

**Food security:  
modern challenges and  
mechanisms to ensure**

**Scientific monograph**

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The authors of the scientific monograph have come to the conclusion that ensuring food security during martial law requires the use of mechanisms to support agricultural exports, diversify logistics routes, ensure environmental safety, provide financial and marketing support. Basic research focuses on assessment the state of agricultural producers, analysing the financial and accounting system, logistics activities, ensuring competitiveness, and environmental pollution. The research results have been implemented in the different decision-making models during martial law, international logistics management, digital audit, agricultural lending, integrated marketing system, risk management and diversification of Ukrainian agricultural exports. The results of the study can be used in the developing of food security policies, programmes and strategies, agricultural production development, decision-making at the level of ministries and agencies that regulate food security management processes. The results can also be used by students and young scientists in the educational process and conducting scientific research on food security during martial law and Ukraine's recovery economy after the victory.

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## Chapter 3

# MARKETING AND LOGISTICS OF AGRICULTURAL PRODUCTS

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## **COMPREHENSIVE MARKETING SYSTEM AS A BASIS FOR INCREASING THE COMPETITIVENESS OF TRADE ENTERPRISES IN MODERN CONDITIONS OF DOING BUSINESS**

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### **Abstract**

*The purpose of our research is to generalize theoretical and methodological approaches to the formation of a complex marketing system, to develop recommendations for the implementation of the main elements of this system in the practical activities of enterprises in modern conditions and to allocate marketing reserves aimed at increasing the competitiveness of trading enterprises in modern business conditions. It is proved that the formation and functioning of the enterprise marketing system should be carried out on the basis of a*

*systematic approach and synergistic combination of marketing tools, taking into account the characteristics of products, market, behavior and consumer needs, with the marketing management system, on which the successful activity of the enterprise in the market environment depends. Each enterprise, forming a complex marketing system, should focus its activities on the achievement of marketing goals and set up dynamic interrelationships between the factors of the external and internal environment by building key subsystems of the enterprise: strategic and corporate management, information-analytical, control-adaptive, potential management. Thanks to the existence of such a system, each enterprise, based on its own business conditions and socio-economic interests, can adapt it for itself.*

*The main components of the integrated marketing system are defined and proposals for the implementation of this system in the activities of trading enterprises are provided.*

**Keywords:** *integrated marketing system, marketing complex, marketing management, competition, enterprise competitiveness, marketing tools, marketing department.*

## **Introduction**

In the period of reform and modern development of the economy of Ukraine, it is extremely important to adapt domestic enterprises to the conditions of a dynamic external environment, where the conditions of doing business on the domestic and foreign markets, the competitive environment, the processes of innovative development and organizational transformations become especially cruel. The effective operation of modern enterprises is influenced by a large number of factors, both external and internal.

Modern trends in the domestic market economy are characterized by the intensification of the processes of globalization and integration into the world market, the consequences of which are increased competition in the domestic and foreign markets.

At the same time, domestic enterprises currently operate in very difficult conditions of the global economic crisis, which is caused by the pandemic and endangers the possibility of effective business operations. It is important for enterprises to survive in crisis conditions, adapt to them and minimize threats from the external environment. This is possible with a high level of competitiveness of

the enterprise, with existing competitive advantages, potential opportunities and reserves for their improvement. In the conditions of fierce competition on the market, there is a competitive struggle between product manufacturers for favorable conditions of production, sale of products, attracting consumers, quality indicators, profit indicators and other competitive advantages.

## **Materials and Methods**

The **methodology** basis of the study was a synthesis of the results of applied research in economics, scientific works of domestic and foreign scientists, which highlighted the fundamental theories of competitive advantage, competitiveness and marketing management.

## **Results and Discussion**

For most enterprises, the activation of marketing can be considered a tool that can increase competitiveness, ensure effective industrial, economic and social relations, which will allow the realization of economic interests as employees, business owners and consumers. The consumer and his constantly growing needs are especially important in modern business conditions. The knowledge, understanding and adaptation to the needs of consumers is a key element of a complex marketing system. A complex marketing system based on knowledge of consumer needs and product production technologies that satisfy them is the only opportunity for enterprises to achieve a high level of performance indicators: profit, sales volume, expansion of sales markets, coverage of a wide range of consumers.

In modern conditions, the turbulence of the external environment and the high level of competition forces us to reassess the principles and characteristics of conducting modern business and radically change the approaches to the enterprise management system.

It is known that the main condition of the economic development of the enterprise is its active activity on the market. At the same time, commercial success is ensured by such important factors as knowledge of the wishes and needs of consumers, quick and flexible response to all their requirements. This is ensured by studying the possibilities and effective use of various methods, forms and ways of selling goods and services, forming the demand of existing and

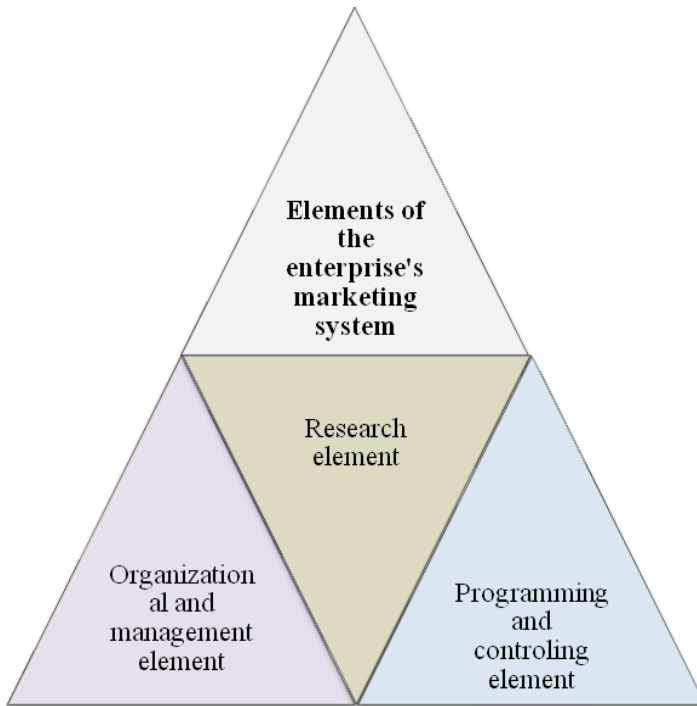
potential consumers, i.e. under the conditions of a marketing approach in the organization of sales activities of enterprises (Mordvinceva, 2006). Marketing should be the basis of the functioning of business entities of any sphere of activity, and marketing activity has a decisive influence on the formation of the system of economic relations of specific producers with consumers in the direction of effective positioning of the product on the market and ensuring its sale.

The specific features of marketing in Ukraine include: lack of consumer information and low purchasing power; lack of perfect competition on the market, which reduces the impact of marketing measures; a high level of dependence of product manufacturers on distribution structures, which leads to low prices for enterprises; lack of qualified marketing specialists; consumer distrust of advertising and sales promotion; lack of balanced regulatory and legal regulation of the market; protection against unfair competition.

The company's marketing system includes three main elements (Figure 3.1).

In addition, wholesale and retail trade enterprises face a number of problems: changes in demand volumes, price fluctuations, high impact of business risk factors, imperfect organizational structure of enterprises, adoption of strategically important decisions without deep marketing justification and analysis. The consequence of these processes is that the sales policy in most trade enterprises remains unformed and, accordingly, they have a low level of organization of sales activities, development of the product sales system, instability of work and unprofitable activity (Bahorka, 2020).

The concept of marketing originates from the era of commodity production to the era of human relations, which is evidence that in modern conditions of rapid changes, in addition to thorough market research, strategic and operational marketing planning, sales promotion, the function of any enterprise comes first interaction with the consumer within the entire marketing complex. This involves focusing the company's marketing activities on establishing long-term, constructive, privileged relations with potential customers and supplementing the classic "4R" complex with tools that take into account the individual characteristics of the consumer.



**Figure 3.1 Elements of the marketing system at the enterprise**

*Source: summarized by the authors*

In modern conditions, marketing is one of the necessary determining tools for the organization of the rational implementation of the product and sales policy of conducting business in the conditions of increased competition and openness of markets.

In our opinion, it is important that the formation and functioning of marketing activities at enterprises be based on a systemic approach, which is an organizational and functional integrity, all the components of which are harmoniously interconnected and on which the successful operation of the enterprise in the market environment depends.

The complex marketing system of the enterprise is an internally organized set of interrelated components (economic, social, organizational, technical and technological) in relation to the external environment, the integral unity of which ensures, on the one hand,

the satisfaction of consumer needs, and on the other hand, the achievement of economic sub object of the set goals (Bahorka & Yurchenko, 2020). This is real under the condition of purposeful and effective functioning of such subsystems as marketing information, marketing complex, marketing management.

A complex marketing system is gaining particular importance in the work of enterprises, where it is extremely important to focus on more complete satisfaction of consumer needs, increase sales and profits by eliminating intermediaries and ensuring closer contact with customers, including information provision and analytical support. In this context, a properly planned and organized complex marketing system will allow to optimize and clearly plan measures to achieve the mission of the enterprise placed on the market and ensure efficient, stable and profitable operation of the enterprise.

We are convinced that a complex marketing system is a combination of a marketing complex with a marketing management system (Figure 3.2).



**Figure 3.2 Components of the complex system of agrarian marketing of the enterprise**

*Source: generated by the authors*

The essence of the integrated marketing system is the combination of elements of the Marketing-mix complex and the marketing management system in order to respond quickly to changes in the market environment. We are sure that the expected results can be achieved only in the interaction of these components of the marketing system, the use of individual elements, in our opinion, will not give a full-fledged result.

Of course, the following components must be taken into account when forming a comprehensive marketing system at the enterprise:

1) analytical and strategic (market research, analysis and assessment of the enterprise's marketing capabilities, market segmentation and selection of target segments);

2) development of the marketing complex (product policy, pricing, sales methods, marketing communications);

3) organization and management of marketing (creation of a marketing service, functioning of a marketing information system, management of marketing activities).

The main task of researching the enterprise environment is to analyze the factors of the macro- and microenvironment of the enterprise, in order to identify the strengths and weaknesses of the enterprise, opportunities and threats of the market, in which the results of the analysis of all aspects of production, finance, sales and strategy of the enterprise are concentrated, conclusions are formulated regarding possible ways resistance to the negative influence of factors. The process of adaptation of the enterprise to changes in the environment and, above all, to the action of uncontrollable factors is important. The results of the study of the enterprise environment will allow the correct use of the internal and external (uncontrolled) environment in order to achieve success with consumers and ensure the stable functioning of the enterprise in modern conditions.

The effectiveness of the marketing system is possible if the following requirements are met:

– upgrading the qualifications of the company's employees, who are responsible for the organization and implementation of the company's marketing and sales activities, and in their absence at the company, the training of new specialists from among full-time employees or external employees;

- involvement of third-party specialists in marketing activities on the basis of outsourcing;
- optimization of the organizational structure through the creation of a marketing department or the establishment of the position of a marketer;
- informational and innovative material support for the functioning of the enterprise's marketing service;
- development of measures to stimulate the company's employees to switch to marketing-oriented activities.

In our opinion, increasing the competitiveness of an enterprise depends mainly on three factors: correctly formed marketing tools, elements of the organizational structure and its management system. In this context, the organizational structure of marketing activity at the enterprise can be defined as the basic component of the organization, on the basis of which marketing management will be carried out, that is, it is a set of services, departments, units, which include employees engaged in various areas of marketing activity. One of the main principles of the organization of marketing management is to bring the places of marketing decisions as close as possible to the divisions that dealing with practical marketing. In order to the management system to be able to adapt to consumer requests, innovations, market conditions, it is necessary to create a marketing service at the enterprise. Any marketing organizational structure should be built on the basis of the following components and their interaction: functional features, location, goods and consumer markets. We consider it necessary to pay attention to the fact that the extreme shortage of reliable market information leads to high uncertainty when making management decisions, and primary information is not collected and systematized.

The attractiveness of the product does not provide sufficient guarantees regarding its sale. For this, it is necessary to inform consumers about its existence, to convince them of its good quality and to incline them to purchase the product (Kovalenko, 2013). That is, consumers need complete information in order to understand the advantages of the company's product. It is from this point that we want to draw attention to the importance of creating a CRM system – customer relationship management as one of the main components of the marketing communications complex.

At the same time, we understand that when focusing only on the CRM system, the company will lose a lot of market opportunities related to entering other consumer markets. Tools that support such analysis should exist in programs that provide marketing planning, along with analytical CRM tools.

We offer active use of the marketing communications system in a comprehensive marketing system. We insist that in modern conditions, special attention should be paid to the full use of the Internet resource. We are sure that in this way the sales of products will be stimulated, a positive image of the enterprise will be formed and feedback from consumers to producers will be ensured. In addition, Internet communications will help establish direct contacts with buyers of products, bringing relations with them to a new level, which will allow receiving operational information about the market situation and changes in the structure of consumer demand.

We have proposed marketing reserves that will contribute to increasing the competitiveness of the enterprise (Table 3.1).

The measures proposed by us will contribute to the effective use of marketing reserves in the company's activities.

So, we must state that marketing reserves are a tool with which the company can increase its competitiveness. Unused marketing reserves for increasing competitiveness, for most trade enterprises, remain the comprehensive use of all marketing tools (elements), the introduction of new forms of trade, and the use of modern business methods.

### **Conclusions and recommendations for further research**

So, from the above, it can be noted that the basis of a complex marketing system is the mechanisms of its implementation, which ensure the stability of the system, its purposefulness, interconnectedness, interdependence and complexity of its elements determine the integrity of the system; all tasks performed by individual elements of the system are interconnected; elements of the system and actions related to them have a certain subordination, which builds a hierarchy; the system changes under the influence of specific factors, which determines its dynamism; the system's ability to adapt to the external environment without losing its individuality.

Table 3.1

**Suggestions for more effective use of marketing reserves**

<b>Measures</b>	<b>Characteristics</b>
Creation of a marketing organizational structure	In order to strengthen analytical work, strategic planning and stimulation of product sales.
The formation of a constantly operating marketing and information system	It will help the enterprise to avoid strategic surprises, to receive timely, complete and reliable information about the state of the external environment, to form a positive reputation, to contribute to a more successful promotion of products to the market and an increase in their sales, the created strategic planning department will include monitoring services and audit, public relations.
Review contracts and implement a system of discounts	Refuse unprofitable deliveries and sales; implement a system of discounts for regular customers.
Increasing employee interest in product sales	Motivation and incentive system for employees (bonuses, salary increase, interest on sales).
Active use of the marketing communications system	Carry out a number of measures to intensify work on promotion on the Internet, reconstruction of the site, distribution of the site in search engines and other works.

*Source: suggested by the authors*

In order to increase the competitiveness of commercial enterprises, we offer:

- to carry out a purposeful assortment policy that will help the enterprise to determine the competitiveness of goods in this market segment, will allow to avoid significant financial, entrepreneurial and organizational and commercial risks. For this, the company’s specialists need to form an assortment policy so that each type of product gets the maximum effect both in terms of money and in terms of meeting the needs of its customers;

- maintain constant contact with potential consumers. Implementing this direction, the management staff of the enterprise must develop and apply a system of constant monitoring of the external and internal environment with the formation of an information base;

– to expand the search for possible sources of purchase of goods, to create additional sources for replenishing commodity resources. For this purpose, the enterprise should rent out free space in warehouses, provide consulting and transport services to legal entities and individuals; to activate the communication policy aimed at obtaining information about potential buyers, implementation of the CRM system, B2B and B2C systems, full use of Internet communications;

– use progressive forms and methods of studying demand and product promotion: participation in exhibitions, fairs, product testing, customer surveys to familiarize customers with new products of the enterprise, analysis of the value of products for potential buyers;

– improve the organizational structure of the enterprise and strengthen the analytical work of employees, introducing the latest methods of collecting and processing information, with the aim of reducing costs and increasing turnover.

The importance of the implementation of a complex marketing system lies in the combination of elements of the Marketing-mix complex and the marketing management system, with the aim of prompt response to changes in the market environment. We are sure that the expected results can be achieved only in the interaction of these components of the marketing system, the use of individual elements, in our opinion, will not give a full-fledged result.

The main areas of search for reserves to increase competitiveness are: resource, organizational, technological and marketing potential – the degree of consumer satisfaction with products, strengthening of personnel potential, focus on innovation, the competitive potential of the enterprise and the effectiveness of the strategy for a certain market segment.

Each enterprise, forming a complex marketing system, should focus its activities on the achievement of marketing goals and set up dynamic interrelationships between the factors of the external and internal environment by building key subsystems of the enterprise: strategic and corporate management, information-analytical, control-adaptive, potential management. Thanks to the existence of such a system, each enterprise, based on its own business conditions and socio-economic interests, can adapt it for itself.

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