

# THE ECONOMIC SECURITY MECHANISM OF AGRICULTURAL ENTERPRISES: MARKETING APPROACH

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**Abstract.** Modern reform processes in different sectors of the country's economy occur under the conditions of economic crisis, and agricultural enterprises are no exception. resilience and independence, i.e. to the concept of marketing. However, a certain percentage of agricultural enterprises in the sector still do not use marketing principles. The insufficient level of use by agricultural enterprises of the basic principles of marketing in their entrepreneurial activity is due to certain objective reasons. This is, in particular, the skeptical attitude of the part to the very essence of marketing and its importance for entrepreneurial activity; lack of financial ability to engage in marketing activities of a large number of small and medium-sized enterprises arising from transformation processes; lack of over-production of agricultural products, which would encourage the use of non-standard solutions in the process of selling products. The purpose of the research is to develop and model the mechanism of economic safety of agricultural enterprises on the basis of a marketing approach, to provide practical recommendations. Against this background and taking into account the peculiarities of transformation of the Ukrainian economy, it is necessary to study the possibilities of adapted use of marketing strategies in agricultural enterprises. The article investigates the characteristic features of agricultural enterprises; the mission of agricultural enterprises and the basic principles of management were summarized; the peculiarities of the differentiation strategy on the basis of marketing are substantiated; modeling of economic security at agricultural enterprises is proposed; the methodology of development of differentiation strategy within the marketing complex, which can be carried out according to the appropriate scheme, is analyzed; a generalized and analyzed mechanism for managing the economic security of agricultural enterprises on the basis of a marketing approach; the advantages and disadvantages of modeling the mechanism of economic safety of agricultural enterprises on the basis of a marketing approach are substantiated; proposals for the introduction of fixed means of communication policy in the activities of agricultural enterprises were submitted.

**Keywords:** marketing approach; economic security mechanism, agricultural enterprises; marketing strategy; efficiency; differentiation.

**JEL Classification:** F15; F52; P25; G34; M10; M11

**Formulas:** 0; **fig.:** 3; **tabl.:** 1; **bibl.:** 23

**Introduction.** Today, in the context of market relations, each enterprise should focus not only on ensuring the effectiveness of economic processes, but also focus on the development and implementation of management systems and mechanisms that are able to respond promptly to changing conditions and unfavorable challenges of the external environment. management of the economy to changing external and internal economic conditions can occur through such ways as increasing the aggressiveness of marketing activities, accelerating the pace of introduction of new types of products into production; increasing the reliability of market forecasts; transition from one-time transaction marketing to long-term marketing; search for information on new consumer needs and appropriate modification of marketing strategies. At the same time, when formulating a commodity policy, an agricultural enterprise should take into account in addition to the choice of strategy and the place

of its implementation, which is possible taking into account such key points as: determining the target segment; planning and ensuring conditions for storage and sale of agricultural products, taking into account market requirements and seasonality factor. In addition, the tendencies of saturation of domestic markets, the aggravation of competitive processes, the inevitability of Ukrainian enterprises entering the globalized system determine the inevitability of the maximum possible use of the elements of strategic marketing, its main consistency - the development and implementation of strategies for the development of enterprises in all sectors of the national economy

That is why in the conditions of unstable Ukrainian economy, the issue of developing an effective and reliable organizational and economic mechanism for ensuring the economic security of agricultural enterprises on the basis of a marketing approach becomes especially relevant for domestic agricultural enterprises.

**Literature review.** The research of issues related to the development and implementation of the mechanism of economic safety of agricultural enterprises on the basis of a marketing approach is devoted to the work of such scientists, how: Beskorovayna O., Bagorka M., Verhun A., Burova O., Voronetska I., Granovska Y., Kirilov Y., Kozhukhivska R., Makarenko N., Pasichnyk I., Sklyarenko A., Tubolets K., Chukurna O., etc.

However, questions remain relevant regarding the practical use of modern principles of marketing management in the practice of agricultural enterprises, the problem of choosing the optimal mechanism of economic security of agricultural enterprises on the basis of a marketing approach.

**Aims.** The purpose of the research is to develop and model the mechanism of economic safety of agricultural enterprises on the basis of a marketing approach, to provide practical recommendations.

**Methods.** In the course of the study, such methods of research as: methods of induction and deduction; observation and generalization; ordering; graphic methods; methods of system-structural analysis; method of scientific generalization were used.

**Results.** In the modern economic space, a management approach is quite common, in which the company is focused on continuous improvement of production and management processes, improvement of basic parameters and characteristics, increasing efficiency and increasing final financial and economic results, while preventing the emergence of probable threats and dangers that may not affect the activities of the enterprise. The success of the business depends on how effectively it is possible to prevent the negative impact of adverse factors. Operating enterprises are the central link of the economic system of any state, which has a direct impact on its stability and socio-economic achievements. In this regard, an important task of the effective functioning of enterprises is to ensure their economic security, which is especially updated in the conditions of unstable and uncertain business environment.

It should be noted that the peculiarities of marketing activities in the agricultural sector of the economy can be reduced primarily to the technological features of agricultural production, as well as to the peculiarities of food consumption and technological features of the sale of agricultural products [1].

In addition, the marketing activity of agricultural enterprises differs from industrial, commercial, banking and other types of marketing. This is determined by the peculiarities of agriculture: the dependence of the results on natural conditions, the role and value of the goods, the variety of forms of ownership, the inconsistency of the working period and production period, the seasonality of production and production of products, the variety of organizational forms of management and their dialectics, foreign economic relations, the participation of state bodies in the development and its industries. Natural and economic processes integrate and form special conditions for the production and organization of the marketing system (Table 1).

**Table 1. Features of agricultural enterprises**

Feature	Form of manifestation
Production of essential products	Food products need timely production in the required quantity and range, taking into account the needs and interests of consumers; the product has the ability to deteriorate quickly, so it requires prompt supply, appropriate packaging and transportation; forms the price non-elasticity of demand and the disparity of prices for industrial and agricultural products, which requires a state policy to support the agricultural producer.
The main means of production in agriculture is land	The effectiveness and efficiency of production depend on the quality and placement of land plots. A variety of forms of ownership in the system of land, means of production, sold goods.
The effectiveness and efficiency of production depends on the quality and placement of land plots	Agricultural production depends on climatic conditions.
The working period of production does not coincide with the production period	Crop production is obtained once or twice a year, and the working period lasts a year, so the task of marketers is to predict consumer demand, identify trends in its satisfaction and market conditions.
Variety of forms of ownership in the system of land, means of production, sold goods	This determines the multispecies of competition. Hence the variety of strategies and tactics, the desire to improve the forms and methods of marketing, adapt them to the needs and interests of consumers. The situation is complicated by the fact that a large mass of foreign foodstuffs enters Ukraine, so domestic marketing support is forced to compete with foreign companies.

*Source: generated by the author based on [2-5]*

Modern conditions for the functioning of agricultural enterprises are characterized by a high degree of uncertainty, dynamism, the presence of a large number of external and internal threats associated with a low level of consumer demand, unstable state tax policy, a decrease in resource potential, a decrease in the level of investment and innovation activity, the underdevelopment of the long-term

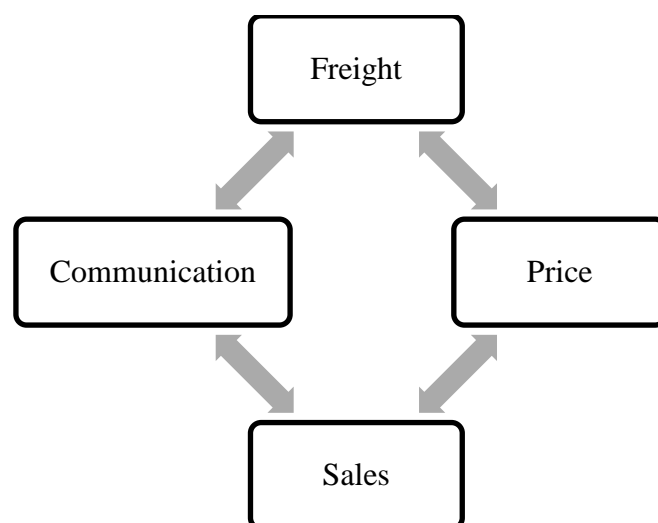
bank lending market, etc. The effect of such threats leads to significant losses and losses and, as a result, the crisis state of the enterprise.

The strategy of the enterprise, as it is known, is a means of achieving the mission of the organization, closely related to the goals in general, so the consideration of these elements is impossible without general acquaintance with the mission of the organization and the basic principles of management:

- have sufficient amount of data for the manifestation of statistical regularities;
- ensure methodological comparability of data;
- on the basis of a meaningful analysis of the studied indicator to substantiate the possibility of transferring patterns of the past to the selected forecasting period;
- get an adequate mathematical model and build point and interval forecasts on the basis [6].

Because of this, in the enterprise management systems, the problem of increasing the speed of response to negative environmental impacts and ensuring the economic safety of the enterprise comes to the fore. The direction of solving this problem is the development of a complex of models of management of economic security of the enterprise, which makes it possible to diagnose in time the threats of sustainable functioning and development of the enterprise, to develop a complex of ahead of reactions of their localization.

At the same time, an important place in the activities of an agricultural enterprise should be given to the choice and justification of such marketing strategies that will allow it to occupy a profitable niche in the agricultural goods market and contribute to further development. The choice and justification of strategic management of an agricultural enterprise will be carried out on the basis of a marketing complex. The classic marketing complex include goods, price, place and promotion. Despite the fact that the agricultural product is standard, the priority direction of agricultural enterprises may be the choice of differentiation strategy. Such a strategy consists in the creation of a number of advantages by the enterprise, which were significant among competitors (Fig. 1).



**Figure 1. Characteristic features of the strategy of differentiation on the basis of marketing**

*Source: compiled by author based on [7-11 ]*

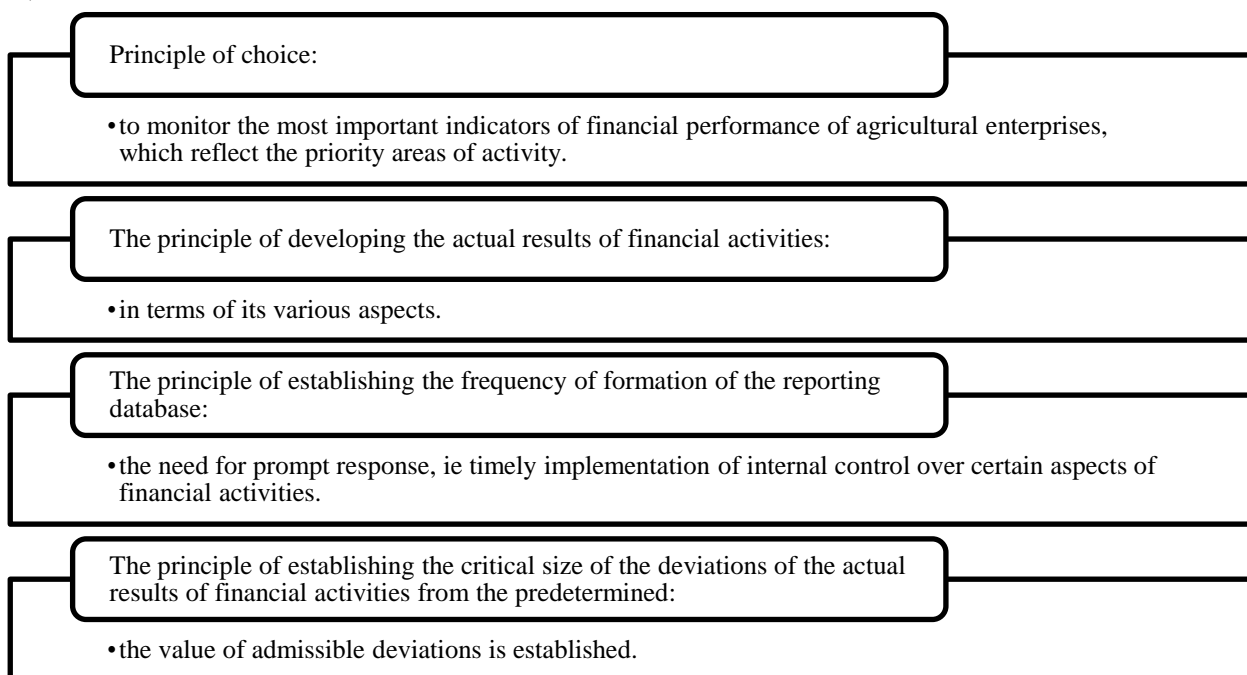
The strategic plan is justified by extensive research and actual data. In order to compete effectively in the current business world, the company must constantly collect a huge amount of information about the industry, market, competition and other factors. The strategic plan gives the firm certainty, individuality and confidence in the future.

The overall strategic plan should be seen as a program that guides activities over a long period of time, giving itself a report that the conflicting and ever-changing business and social situation makes permanent adjustments inevitable.

The benefits of strategic planning can be expressed as follows:

- planning encourages managers to think promisingly;
- leads to clearer coordination of efforts carried out by the enterprise;
- leads to the establishment of indicators for further control;
- makes it more clear to define their tasks and political settings;
- makes the firm more prepared for sudden changes;
- more clearly demonstrates the relationship between management and the responsibilities of all officials [12].

On the basis of the above, it is possible to propose modeling of economic security of agricultural enterprises on the basis of the following basic principles (Fig. 2).



**Figure 2. Modeling of economic security principles at agricultural enterprises**

*Source: generated by the author based on [13-17]*

Modeling the process of forming the conditions for the functioning of agricultural enterprises makes it possible to allocate regimes of stable, shaky and crisis state, for which differentiated strategies for the localization of threats can be used. Identification of the functioning mode is carried out on the basis of the scale of values of the integral indicator of economic security. The applied value of modeling and forecasting the level of economic security of agricultural enterprises is to explain development trends. Taking into account the above, it is necessary to consider in

more detail the methodology for developing a differentiation strategy within the marketing complex, which can be carried out according to the following scheme:

1. Analysis of the external and internal environment of an agricultural enterprise on the basis of various analysis methods (SWOT analysis, BCG, benchmarking, etc.), including mandatory in-depth analysis of the financial condition of the enterprise over the past three to five years.

2. Defining the goals of an agricultural enterprise.

3. Definition and evaluation of strategic alternatives to differentiation.

4. Choice of differentiation strategies within the marketing complex (substantiation and comparison of development prospects depending on the availability of enterprise resources).

5. Implementation of differentiation strategies and control over their implementation in the activities of agricultural enterprises [18].

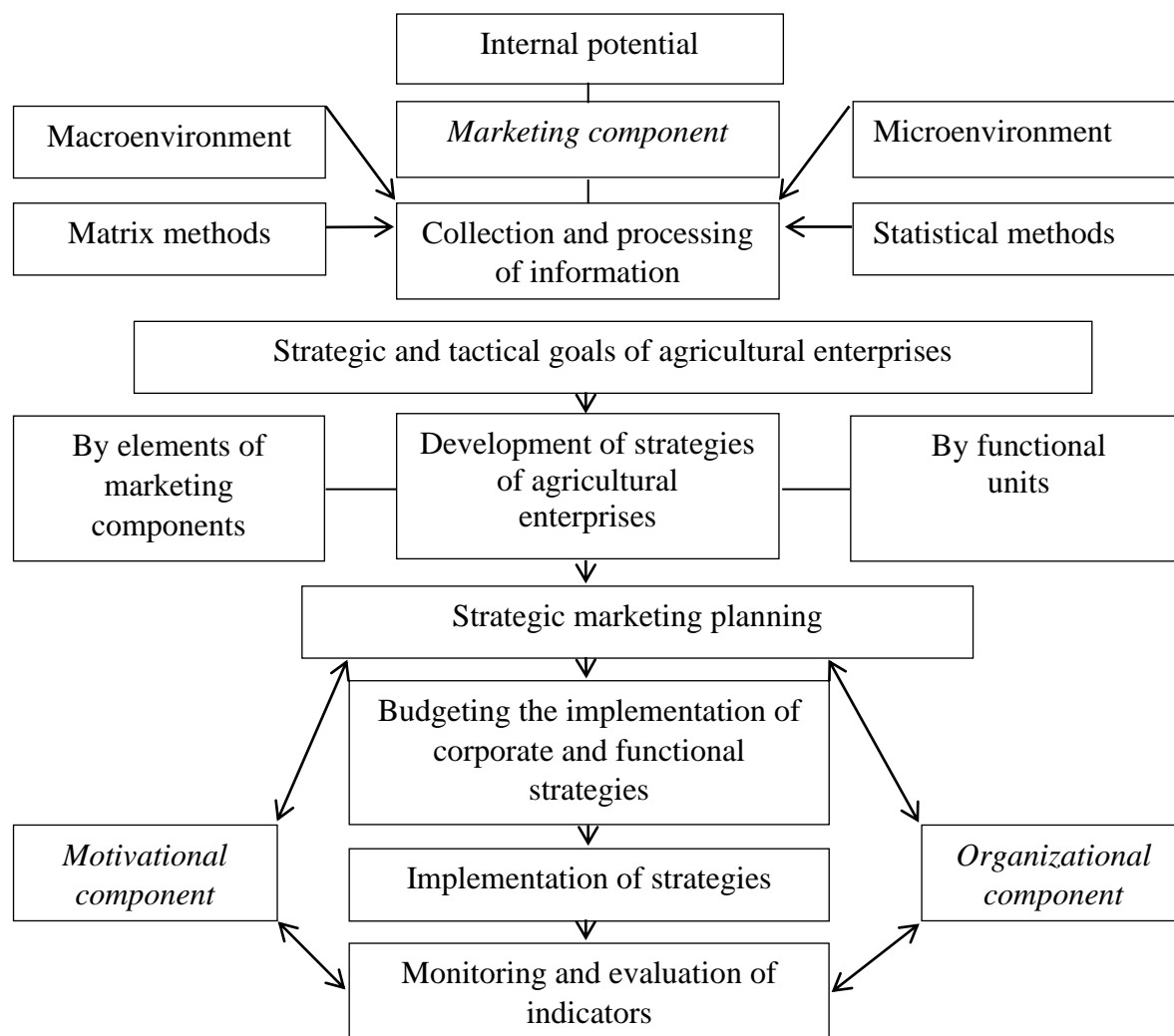
When formulating pricing policies by agricultural enterprises, it is advisable to choose price adjustment strategies. For most Ukrainian agricultural enterprises, agricultural sales management is the biggest problem, so in fact, a significant part of the products they sell at minimal prices to intermediaries who receive high profits through the use of effective distribution strategies. Strategies for differentiating the sale of agricultural products depend on its differentiation and seasonality. Different sales strategies are effective for different types of agricultural products, similarly they will apply different sales strategies in different periods of the season, since the peculiarity of this product is that it is the first necessity, but its cultivation is seasonal in nature.

Thus, a mechanism for managing an agricultural enterprise under the conditions of a marketing approach was developed (Fig. 3).

Such a mechanism of management of an agricultural enterprise, subject to a marketing approach, reflects the general management functions (planning, analysis, organization, motivation, control), has a high level of adaptation to activities with versatile specialization, indicates the close relationship of all functioning subsystems of agricultural enterprises with marketing and provides a number of advantages, including:

- research and evaluation of factors of market environment, supply and demand;
- forecasting and strategic orientation of the enterprise;
- quick response to the influence of environmental factors;
- application of modern technologies during the formation of a marketing mix;
- in-depth study and further satisfaction of consumer needs;
- choosing an effective strategy for positioning agricultural enterprise products, etc.

In the face of ever-increasing competition, agricultural producers are forced to look for new ways to enter the market and retain existing ones. Sales are closely related to the marketing tool – promotion. As for agricultural enterprises, it is more expedient to choose a pushing strategy here, because in order to choose a forcing strategy, it is necessary to carry out branding that requires significant investment [23].



**Figure 3. The mechanism of managing the economic security of agricultural enterprises on the basis of a marketing approach**

Source: generated by the author based on [19-22]

Given the fact that agricultural enterprises allocate the minimum amount of costs for the promotion of agricultural products, it is worth using the following means of basic elements of communication policy:

1. Advertising (creating your own website, business cards; firewalls and billboards, for example, with the image of the crop "from the field" and the caption "made in Ukraine" or "support the domestic manufacturer" and the address of production facilities).

2. Sales stimulation (discounts for the purchase of agricultural products in large batches, on the principle of "more – cheaper"; discounts on the purchase of a certain volume of additional products to the main one at a discount of up to 10%; discounts for regular partners and consumers; free delivery of goods, for example, more than 5 tons).

3. Personal sale (communication by phone with potential resellers; communication with consumers about the quality of agricultural products and possible advantages when buying it (population, wholesale and retail markets, etc.).

In addition, ensuring effective management of an agricultural enterprise under the condition of a marketing approach is possible by taking into account: integration of marketing into the system of specific management functions; combining the marketing system with other components of the system; centralization of marketing in the cycle of information flows. During the formation of a marketing approach to the management of agricultural enterprises, carry out management functions along with the transformation and conglomeration of marketing into a management system and develop a unified approach of managers to the interaction of all subsystems of the agricultural enterprise management system.

**Conclusion.** So, in the case of implementation of the outlined proposals for the formation of a marketing approach to management, creation of an effective marketing system and the use of a mechanism for managing the economic security of agricultural enterprises on the basis of a marketing approach, any agricultural enterprise will have the opportunity to carry out justified strategic management on the basis of a marketing complex.

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