiveness to buyers. Marketing support for a business is understood as the development of measures that increase the overall efficiency of production and sales activities. Marketing specialists have developed several approaches to representing commercial attributes, among which Philip Kotler's product model, Jean-Jacques Lambin's multi-attribute model, and the

4P+1S model should be highlighted. All models share a common view of the product as a bundle of utilities or benefits purchased to satisfy needs. However, each author holds a distinct perspective on which specific benefits within a product matter most to the consumer.

In particular, Philip Kotler, in his product model (Figure 3), identifies the core benefit offered by the product to satisfy a basic need at the first level, alongside a set of characteristics grouped across different levels that are essential for adapting the product to secondary consumer needs [266]. The core benefit corresponds to the first product level and represents the core product (product by design). At this level, according to Kotler, the task is to identify the latent consumer needs that the product must satisfy. The second level, the actual product, determines a set of attributes useful from the consumer's perspective: quality level, functional features, styling, packaging, and brand name — in other words, a set of key characteristics that reveal the product's purpose. The third level is called the augmented product and includes after-sales service, warranties, delivery, and other additional services that enhance product usability and preserve its consumer properties.

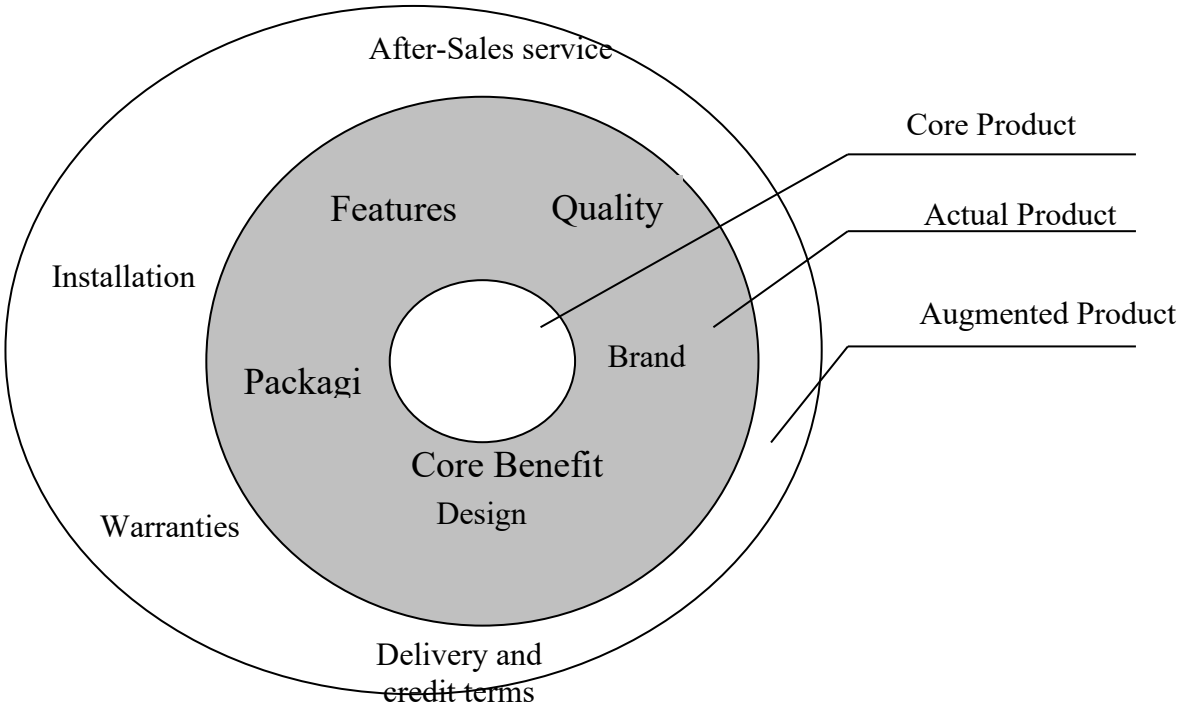


Figure 3. F. Kotler's Multilevel Product Model

Source: [266, 267]

Research shows that in his more recent works, Philip Kotler modified the multi-level product model, identifying five product levels: core benefit, basic product, expected product, augmented product, and potential product. However, the initial three-level version remains widely used, as it highlights the key characteristics that influence consumer choice.

French scholar Jean-Jacques Lambin defines a product as "a set of attributes that provides the consumer with the core functional value or utility specific to a given product category, along with a range of secondary features or utilities that help enhance or reinforce the core service" [268]. Additional services can be either necessary or supplementary. Necessary services are determined by how the core service is delivered (its comfort level, cost-efficiency) and by what typically accompanies it (packaging, delivery, payment terms, after-sales service). Attributes can be physical or economic in nature, as well as aesthetic and emotional — meaning they stem from the perception of the brand image or advertising positioning, which provides a sense of status or prestige. Price is always an important, though not strictly mandatory, attribute. Supplementary services are not directly tied to the core service; the product provides them as extra features. According to J.-J. Lambin, buyers evaluate attributes based on the degree of importance of each attribute and the extent to which it is favorably present in the product being evaluated. Lambin's model is considered more universal because it does not restrict the list of attribute characteristics to be evaluated during product selection, instead suggesting preliminary research on the matter. Upon closer inspection, a multi-level product structure can also be found in Lambin's model. This is primarily because the process of product selection and comparison is a multi-stage one: consumers first compare the fulfillment of core functions, then necessary additional services, and finally supplementary services.

The 4P+1S model is an evolution of one of the earliest models representing commercial product characteristics — the "4Ps" — whose composition, alongside product features, included price, place, and promotion [265]. In addition to these elements, the 4P+1S model incorporates service as an independent attribute that offers added utility to the consumer. What matters most in a product are not only the

characteristics ensuring its functional utility, but also those that enhance consumer interaction with the product. It is essential to consider that consumers on the market do not purchase the product itself as a mere physical unit, but rather the opportunity to satisfy their needs through it. Within this framework, a distinction is made between the concrete product, the augmented product, and the generalized product [253, 261, 262].

A concrete product is a specific set of product types — each individual unit manufactured by an enterprise. An augmented product is a combination of a product mix and a set of customer services; that is, a product whose value primarily targets the consumer. A generalized product includes additional services provided during the pre-sale and post-sale periods, evaluating consumer perception of the purchased item. The degree of a product's market acceptance depends on the product concept, its technological execution, and the marketer's efforts aimed at shaping market perception [265]. Three key concepts of economic theory are tied to the market: demand, supply, and prices. The foundation for defining these concepts is equilibrium theory, which assumes that buyers and sellers can reach a mutual agreement without coercion. The core idea of a free market is that sellers act independently and compete with one another to attract consumers.

Utility refers to an individual's subjective assessment of a specific product's attributes. Utility reflects how the product's properties are perceived in terms of satisfying needs based on its underlying use-value. Buyers always seek product value in its utility. It would be logical to assume that products with the highest utility would command the highest value; however, in practice, this relationship does not hold true. This paradox is explained by the law of diminishing marginal utility, according to which the value of material goods is determined by the utility of a given good to a specific individual. Rather than overall utility, this concept centers on the item's marginal utility.

Every consumer establishes their own order of preferences regarding goods available on the market. Consumers are assumed to act rationally and consistently. Consequently, every manufacturer strives to produce goods that hold the highest value for the consumer, as the extent of consumer value dictates total profit margins and

regulates a product's competitive reserve. One of the axioms of marketing states: "If you have a product, you have everything" [261]. For this to hold true, the product must possess appropriate attributes. Consumer value will rise if individual characteristics or ideally, all attributes at once — are improved. In practice, however, selling a product optimized across every dimension is rarely feasible, as a given consumer typically prioritizes specific components valuable to them, rather than the complete set.

It is easy to describe a hypothetical product that would guarantee profit and market success for the manufacturing enterprise. It should feature a low price, high quality, standout novelty, a blend of original design and functionality, cost-effective production, and so on. Describing such a product is easy, but actually producing it is quite difficult. This occurs due to the principle of trade-offs — striving to achieve the best product characteristics in certain respects forces compromises on other benefits. In particular, a cheap product is usually inferior in quality to an expensive one, and an exquisite design will not necessarily be the most functional. Achieving top metrics across the entire spectrum of attributes is simply impossible. The reasons for this are partly objective and partly subjective. Therefore, an enterprise's market success depends not only on its readiness to improve its products, but also on justifying the choice of which properties should be improved — that is, optimizing its operations. Thus, from the standpoint of the marketing concept, a product is a complex, multi-faceted concept that encompasses core and additional characteristics that determine its consumer value, drive its competitiveness, and ensure profitability.

Every buyer assigns their own meaning to the concept of consumer value, giving this category an individual nuance [266]. At the same time, according to marketing principles, it is essential to generalize these individual nuances to identify the common and most crucial aspect that forms consumer value under specific operational conditions of an enterprise. Based on this, a forward-looking product idea is formed, which is physically realized in a concrete product by assigning it appropriate characteristics. Every component of the product must be targeted toward a specific audience, a market segment, and aimed at solving customer problems and satisfying their needs. Achieving this goal relies on the enterprise's product strategies. To ensure

product appeal, certain accompanying characteristics surrounding the product must be taken into account. A product cannot find its buyer on its own; measures are required for its promotion, delivery, and the preservation of its quality features along the way to the end consumer. Fulfilling these requirements demands high-quality packaging and appropriate transportation methods. Additionally, depending on the product's specific nature, installation services, user manuals, and similar support may be required.

The manufacturer is interested in ensuring that, amid the variety of goods available on the market, consumers can locate, distinguish, and ultimately choose its specific product. This is achieved by developing an appropriate brand, trademark, or brand name, through which buyers can quickly identify the product they need. Creating these surrounding product characteristics is a critical task within a marketer's scope of responsibilities. Therefore, from a marketing perspective, the formulation and execution of a marketing product policy involves not only shaping the physical, technical, and operational properties of an item, but primarily providing proper product augmentation — that is, creating attributes that drive product attractiveness and demand. Through the marketer's efforts, the technology of product creation — as a process of converting a specific need into a combination of useful technical and economic characteristics embodied in a physical object — integrates with marketing technology: the process of creating the surrounding attributes for that object or product. As a result, a product offering is created that directly addresses market demand.

By creating product appeal, the characteristics of the product's augmented features help build a real need in the consumer's mind, stimulating and activating their decision-making process regarding the purchase. In addition to marketing, factors that activate needs include time, the buyer's age, changing circumstances, the purchase of another item, and product consumption. The key factors that shape an appropriate product environment and contribute to its effective promotion and consumption are: availability, value (utility), price, quality, lifespan, form, packaging, image, and brand [267, p. 228] (Figure 4). Augmentation characteristics complement the product's use-value, as appeal-building targets factors such as ensuring appropriate product quality, packaging, creating an image and trademark, organizing service, shaping public

opinion, and, most importantly, creating consumer satisfaction from purchasing and using the product.

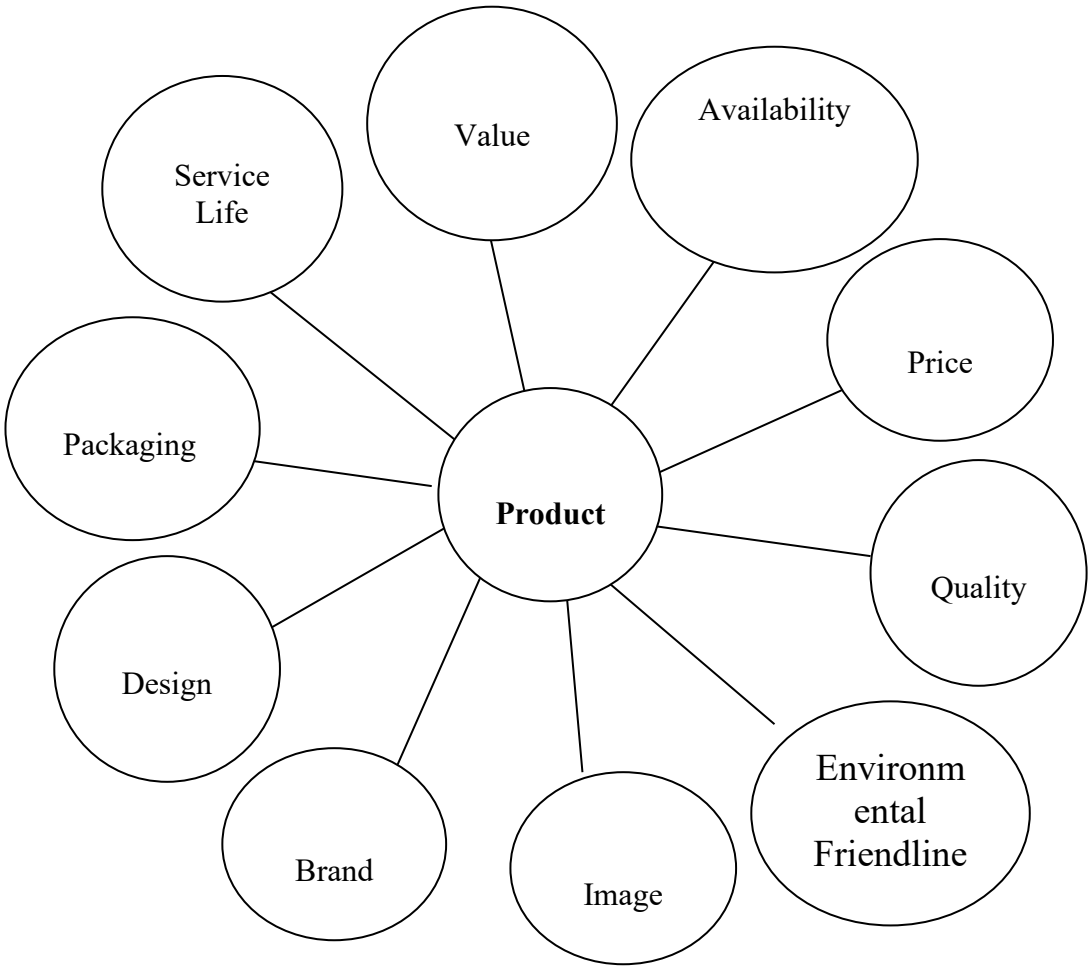


Figure 4. Factors influencing the attractiveness of the product environment

Source: compiled by the author based on literature sources [261, 256]

Thus, a product holds value for consumers when it combines elements of physical, chemical, and technical characteristics with product augmentation features that generate an added effect for the buyer. By comparing their needs and capabilities with the physical (technical and operational) attributes of the product, its intended purpose, surrounding features, and cost, the buyer evaluates the effectiveness and viability of making the purchase, as well as the potential personal satisfaction derived from completing a successful transaction. This constitutes the core essence of the marketing concept of a product.

A product's presence on the market is termed its "product life cycle" — that is, the aggregate of interconnected processes tracking changes in a product's state throughout the period during which it generates demand and yields revenue. By properly navigating each stage of a product's life, an enterprise can achieve strong performance results (Figure 5). The product life cycle theory was developed in 1965 by Theodore Levitt. The core premise of this concept is that any product will eventually be displaced by another that is superior, more modern, or more cost-effective. This framework provides the rationale for adapting product management strategies over time as conditions in the market evolve [248, p. 105].

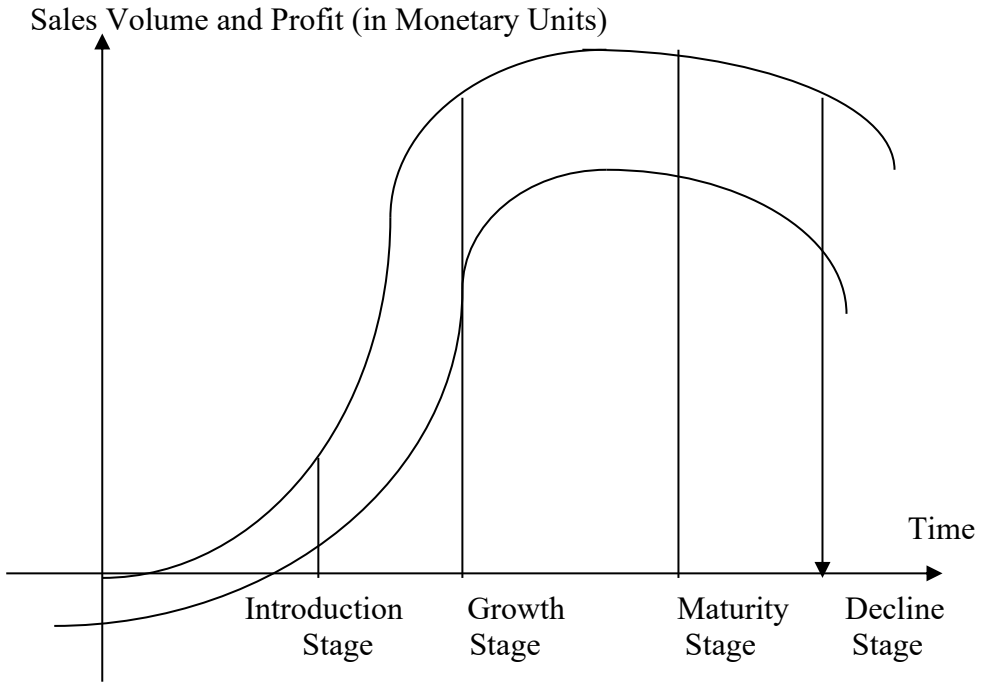


Figure 5. Product Life Cycle (PLC)

Source: compiled by the author based on literature sources [248, 249, 250, 261]

The product life cycle model can be utilized to forecast sales development, formulate strategies across different stages of the life cycle, design production schedules, and determine assortment structure. Through targeted marketing interventions, a product's life cycle in a target market can be either extended or shortened. In this context, the key objectives of marketing are to: shorten the market introduction phase; accelerate sales volume growth; extend the maturity stage as long

as possible; slow down the product decline (aging) stage. The primary marketing activities throughout the product life cycle are summarized in Table 2.

Table 2

Marketing activities throughout the product life cycle

	Product Introduction	Product Strengthening	Product Revitalization	Product Revival	
	Introduction	*Growth*	*Maturity*	*Decline*	
Marketing Objectives	Encourage product trial; Establish distribution	Encourage repeat purchases; Attract new customers	Seek new customers or new uses	Reduce marketing costs; Retain loyal customers	Restore market position
Product Objectives	Gain an advantage over competitors	Maintain product quality	Modify the product	Keep the product on the market	Reintroduce the original, modified product
Distribution Objectives	Establish a distribution network	Strengthen relationships with trade partners	Provide additional incentives to support the product	Eliminate from trade	Restore the distribution network
Promotion Objectives	Create product awareness	Provide information	Reposition the product	Eliminate advertising and sales promotion	Remind customers of the brand
Pricing Objectives	Price-skimming or market-penetration strategy	Maintain prices	Reduce prices in response to competition	Reduce prices	Set competitive prices

Source: compiled by the author based on literature sources

Managing the product life cycle involves extending or shortening it through targeted modifications to the enterprise's product, distribution, pricing, and promotional policies. The product life cycle is accompanied by product positioning — that is, establishing the product's place relative to competing alternatives available in the market, taking into account consumer perceptions of those competing products. Positioning is intrinsically linked to building a competitive stance for a specific item and designing a tailored marketing mix around it. The objective of positioning involves a coordinated set of efforts aimed at adapting products to the requirements of target market segments and setting them apart from key competitors through unique features, purchasing conditions, delivery terms, or after-sales service [252, p. 56].

13.3 Product assortment policy and specific features of product assortment development at the enterprise

An enterprise's marketing product policy includes making decisions regarding product mix and product line strategy, as decisions within marketing product policy are made at three distinct levels [250]:

- decisions on creating a new product;
- decisions on the product line;
- decisions on the product mix.

In academic economic literature by foreign and domestic scholars, the terms "product mix" (or "product nomenclature") and "product line" (or "product assortment") are often conflated. However, treating these terms as strictly equivalent is somewhat flawed, particularly when applied to the operations of diversified enterprises. Therefore, it is necessary to identify the common and distinguishing features between the concepts of "product assortment" and "product mix". First and foremost, it should be noted that the term "assortment" originates from the French word "assortiment", which means "a selection of various types and grades of goods." What unites the concepts of "product assortment" and "product mix" is that both represent lists of goods. However, the fundamental distinction lies in their purpose: a product assortment is designed to satisfy consumer needs, whereas a product mix may serve a different purpose, such as regulating a specific professional activity or another domain of application. It should also be noted that the product mix characterizes manufacturing operations at a higher organizational level, whereas the concept of product assortment is primarily used to describe the composition of the product mass.

American scholar Philip Kotler offers the following definitions: "a product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlets, or fall within given price ranges, "whereas" a product mix is the set of all product lines and items that a particular seller offers for sale to buyers" [266]. An optimal product mix possesses unique characteristics for each individual enterprise and depends on

sales markets, demand, as well as manufacturing, financial, and other resources. Changes to it are dictated by external environmental conditions and internal factors of enterprise development. As a rule, it consists of [266, 267]:

- products that are in demand and successfully sold on the market;
- items requiring modification to meet consumer requirements or for entry into a new market;
- products that must be withdrawn from production due to non-compliance with buyer requirements;
- new products whose manufacturing process needs to be mastered.

The product line holds significant socio-economic importance, as the full satisfaction of consumer demand and the quality of commercial service for market entities depend on it. An optimal product line provides a substantial increase in the efficiency of social production, along with the economical use of labor and material resources. The assortment of goods can vary to a certain degree, while the selection of a particular product variety is determined by its use-value and consumer preferences for one product over another. Determining the optimal structure of the product line is the central point of product policy; it involves including items in the enterprise's production program whose manufacturing and sales are oriented toward market needs, positively impact organizational development, generate profit, and contribute to achieving other marketing objectives.

In a broad sense, a product line (or product assortment) characterizes the composition of industrial goods and consumer goods present in the sphere of circulation. In a narrow sense, a product line characterizes the selection of goods at a specific manufacturing enterprise, as well as at wholesale or retail trade enterprises, within their departments, sections, and sales areas. It is customary to classify a product line according to various criteria and into different categories [261, 255]:

- into groups — by location;
- into subgroups — by the breadth of product scope;
- into types — by the degree of consumer need satisfaction;
- into varieties — by the nature of consumer needs (Figure 6).

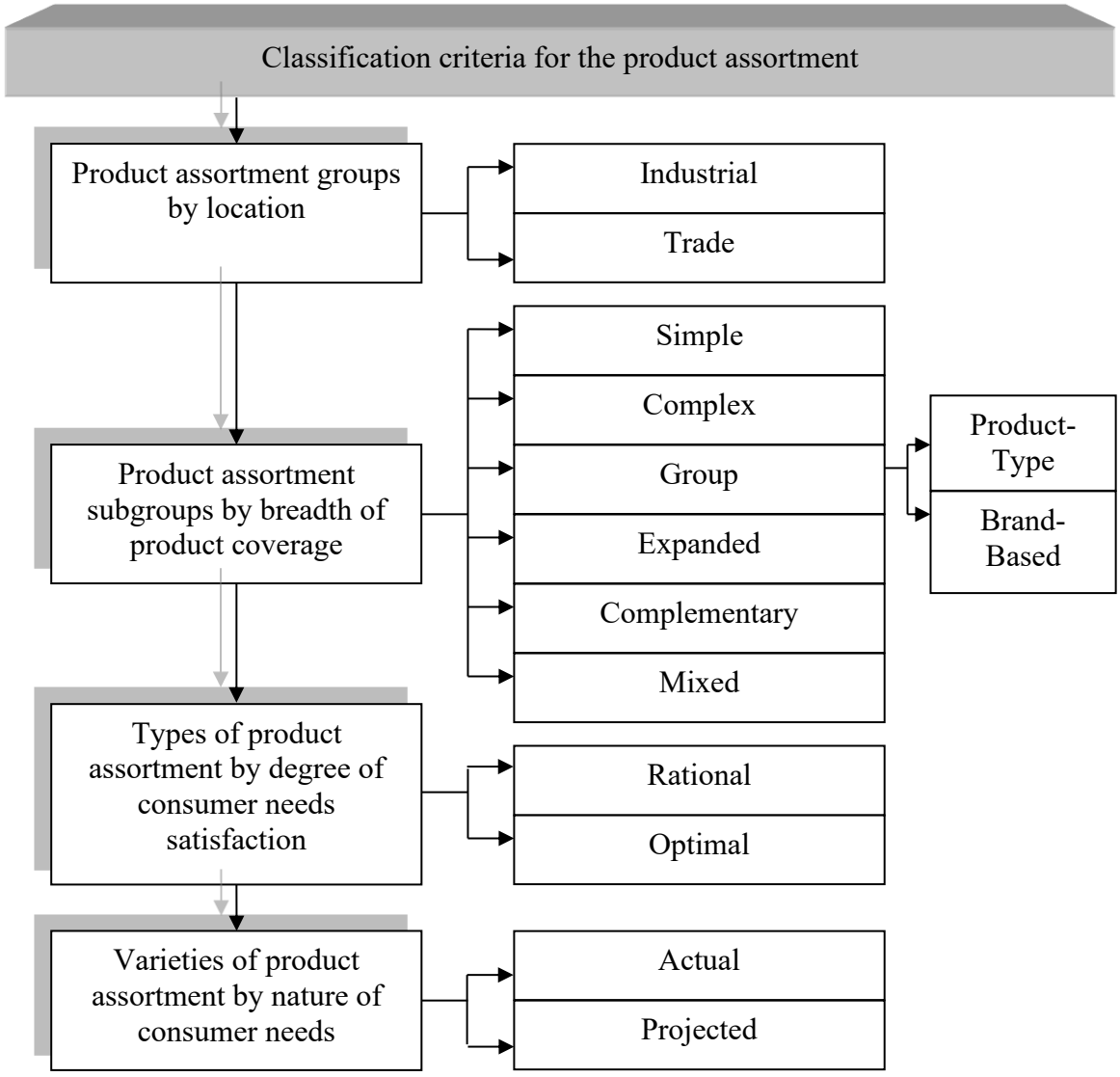


Figure 6. Classification of the product assortment

Source: [261, c. 31]

A deep qualitative evaluation of product lines can be obtained by studying the product assortment and its properties. An assortment property is a distinctive feature of a specific selection of goods that manifests during its formation (Figure 7) [261, p. 30]. An assortment indicator is a quantitative expression of assortment properties, measuring the number of product types and items.

When forming a product line, the set of assortment properties and indicators is actively managed, requiring a thorough understanding of their core essence.

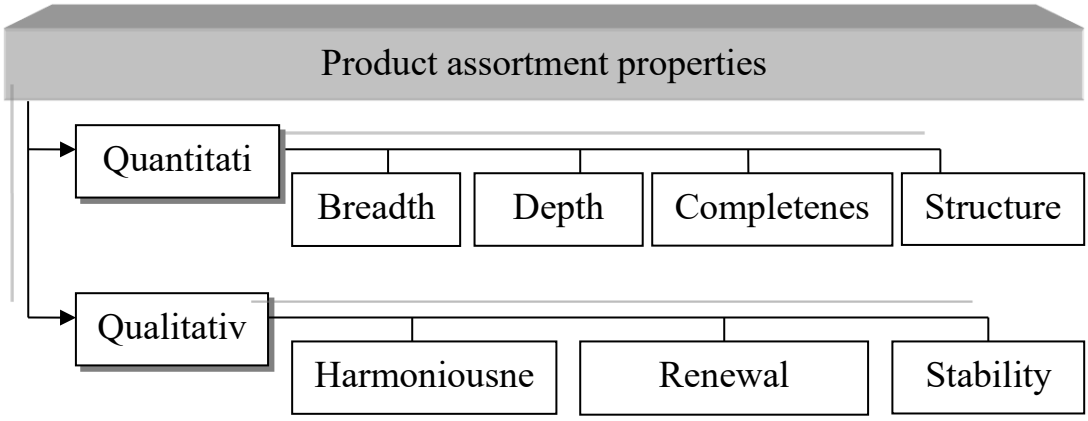


Figure 7. Product assortment properties

Source: [261, c. 31]

Assortment breadth (or width) refers to the characterization of an enterprise's product assortment based on the number of product groups and subgroups it encompasses. Breadth is characterized by two absolute indicators: actual breadth and base breadth. The relative indicator of breadth is the breadth coefficient, which reflects the ratio of the actual number of product groups and subgroups to the base number [265]. Breadth also serves as one of the criteria for an enterprise's competitiveness. A general rule applies: the greater the breadth, the higher the market saturation with goods. A broader assortment can satisfy a wider variety of needs, though it presents consumers with the challenge of making a choice. Assortment depth (or completeness) characterizes the ability of a product list within a homogeneous group to satisfy identical needs. It is determined by the number of types, varieties, and specific product items within a single homogeneous group. Similar to breadth, depth is characterized by actual and base indicators of depth. It should be noted that the depth coefficient (completeness coefficient) is the ratio of the actual depth indicator to the base depth indicator. In a saturated market, depth indicators reach their highest levels. The higher the depth indicator, the greater the likelihood of fully satisfying existing demand; however, excessive depth can also complicate consumer choice, making it necessary for this indicator to remain rational [265, 261].

Assortment consistency (or stability) refers to the continuous availability of the same product types and varieties on sale over a given period. This requires fulfilling

an essential condition: the existence of sustained demand for these items. The consistency coefficient reflects the ratio of the number of continuous product types, varieties, and items within homogeneous groups. It should be noted that assortment consistency must be rationally justified, as expanding the range of products with stable demand is advisable in certain cases, but unwise in others (such as when consumer tastes and preferences shift).

Assortment renewal (or novelty) is the process of expanding the assortment with new product groups, subgroups, types, and varieties. The renewal coefficient is calculated by analogy with the consistency indicator. Renewing an assortment is particularly advisable in a saturated market, though preliminary research is essential, as renewal can sometimes be a consequence of shortages in raw materials or production capacity for existing goods. An assortment requires renewal when current products lack demand or have become obsolete, when there is a need to improve product quality, when fundamentally new products are developed, or when an enterprise seeks to boost its competitiveness by broadening its line to increase depth. Because renewal involves significant expenses and risks, it must remain rational [248].

Assortment structure is characterized by the specific share of each product type or item within the total product set. Structure indicators are expressed in physical and monetary units, but they are relative values — representing the ratio of individual product types to the total quantity of all goods that comprise the assortment. Expressing the assortment structure in physical terms is appropriate when determining requirements for warehouse space or display area, whereas analyzing the profitability of specific product types requires characterizing the structure in monetary terms. Assortment structure is closely tied to actual or forecasted assortments, as it demonstrates the relationship between individual structural elements of the assortment through their quantitative proportions. Any enterprise manages its assortment structure in alignment with its marketing objectives.

Assortment rationality refers to the capacity of a product selection to most fully satisfy the genuinely substantiated needs of various consumer segments. The rationality coefficient is a weighted average value of the rationality indicator, taking

into account actual values for breadth, depth, stability, and renewal, multiplied by their corresponding weighting factors. These coefficients are determined through expert evaluation and reflect the relative importance of each indicator in shaping consumer preferences that drive sales.

Assortment harmony refers to the property of a product set across different groups that characterizes their degree of closeness regarding efficient physical distribution, marketing, and end-use. The highest degree of harmony is found in category-specific assortments, while the lowest is observed in mixed assortments. Harmony is a descriptive quality and serves as a qualitative characteristic of an assortment. As a rule, harmony manifests in the specialization of a retail store or its specific departments [265]. The assortment minimum (or core stock level) is the minimum allowable number of daily convenience goods that defines the profile of a retail organization. Assortment depth is a characteristic of an enterprise's product assortment based on the number of types and varieties grouped into specific categories and subcategories. Assortment depth is of particular interest to marketers, as it directly addresses the specific needs of an individual consumer.

Establishing and managing the production of a specific product assortment consists of offering buyers a set of goods in a timely manner that, while aligning overall with the enterprise's operational profile, satisfies consumer needs as fully as possible and contributes to achieving organizational goals. Assortment formation involves determining the nature of new products and their parametric series, the balance between the volumes and production of existing versus new goods, original versus standard items, and so on. Simultaneously, issues regarding pricing, competitiveness, service quality, the necessity of creating fundamentally new product varieties, or maintaining legacy items are resolved. Assortment formation is closely tied to inventory creation and storage. Naturally, inventories must be rationalized — meaning the solution to this problem aims to fully satisfy consumer demand among market entities while minimizing production and distribution costs. One of the conditions dictated by the market is the mandatory availability of a rational assortment. The core principles of assortment formation and management are:

- orientation toward marketing research;
- coordination of interconnected activities in the sphere of production;
- coordination of interconnected activities in the sphere of circulation;
- product differentiation and modification;
- systematic monitoring of product market behavior, product life cycle, and competitiveness;
- decision-making regarding retaining products within assortment groups or eliminating them;
- approval of plans and programs for developing promising new items or improving currently manufactured product lines;
- key strategic decision-making regarding the product line;
- financial support for product assortment rationalization.

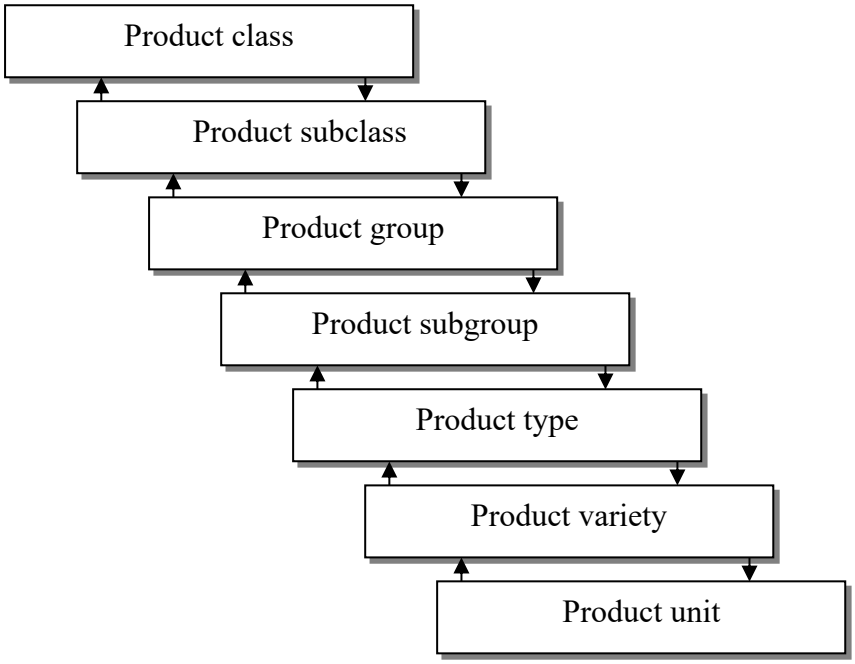


Figure 8. Hierarchical classification of products for determining the structure of the product assortment

Source: [261, 265, 264]

When forming a product line, special attention must be paid to developing a specific product assortment list to be offered for sale to the enterprise's clients. It is crucial for the enterprise to establish an optimal product line structure — determining

the ratio between product groups, subgroups, types, and varieties of goods (Figure 8). In turn, a product type attribute characterizes a product based on a specific feature within a single type, while a stock keeping unit (SKU) / product item represents a distinct individual entity characterized by size, price, appearance, and other attributes within a single variety. The hierarchical classification of goods that can be utilized to structure a product assortment includes [261]:

- product class: a set of goods grouped by a specific feature;
- product subclass: a set of homogeneous product groups grouped by a specific feature within a single class;
- product group: a set of homogeneous product subgroups grouped by a specific feature within a single subclass;
- product subgroup: a set of homogeneous product types grouped by a specific feature within a single group;
- product type: a set of product varieties bound by a shared functional purpose;
- product variety: a set of goods within a single type distinguished by type/brand.

Assortment formation is determined by the relationship between legacy and new products, custom, batch, and mass-produced items, high-tech and standard goods, as well as licensed offerings and proprietary know-how. The ultimate result is the formation of a balanced product portfolio that encompasses a set of goods at various stages of their life cycle in an optimal combination. The challenge of assortment formation lies in planning virtually all activities aimed at selecting goods for future production and commercialization, as well as aligning their characteristics with consumer requirements.

The concept of an optimal product assortment can be examined from both the consumer's and the manufacturer's perspectives (Figure 9). For the consumer, an optimal assortment is a collection of goods that satisfies needs to the maximum extent; for the manufacturer, it is a set of goods whose sales allow the enterprise to achieve peak operational efficiency [255, p. 45]. Unbalanced assortment structures lead to declining profitability, loss of competitive standing in promising markets, and a consequential drop in the enterprise's economic stability.

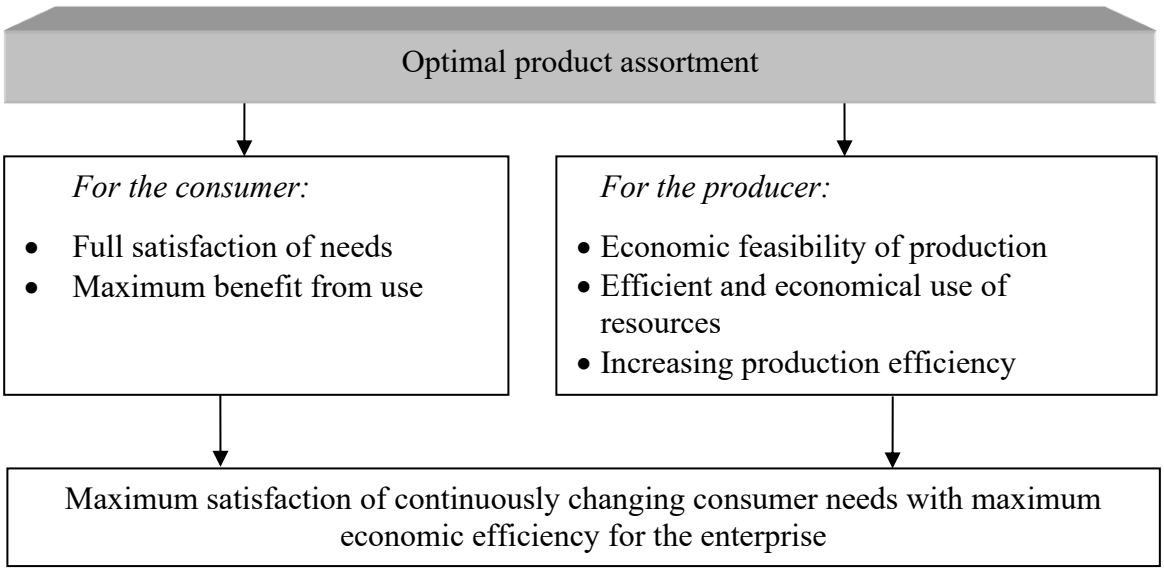


Figure 9. Optimal product assortment

Source: compiled by the author based on literature sources

Assortment formation at an enterprise is a highly complex process influenced by a significant number of factors. Ignoring these factors prevents an enterprise from building a balanced, effective product assortment. The factors that influence product assortment formation at an enterprise are shown in Figure 10.

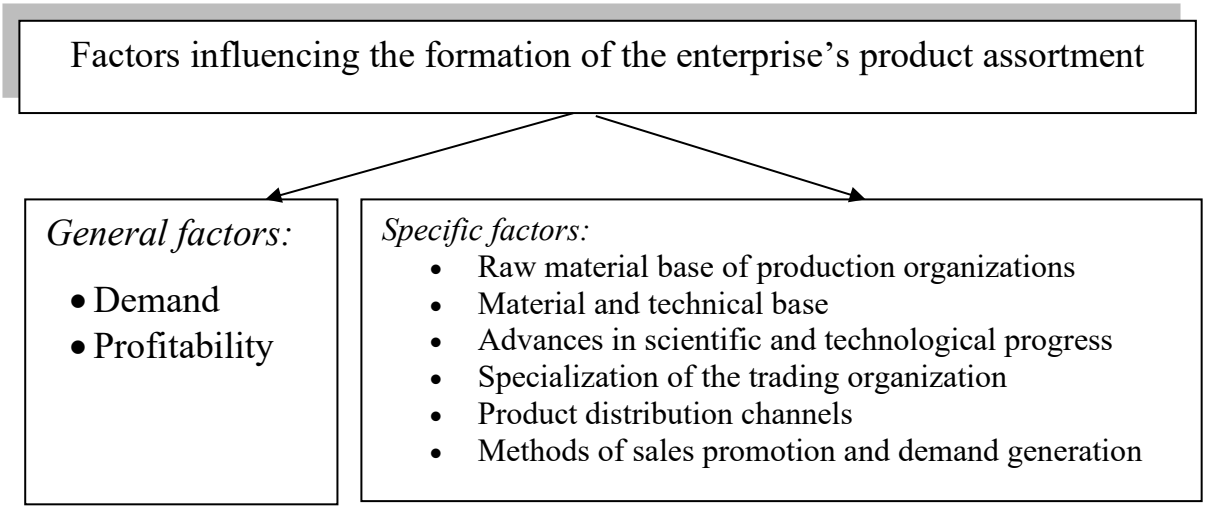


Figure 10. Factors influencing product assortment formation

Source: compiled by the author based on literature sources

Product assortment formation at an enterprise can be carried out in the following ways [248, p. 118]:

- Creating a product line (parametric series) — horizontal strategy;
- Product differentiation, targeting each new product variant toward a specific market segment — concentric strategy;
- Diversifying production and developing the product mix — conglomerative strategy.

Assortment formation serves simultaneously as one of the key methods of assortment management. The essence of managing an enterprise's assortment policy lies in ensuring that the producer offers a designated set of goods in a timely manner — goods that generally align with its operational profile while satisfying the requirements of specific buyer categories as fully as possible [248]. The stages of managing an enterprise's assortment policy are illustrated in Figure 11.

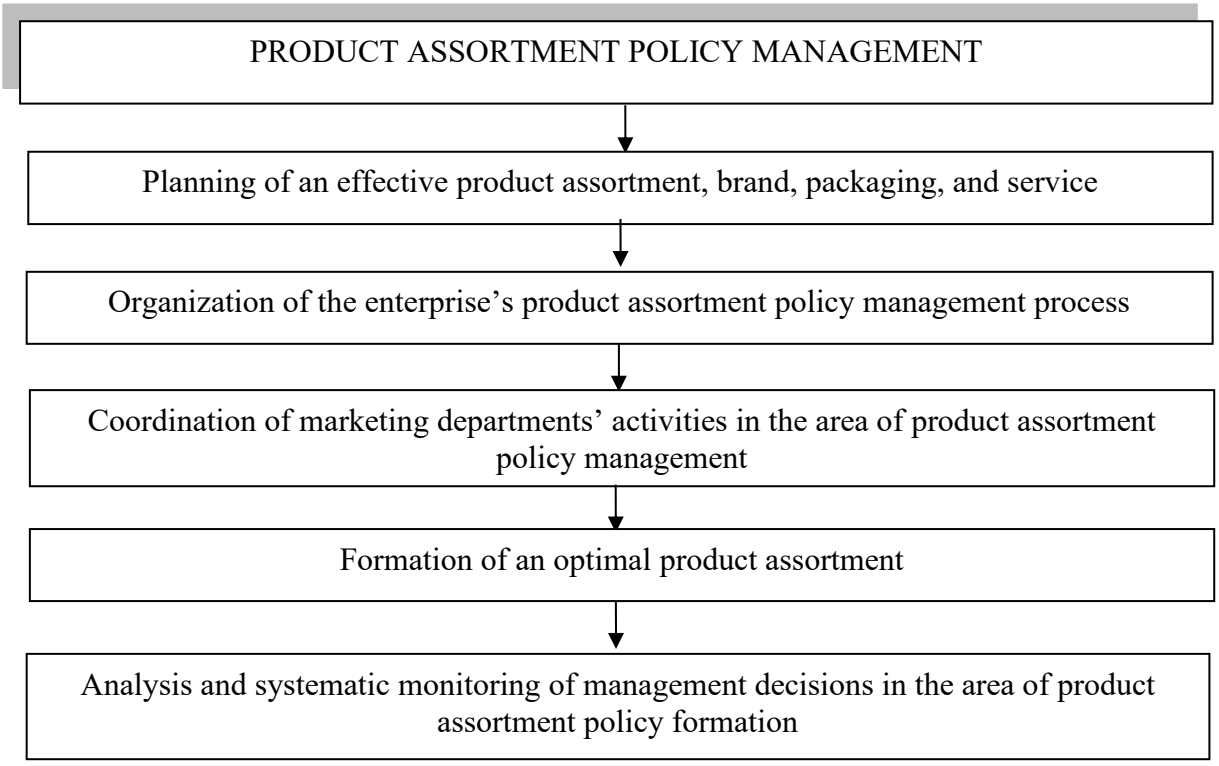


Figure 11. Stages of product assortment policy management

Source: compiled by the author based on literature sources [251, 253, 261]

Product assortment management is a continuous process that begins the moment a new product concept originates and lasts until the product is withdrawn from

production — spanning the entire product life cycle [261]. Marketing management of the assortment involves coordinating interconnected activities, including production, market research, sales organization, distribution channel development, advertising, and related functions. The primary requirements for marketing management of the assortment include:

- aligning with the development strategy of the enterprise as a socio-economic system;
- ensuring the completeness of the market offering;
- expanding and renewing the product assortment;
- maintaining the necessary assortment consistency;
- accelerating the turnover of working capital and increasing profitability;
- adapting the product assortment to changes in consumer demand and market trends;
- ensuring product competitiveness and compliance with the requirements of target market segments;
- aligning product assortment decisions with the production, financial, and resource capabilities of the enterprise.

The primary stages of management include establishing requirements for assortment rationality, defining the enterprise's assortment policy, and forming the assortment. A complex challenge in enterprise assortment management is determining the specific quantity of goods within each group to produce and the optimal timing for production. To address this, the enterprise conducts an analysis of procurement volumes, client counts, and the total number of concluded contracts both overall and broken down by individual product. Demand and sales are likewise analyzed across specific market segments. Erroneous estimates that lead to overproduction can inflict significant financial losses on the enterprise. Conversely, errors associated with underproduction and the inability to capitalize on market opportunities are less obvious, but can carry equally negative consequences. Therefore, finished product output and inventory levels must be maintained at an optimal level.

To characterize and evaluate an enterprise's product assortment, the metrics outlined in Table 3 may be utilized [261]. To evaluate the rationality of the actual assortment structure, the enterprise should calculate the alignment coefficient comparing the actual structure to the optimal structure.

Table 3

Indicators for assessing the product assortment of enterprises

Indicator	Description of the Indicator
Product assortment breadth ratio: by product groups	Ratio of the actual number of product groups to the number of product groups established by the product assortment list
Product assortment breadth ratio: by product subgroups	Ratio of the actual number of product subgroups to the number of product subgroups established by the product assortment list
Product assortment depth ratio	Ratio of the actual number of product varieties to the number of product varieties specified in the established product assortment list
Product assortment harmonization ratio	Ratio of the number of core products to the number of complementary products
Product assortment renewal ratio	Ratio of the number of new products to the total number of products offered for sale
Degree of assortment satisfaction	Ratio of the total score of respondents' assessments of assortment satisfaction to the total number of responses
Share of a product group (subgroup or product type)	Ratio of the turnover generated by a product group (subgroup or product type) during the analyzed period to the total turnover of the enterprise during the same period

Source: compiled by the author based on literature sources [261]

Thus, the rational formulation of an enterprise's product policy is facilitated by an assortment policy based on long-term product line development programs. These programs are aimed at optimizing the product mix structure and enhancing the commercial and operational links between manufacturing and trade. The product line holds significant socio-economic importance, as both the full satisfaction of consumer demand and the quality of service for market entities depend directly upon it. The primary strategic directions in the sphere of assortment formation and management include contraction, expansion, stabilization, renewal, refinement, and harmonization. Effective assortment management requires continuous monitoring of shifts in consumer demand, market conditions, and the competitive environment. This enables the enterprise to make timely adjustments to its assortment structure, maintain its

competitive edge, and ensure that market offerings remain closely aligned with the strategic objectives of the organization.

13.4 The role of marketing product policy in the implementation of an enterprise's marketing strategy

Entrepreneurial activity is effective when the product manufactured or service provided by a firm finds market demand, and satisfying specific buyer needs through the acquisition of that product or service yields a profit. For a manufactured product or provided service to be accepted by the market and remain competitive at every stage of its market presence, a multitude of marketing strategies must be developed in response to dynamic market conditions and the enterprise's ambitions. In this context, marketing product policy serves as the foundational core for developing such strategies, given that any marketing strategy ultimately involves some form of product management. Through the deployment of products, product combinations, and various marketing actions relative to them, the enterprise strives to achieve its target market positions. An enterprise's product policy is long-term in nature; therefore, developing a product strategy represents a crucial step in its implementation. A product strategy is the direction of an enterprise's actions toward reaching a target market or target market position via its product in the long run. An enterprise's marketing product strategy typically begins with formulating a product concept and subsequently transforming it based on organizational goals and market conditions [260].

A product concept is a scientifically grounded framework — informed by global marketing practice — that offers a comprehensive representation of a product, its consumer attributes, market potential, market life cycle, and the external factors governing its success or failure. Its development is influenced by both internal production factors and external factors originating from the market and target consumers. Overall, product concept formulation is shaped by factors such as the state of R&D at the enterprise, staff qualifications, the likelihood of market success or

failure, projected R&D expenses, and the rationalization of existing production equipment.

Developing a product concept begins with identifying and articulating the core idea of each individual product — or the intrinsic value of the product to the consumer. At the heart of every product concept, particularly for new items, lies a methodology for determining the standard of use value. The starting point for this methodology is a thorough investigation of consumer needs and an evaluation of the technological process capable of imparting properties directly targeted at a specific consumer. Thus, the standard of use value represents the product idea embodied in its attributes—or its physical manifestation. Developing a product requires not only a clear understanding of consumer needs, but also translating those needs into a robust and novel product concept, positioning the new product not merely within the market, but within consumers' lifestyles. This is achieved through a clear design concept and creative product presentation that resonate directly with real and potential consumers.

Consequently, building a product concept requires a precise understanding of the product's core properties and specific characteristics—built on insight gathered from consumers and, in turn, communicating information regarding product values. It encompasses three developmental levels:

- First level: Core properties required and expected by the consumer;
- Second level: The initial product concept, representing consumer expectations creatively refined by marketers;
- Third level: The augmented product concept, expanded on the basis of signals and feedback obtained from actual consumers through testing and consumer evaluations of utility attributes.

Thus, the product concept serves as a mechanism for instilling viable consumer utility into the enterprise's output, ultimately transforming manufactured items into marketable goods [259]. It allows key utility attributes to be described qualitatively and measured quantitatively through use value, based on predicted properties and the strategy for developing and launching new products into the market.

Decisions made to construct an enterprise's product strategy center on achieving an optimal resource allocation balance in light of current market dynamics. These decisions rely on market analysis and market segmentation, followed by identifying a portfolio of target segments. Highly relevant in this context are issues surrounding the product life cycle, competitiveness, brand image, and related strategic dimensions.

Once target market segments, the product life cycle stage, and other factors have been established, the focus shifts to forming a harmonious product assortment from the standpoint of product differentiation and positioning within a given segment [266]. The product assortment is a key instrument of marketing product policy, characterized by a whole range of indicators [269]. Product varieties produced by an enterprise are classified into different assortment groups based on functional features, quality, price, and other characteristics. Each group, in turn, consists of individual stock keeping units (SKUs) or items — that is, specific varieties and brands. Product brands represent the lowest level of product classification. Establishing and managing the production of a specific product assortment consists of offering buyers a set of goods in a timely manner that, while aligning overall with the enterprise's operational profile, satisfies consumer needs as fully as possible. Assortment formation involves determining the nature of new products and their parametric series, the balance between production volumes of legacy versus new products, original versus standard items, and so on. Simultaneously, issues regarding pricing, competitiveness, service quality, the necessity of creating fundamentally new product varieties, or maintaining legacy items are resolved.

The challenge of assortment formation lies in planning virtually all activities directed at selecting goods for future production and market distribution, as well as aligning the attributes of these products with consumer requirements [259]. The assortment formation system encompasses the following stages:

- identifying current and prospective buyer requirements;
- evaluating existing competing benchmark products and their likely strategic moves;
- deciding which products should be added to the assortment and which should be

eliminated;

- determining diversification policy objectives;
- examining production capabilities for new or upgraded products;
- reviewing proposals for new product items or the modification and refinement of legacy products;
- developing new or modified products tailored to consumer requirements;
- testing products against core performance metrics to evaluate consumer acceptance;
- formulating specific recommendations for manufacturing units regarding quality, design, naming, servicing, pricing, and related aspects based on test results;
- conducting an ongoing review and evaluation of the entire product assortment.

It is crucial to avoid errors in assortment planning, as even well-conceived advertising and sales strategies cannot rectify the consequences of such mistakes. The art of product line planning lies in the ability to translate existing and prospective technical and material capabilities into items that yield a profit for the manufacturer while delivering true consumer value. Accordingly, when forming a product assortment, the following core principles must be taken into account:

- Planning and the actual formation of the assortment are preceded by the development of an assortment concept. This concept helps establish a vision for the enterprise's prospective product line and its optimal structure, derived from data on future demand trends and the firm's internal potential.
- The art of assortment planning consists of prudently and rationally aligning organizational capabilities with consumer needs to build a product mix that satisfies those requirements at a high level while yielding the targeted profit.
- A typical assortment planning and implementation cycle should begin with a preliminary evaluation of the concept, followed by the development of product specifications tailored to consumer requirements, prototype creation, testing mass-production capabilities, and assessing the product's viability, market alignment, and profitability.

Implementing an effective product strategy and building an optimal product assortment requires identifying and developing alternative product policy options, along with evaluating their realistic opportunities and associated risks. The success of these measures cannot be achieved without planning and developing new products or executing a product innovation strategy [269].

A product strategy defines the market needs that can be satisfied by various offerings across different product lines. Its successful execution requires close cross-functional collaboration among various structural units of the enterprise [258]. An enterprise's marketing product strategy is developed for the long term and typically encompasses three strategic directions for refining product policy: 1) product innovation; 2) product variation; and 3) product elimination (Figure 12) [268, p. 128].

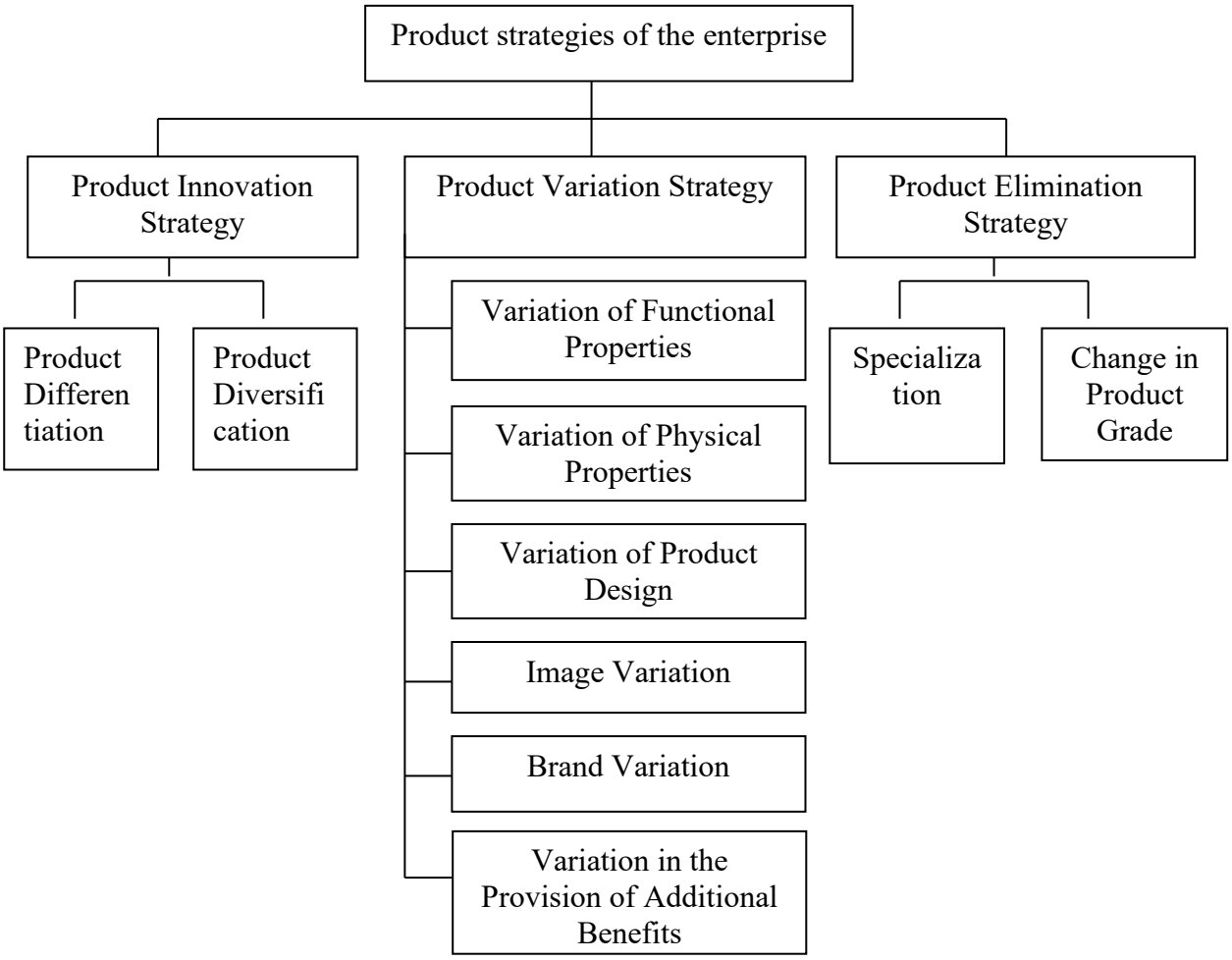


Figure 12. Product strategies of the enterprise

Source: [268, 264]

The product innovation strategy defines the program for developing and launching new goods. However, the term "new product" is subject to various interpretations and is used to denote the refinement or updating of existing goods as well as fundamentally new consumer offerings introduced to the market for the first time. It should be noted that a wide array of definitions is associated with the concept of a "new product". A new product is the ultimate outcome of a creative endeavor aimed at resolving problems for both consumers and the enterprise. Generally, the primary criteria for novelty include the following [265]:

- Formal administrative criteria: Classifying output as new simply because it is manufactured by the enterprise for the first time, regardless of qualitative differences.
- Need-satisfaction principle: Considering products that generate and satisfy a previously unknown consumer need.
- Progressive modification: Associating a new product with any progressive changes that distinguish the item from existing benchmarks.
- Aggregate criteria: Considering a combination of features, such as cosmetic design modifications or partial changes in consumer utilities resulting from improved functional characteristics, without fundamental changes to manufacturing technology.

From the manufacturer's standpoint, a new product can be defined through concepts such as an original product, a modified product, a modernized product, or an enhanced product. In existing theory and practice, innovation is synonymous with the notions of "newness" and "novelty." It can take the form of new products or services, new methods of production and sales, or innovations within organizational, financial, R&D, marketing, and other operational spheres. Innovations are categorized by their degree of novelty for the enterprise, their degree of novelty for the market and consumer (innovation intensity), and the nature of the core idea driving the innovation. Specifically, in terms of novelty for the enterprise, a distinction is made between products of global novelty and those that are simply new to the firm. The necessity of

continuously renewing the product assortment is driven by the following internal and external environmental factors:

- Internal factors: the need to maintain operational reliability, reduce costs, spread risk, optimize production capacity utilization, and ensure steady employment for personnel;
- External factors: advancements in science and technology, evolution of the factors of production and sales markets, shifts in consumer attitudes toward products, and ongoing changes in competitive dynamics [260].

By form of execution, innovation is divided into product differentiation and product diversification. Product differentiation is the process of developing a set of meaningful product modifications that distinguish an offering from competing goods. Differentiation relies on enhancing a product's appeal through product heterogeneity. It can be pursued along two main tracks: focusing on the intrinsic capabilities of one's own product (e.g., altering packaging or pricing) or accounting for the nature of competitors' market offerings (e.g., pricing, distribution channels, brand image).

Product diversification holds a distinct position in an enterprise's product policy. This strategy is deployed when an enterprise begins manufacturing new products intended for entry into new markets. Diversification serves as an effective mechanism for ensuring organizational stability and resilience. Through diversification, an enterprise can achieve strong results in revitalizing turnover and profitability via new product offerings for new markets — ultimately contributing, among other benefits, to an effective risk reduction policy.

Table 4

Alternative strategies for enhancing the competitive advantages of an enterprise

Products	**Markets**	
	Existing	**New**
Existing	*Market Penetration:* - Sales Intensification - Search for New Customers - Displacement of Competitors - Expansion of Product Use	*Market Development:* - New Markets - New Sales Regions - International Markets - Creation of New Areas of Product Use

Continuation of table 4

New	*Product Development:* - Development of New Products In-House - Development of Contracts - Licensing - Product Exchange	*Diversification:* - *Horizontal* - *Vertical* - *Concentric*

Source: [263]

When executing diversification, changes may involve the product itself, target markets, or a combination of both. To evaluate strategic alternatives when seeking ways to capture target markets, the Product-Market Matrix proposed by Igor Ansoff in 1966 is widely utilized (Table 4) [263, p. 264]. As shown in the table, four basic strategies exist for leveraging sources of growth and competitive advantage: market penetration, product development, market development, and diversification.

Selecting a specific path for diversification depends on various factors, the most critical of which include the availability of financial resources, the enterprise's established brand image among market entities and business partners, and the desired timeframe within which the enterprise intends to execute the diversification strategy. If time is of the essence and sufficient capital is available, the enterprise may choose to acquire an existing, operational business. If market positioning can best be strengthened through strategic cooperation, establishing a joint venture becomes a highly feasible option. It should be borne in mind that internal product development typically carries higher risk and requires a longer timeframe. However, developing and advancing a product in-house is frequently the only viable path to diversification—particularly when creating a fundamentally new product.

Product variation (more commonly referred to by the term "modification") is a form of activating product policy that is most frequently utilized by enterprises. It represents one of the key strategies for extending the maturity stage of a product within its life cycle. Alongside strategies for market modification and marketing mix modification, product modification aims to expand the scope of application for existing products and attract new buyers. During the modification process, the primary focus is on altering the existing attributes of a product that is currently in production or already present on the market. Thus, product variation is tied to a strategy of increasing the

concentration of functional utility derived from using an existing, purpose-specific product. From the manufacturer's perspective, variation fosters an optimal balance between costs, the utility delivered by the product, and consumer behavior.

The task of the elimination strategy is to identify products whose ongoing market attractiveness appears questionable and subject them to re-evaluation. The findings of such reviews serve as the foundation for deciding the future fate of these items: whether to retain them in the product mix or to discontinue production and withdraw them from the market. When preparing such decisions, it is advisable to analyze the sales program as a whole alongside an assessment of each individual product's market standing. An elimination strategy does not imply an absolute decision to exit the market or shut down production altogether. The following options are possible:

- identifying obsolete items;
- formulating operational measures for the enterprise to function effectively during the decline stage;
- removing specific item(s) from the product line while continuing operations with the remaining assortment;
- withdrawing a product from the market entirely.

When selecting a strategic direction, managers must consider that product manufacturing ties up various organizational resources. They must also ensure a comprehensive examination of the situation, drawing upon accounting and control metrics from operational and commercial data, as well as a strategic analysis of potential market scenarios.

When formulating a product strategy, the market prospects of the enterprise's product portfolio must be factored in. In this context, the Boston Consulting Group (BCG) matrix is widely employed. It allows for a comprehensive portfolio analysis of the enterprise's product program and facilitates adjustments based on the relative market share the firm controls and the market's growth potential [264, 266].

Thus, marketing product policy is specific to each individual enterprise and depends on the characteristics and developmental state of sales markets, demand, financial and other resources, macro-environmental conditions, and various internal

growth factors of the organization. Both external and internal drivers influencing an enterprise's product policy necessitate the development and execution of a purposeful marketing product strategy aimed at forming an assortment that meets specific consumer needs as fully as possible. External factors comprise elements of the operating environment in which the enterprise functions and conducts its commercial activities. The impact of these factors lies beyond the direct control of the firm; rather, their influence shapes the baseline conditions for the evolution of manufacturing and product distribution. Internal factors (which are controllable): exert an equally significant impact on product policy. Among both external and internal factors, a distinction is made between primary (core) and secondary drivers. Primary factors dictate the overarching directions and ultimate efficacy of product policy, whereas secondary factors serve to adjust specific elements of the marketing product mix and enhance operational efficiency. External and internal factors influencing marketing product policy can be categorized into economic, financial, legal, managerial, organizational-technical, and socio-psychological dimensions. These drivers may exert long-term influence or act as temporary conditions. Additionally, product policy is strongly affected by product positioning, competitiveness, and service levels backed by appropriate supplementary services. These factors share a tight link with the enterprise's product assortment, as the product itself forms the core of all organizational activities.

A critical factor in product positioning is market segmentation, which involves identifying a target group of consumers based on specific characteristics toward which the firm directs its efforts. This gives rise to the necessity of market research. Market studies serve as the informational foundation for forming product policy by establishing current market conditions and identifying emerging trends in consumer demand. A thorough examination and analysis of the competitive landscape facilitates intelligence gathering on competitors, clarifying their product, pricing, promotional, and distribution strategies. This, in turn, enables timely assortment updates that reflect the market position of each product line item. Another crucial factor in shaping an enterprise's product policy is product competitiveness. Its primary components include:

consumer utility metrics, product quality and life cycle stage, brand identity, pricing, packaging and labeling. The growing influence of these factors—along with the rising importance of value-added secondary services — is driven primarily by escalating competition across increasingly saturated product markets.

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