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## MARKETING TOOLS OF ENTERPRISES OF THE AGRICULTURAL SECTOR OF UKRAINE

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*The article is devoted to the justification and rationalization of the instrumental content of the marketing activity of domestic enterprises in the agrarian sector. Provisions characterizing the role and importance of agricultural marketing are defined, among which are highlighted: optimization of resource use and management of results; increase in farm income; expansion of markets; growth of the agricultural industry; introduction and distribution of new technologies; job creation; allowance to national income; value creation. It was determined that many factors should be considered in agribusiness when determining the marketing strategy, and the marketing complex as a strategy will positively affect the work of the enterprise. Twelve controllable marketing elements are outlined, which include the following components: product planning, pricing, branding, distribution channels, personal selling, advertising, promotions and promotions, packaging, display, service, delivery, research, and analysis. The difference between consumer and agricultural goods is substantiated, and the specifics of agricultural goods are determined, including the dependence of production on natural and biological factors, seasonality of production, predominance of wholesale sales; the need for processing, short consumption period, lack of ideal substitutes; lack of effective quality control mechanisms; the limited influence of the brand, advertising, after-sales service, fashion and style, emotional factors; low elasticity of demand. Certain aspects of state policy are revealed as an addition to the traditional Ps of the marketing mix for the sale of agricultural products; in particular, it is stated that the agricultural policy should be structured in such a way as to provide support to small farmers through projects of improvement, diversification, and sale of agricultural products.*

*Keywords: tools, marketing, agricultural enterprises, marketing complex, marketing mix.*

## МАРКЕТИНГОВИЙ ІНСТРУМЕНТАРІЙ ПІДПРИЄМСТВ АГРАРНОГО СЕКТОРУ УКРАЇНИ

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*Стаття присвячена обґрунтуванню та раціоналізації інструментального наповнення маркетингової діяльності вітчизняних підприємств аграрного сектору. Визначено положення, які характеризують роль та важливість аграрного маркетингу, серед яких виділено: оптимізація використання ресурсів та управління результатами; збільшення доходу фермерського господарства; розширення ринків; зростання аграрної промисловості; впровадження та поширення нових технологій; створення робочих місць; надбавка до національного доходу; створення цінності. Визначено, що в агробізнесі при визначенні маркетингової стратегії слід враховувати базату факторів, а маркетинговий комплекс як стратегія позитивно вплине на роботу підприємства. Окреслено дванадцять контрольованих маркетингових елементів, які включають такі компоненти: планування продукту, ціноутворення, брендинг, канали розповсюдження, особисті продажі, реклама, рекламні акції та просування, упаковка, демонстрація, обслуговування, доставка, дослідження та аналіз. Обґрунтовано відмінність між споживчими та сільськогосподарськими товарами та визначено специфіку сільськогосподарського товару, серед яких зокрема: залежність виробництва від природно-біологічних факторів; сезонність виробництва; переважання оптових продажів; необхідність в переробці; короткий період споживання; відсутність ідеальних замінників; відсутність дієвих механізмів контролю якості; обмежений вплив бренду, рекламу, післяпродажного обслуговування, моди та стилю, емоційних факторів; низька еластичність попиту. Розкрито окремі аспекти державної політики, як додатку до традиційних Ps маркетинг міксу для збуту сільськогосподарської продукції, зокрема зазначено, що аграрна політика має бути структурована таким чином, щоб надавати підтримку дрібним фермерам через проекти покращення, диверсифікації та збуту сільськогосподарської продукції.*

*Ключові слова: інструменти, маркетинг, аграрні підприємства, маркетинговий комплекс, маркетинг-мікс.*

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## Introduction

Agriculture is distinguished by its ability to satisfy humanity's basic needs in food products. About a century ago, farmers grew food mainly for their consumption or to exchange with other farmers (in cash or in-kind). However, agricultural production has changed significantly, moving from self-sufficiency to commercialization. The development of technologies, such as high-yielding varieties, using fertilizers, insecticides, pesticides, and mechanization of farms, led to a significant increase in agricultural production and, accordingly, to the growth of the commodity surplus. This process is accompanied by increasing urbanization, rising incomes, changes in the way of life and food preferences of consumers, and strengthening ties with world markets.

Today, consumers are not limited to the place where food is produced. The growing demand for processed or semi-processed food products leads to the need to add value to raw agricultural products. These changes require transforming the way food products move from producer to consumer, turning them into value-added products. Marketing in the agricultural market is becoming a key factor in the economy, uniting producers, and consumers through various activities.

## Analysis of recent research and publications

The study of agrarian marketing and its tools for agrarian enterprises has received significant attention from foreign and domestic scientists, such as V. Andriychuk, R. Branson, K. Blyumska-Danko, O. Bolotna, A. Braginet, Yu. Danko, O. Dovhal, V. Despite a significant number of scientific and theoretical studies, scientific and applied developments, and recommendations in this field of scientific research, the issue of further improvement of the marketing toolkit of agricultural enterprises remains insufficiently developed.

**The purpose of this article** is to develop the instrumental content of marketing activities of domestic enterprises in the agrarian sector, with the potential to significantly enhance the effectiveness and efficiency of these enterprises.

## Presenting main material

Marketing in the agricultural sector plays a crucial role in stimulating the production and consumption of food products and accelerating the rate of economic growth. It is the most critical multiplier of agricultural development.

One of the main advantages of an effective agricultural marketing system is the optimization of resource use and management of results. This is achieved through an efficient distribution system that reduces losses associated with inefficient product processing, storage, and transportation. A well-developed marketing system contributes to the efficient allocation of resources and supports faster growth rates in the agricultural sector.

Another significant advantage is the increase in farm income. An effective marketing system provides farmers with a higher income level by reducing the number of intermediaries and the cost of marketing services. This encourages farmers to invest in modern inputs to improve productivity and production, increasing market surplus and farm income.

In general, the marketing of the agricultural sector plays a key role in ensuring agriculture's effective functioning and development, contributing to the optimization of resource use, and increasing producers' incomes.

Expansion of markets plays an important role in agricultural marketing. An effective and well-organized marketing system allows products to carry out a wide range of sales, delivering them to remote regions both within the country and abroad. This contributes to a constant increase in demand and provides a higher income for producers.

The growth of agro-industry is another crucial aspect. An improved and effective agricultural marketing system promotes the development of various branches of agriculture and stimulates the overall economic process. Many industrial sectors, such as textile, sugar, food, and others, depend on agricultural raw materials.

The introduction and diffusion of new technologies are also key factors. The marketing system helps farmers learn and implement new scientific and technical knowledge. This encourages investment in modern technologies, as farmers will invest only in those technologies that guarantee high market returns at favorable prices.

Job creation is also an essential advantage of the marketing system. This activity employs millions of people in various areas, such as packaging, transportation, storage and processing, and the supply of goods and services necessary for the marketing system.

In addition, national income is another significant advantage of marketing activities. This adds value to the products produced, increasing the gross and net national products.

It is creating value. Marketing is as productive and necessary as agricultural production. It is a part of production itself, as production is only completed when the product reaches the destination in the form and time required by consumers. Marketing adds value to the product, but at the same time, it adds utility to the product.

The four main types of product utility defined by marketing are:

**Processing Function:** Adds form value to a product by turning raw materials into a finished product. This process increases the product's utility, as the processed product is usually more valuable than the raw material. For example, oilseeds are processed into oil, sugar cane into sugar, cotton into cloth, and wheat into flour and bread.

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The **'transport function'** is a crucial Aspect of marketing, as it enhances the accessibility of a product by moving it from the point of extraction to the point of use. This convenience factor often translates into higher prices for products where they are needed, compared to their production points. This underscores the significant role of logistics in the marketing process.

**Storage function:** This function ensures the product's temporary usefulness by allowing it to be stored until the moment of use.

**Buy and sell feature:** Helps transfer ownership from one owner to another, making the product more useful to whoever has a demand for it.

With these aspects in mind, agribusiness needs a carefully planned marketing strategy to satisfy the end consumer and ensure high profits for farmers and intermediaries. McCarthy proposed the "marketing mix" or "4 Ps" to implement marketing planning in practice. This concept has become very influential in developing both the theory and practice of marketing.

The marketing mix concept arose from the notion of the marketer as a "mixer of ingredients" proposed by James Culliton and validated by Neil Borden in the 1950s. Borden proposed a mixture of twelve controlled marketing elements, which included the following components:

1. Product Planning:

Product Line: This includes policies regarding quality, design, and other aspects of the products to be offered.

- Markets for sale: Definition of target markets, including where, when, and under what conditions the products will be sold.

- New product policy: Develop a research and development program to introduce new products.

2. Pricing:

- Price level: Setting the general price level for products.

- Specific prices: Determination of specific prices for products.

- Pricing Policy: Develop pricing strategy, including variable pricing, service pricing, etc.

- Margin: Setting the margin for the company and resellers.

3. Branding:

- Selecting trademarks: Determination of trademarks for products.

- Brand Policy: Development of a branding strategy, including choosing between individual and family brands.

- Private Label Sales: The decision to sell products under a private label or without a brand.

4. Distribution channels:

- Use of channels: Determination of product distribution channels from the producer to the consumer.

- Degree of selectivity: Development of a strategy for selecting wholesale and retail trade intermediaries.

- Trade cooperation: Efforts to establish cooperation with trade intermediaries.

5. Personal sales:

- Costs: Determining the costs of personal selling and choosing methods for organizing sales in the manufacturer, wholesale, and retail trade segment.

6. Advertising:

- Costs: Determination of total advertising costs.

- Costs for perception: Establishing dedicated product and corporate image resources.

- Advertising mix: Develop an advertising strategy for trade and consumers.

7. Promotions and promotions:

- Special sales plans: Development of plans for special promotions.

- Expenditures for promotions: Determination of the budget for consumer promotions.

8. Packaging:

- Packaging Formulation: Defining the packaging design and label.

9. Demo:

- Show the product: Development of methods of effectively demonstrating the product to promote sales.

10. Service:

- Provision of services: Determination of necessary services for clients.

11. Delivery:

- Storage location: Choice of location for storing goods.

- Transportation: Organization of product transportation.

- Inventory: Inventory management to ensure supply.

12. Research and analysis:

- Provision of research: Development of research plans and market analysis for effective marketing.

Once you have this information, you can regroup and reduce the list using the 4P concept:

1. Product: Includes product planning, branding, packaging and display.

2. Price: Covers all aspects of pricing, including determining price levels, pricing strategies, and margins.

3. Place: Determines distribution channels, warehouse location, shipping, and inventory management.
4. Promotion (Promotion): Includes all aspects of advertising, promotions, personal selling, and other ways of promoting the product.

This approach allows companies to effectively influence the market, providing optimal conditions for meeting the needs of consumers and increasing their competitiveness.

Table 1

**Difference between consumer goods and agricultural goods**

<b>Consumer goods</b>	<b>Agricultural goods</b>
1. Production, as a rule, is not affected by natural factors, that is, weather and climatic conditions.	1. Production is strongly influenced by natural factors.
2. Consumer goods are perishable.	2. Agricultural goods are perishable.
3. Production generally takes place throughout the year.	3. Production is seasonal.
4. Consumer goods are not inherently bulky.	4. These goods are bulky.
5. Each product has a unit cost.	5. The unit cost of most agricultural commodities, with the exception of a few, is negligible.
6. Consumer goods can be used directly.	6. Usually, agricultural products cannot be consumed directly. They need to be cooked.
7. Some consumer goods are durable. for example, furniture, TV, refrigerator, etc.	7. They are quickly exhausted.
8. Product quality control is possible.	8. It is impossible to control the quality of the product.
9. Substitutes are always available in the consumer goods market.	9. There are no ideal substitutes for agricultural products
10. Price fluctuations are an important feature of the consumer goods market.	10. An important feature here is the uniformity of prices.
11. Brand image plays a crucial role in determining demand.	11. The brand has nothing to do with agricultural marketing.
12. Advertising plays an important role in the sale of consumer goods.	12. Advertising does not play an important role in agricultural marketing.
13. Standardization is important.	13. Evaluation is important here.
14. After sales service is important in case of consumer durables.	14. After-sales service has nothing to do with the sale of agricultural goods.
15. Consumer goods are influenced by fashion and style.	15. Such changes are not relevant for agricultural goods.
16. Demand is influenced by such emotional factors as status, prestige, ego, etc.	16. Such factors are not relevant here at all. A purchase is always influenced by need.
17. Buyers always expect incentives like free gifts, discounts, etc.	17. Such incentives, as a rule, are absent in the sale of agricultural goods.
18. There is elasticity of demand, i.e. when the price rises, demand falls and vice versa.	18. Demand for agricultural products is always inelastic. This is because such goods are a necessity of life.
19. There are usually intermediaries such as wholesalers, retailers or dealers of consumer goods.	19. In the market of agricultural goods, in addition to wholesalers and retailers, you can find several intermediaries such as commission agents, brokers and others.
20. Nowadays, a consumer goods retailer provides its customers with several shopping facilities such as air-conditioned showroom, self-service, credit card acceptance, etc.	20. All these objects are absent in a typical market of agricultural goods.

Policy regulation in agriculture is a key tool that can significantly influence the development and supply of products. A well-designed industrial policy can contribute to the industry's growth and ensure the country's sustainable development in the field of agricultural production.

Intensive farming using inappropriate practices has led to severe problems in many agricultural regions, such as environmental degradation, soil erosion, depletion of soil fertility, reduced water availability, and pollution. Agricultural policy should support small farmers by implementing projects to improve, diversify, and sell agricultural products.

By analyzing the specifics of agricultural marketing, based on the theory of the marketing mix with four components (product, price, place, and promotion), it is possible to determine the specifics of an agricultural product. These features include dependence on natural and biological factors, seasonality of production, the predominance of wholesale sales, need for processing, short consumption period, lack of perfect substitutes, the limited influence of brand, advertising, after-sales service, fashion and style, emotional factors, and low elasticity of demand, etc.

The promotion of agricultural products is based on personal selling and direct marketing, which strengthens the role of intermediaries and gives them significant status in negotiations.

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