

## MARKETING COMPONENT OF THE ECONOMIC SAFETY OF AGRICULTURAL ENTERPRISES

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### Key words:

economic security, marketing safety, components of economic security, agricultural enterprises, system of mutual relations, formation of a system of economic security.

The article deals with issues of economic security of the enterprise. The essence of the concept of economic security and its main components are considered. The system of relations between the participants of agrarian relations through the levels of production, namely the means of production, production, processing and marketing of agricultural products, is considered. One of the most important elements, marketing security, the state of which depends on the degree of competition in the system of agrarian relations, has been considered. It is overviewed that marketing security is one of the most important components of the economic security of agricultural enterprises and is one of the leading research sites of domestic scientists. The problematic issues concerning ensuring economic safety of agricultural enterprises have been highlighted. The level of relations for an agricultural enterprise, the evaluation of competitors' activities, and the assessment of strategic types of products have been determined. The methodology of the sectoral and competitive analysis of the marketing component of the economic security of agricultural enterprises has been formulated and reviewed. The theoretical estimation of the competitive advantages of products produced by agricultural enterprises has been conducted through the study of market requirements, which includes the characteristics of consumers (segmentation), depending on the geographical area of residence, income, gender, age, education and assessment of the activities of competitors of the organization.

## МАРКЕТИНГОВА СКЛАДОВА ЕКОНОМІЧНОЇ БЕЗПЕКИ СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВ

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### Ключові слова:

економічна безпека, маркетингова безпека, складові економічної безпеки, сільськогосподарські підприємства, система взаємовідносин, формування системи забезпечення економічної безпеки

Досліджено питання забезпечення економічної безпеки підприємства. Розглянуто сутність поняття економічної безпеки та її основні складові. Розглянуто систему взаємовідносин між учасниками аграрних відносин через рівні виробництва, а саме засоби виробництва, виробництво, переробку та збут сільськогосподарської продукції. Розглянуто один із найважливіших елементів, від стану якого залежить ступінь конкурентної боротьби в системі аграрних відносин – маркетингову безпеку. Установлено, що маркетингова безпека є однією з найголовніших складових економічної безпеки сільськогосподарських підприємств і займає одне з провідних місць у дослідженнях вітчизняних науковців. Виокремлено проблемні питання щодо забезпечення економічної безпеки сільськогосподарських підприємств. Визначено рівні відносин для сільськогосподарського підприємства, оцінку діяльності конкурентів, оцінку стратегічних видів продукції. Сформовано та розглянуто методологію дослідження галузевого й конкурентного аналізу маркетингової складової економічної безпеки сільськогосподарських підприємств. Проведено теоретичну оцінку конкурентних переваг продукції, що випускається сільськогосподарськими підприємствами, через вивчення вимог ринку, що передбачає характеристику споживачів (сегментування) залежно від району проживання, доходу, статі, віку, освіти, та оцінку діяльності конкурентів організації.

### Statement of the problem

The current stage of development of agricultural enterprises of Ukraine as the state and individual economic entities is characterized by the change in the value of economic management. Before each enterprise, along with the problem of winning the competition in the market and making a profit, the issues of economic security of their economic activity are coming to the fore, which requires them to develop and implement as

separate mechanisms of self-defence and self-preservation, as well as the system of economic security management of the enterprise as a whole.

The particular importance is played for agricultural enterprises, which work at the final stage of the overall chain of formation of the value of “production – realization.” In addition, the main emphasis is placed on the marketing component of economic security as a system of relations between the business entity and the

environment aimed at providing an effective marketing mix.

**Analysis of recent studies and publications**

The necessity of forming a system of ensuring economic security is predetermined as objectively available for each enterprise, the task of ensuring the stability of functioning and achieving the main goals of its activities. The problem of researching the marketing component of the economic security of agricultural products has been considered by G.A. Androschuk [1], I.A. Blank [2], N.V. Vashchenko [3], L.I. Donets [3], O.I. Zakharov [4], S.A. Yerokhin [5], V.P. Ponomariov [6] and others. In these works, the concept of economic safety of the enterprise has been studied, the means and indicators of estimation of their level have been studied, components of economic safety of the enterprise have been considered.

V.P. Ponomarev considers the system of economic security as a set of managerial, economic, organizational, legal and motivational ways of harmonizing the interests of the enterprise. They connect with the interests of the entities of the environment, with the help of which, taking into account the peculiarities of the enterprise’s activities, it is ensured that they receive a profit, which is sufficient for a minimum, for staying enterprises in economic security.

L.I. Donets, N.V. Vaschenko consider the system of providing economic security as a set of facilities, as well as a system for organizing their use and control, which allow achieving the highest level of economic security of the enterprise.

**Objectives of the article**

The purpose of the article is to study the essence of the marketing component of the economic security of agricultural enterprises and its evaluation.

**The main material of the research**

In modern conditions, the economic activity of economic entities is influenced by both macroeconomic and microeconomic factors that exacerbate the problem of ensuring the economic security of the enterprise.

Economic security is a condition in which, due to the counteraction to the negative influence of internal and external threats and threats, its stable functioning and high level of development are ensured.

In order to achieve the highest level of economic security, the company must work to ensure the maximum safety of the main functional components of their work. Functional components of the economic security of the agricultural organization are a set of basic guidelines for ensuring the safe existence of the business entity, which significantly differ in their content.

At present, the level of agricultural development cannot be ensured by a competitive domestic market, and the main reason for this is the low level of capacity utilization, which is substantially impaired by the state of affairs in the disparity of prices for raw materials and finished products, including and a small number of subsidies to purchase factors of production, that is, such subsidies that reduce the cost of the means of production (resources) for agricultural producers.

The economic security of an agricultural enterprise is the state of its corporate resources, which can provide an expanded reproduction process, and financial sustainability while preserving the environment. The economic security of agricultural enterprises, in general, is a system of relations between the participants in agricultural relations (4 levels of an agricultural enterprise), which provides means of production, namely the production, processing and marketing of agricultural products.

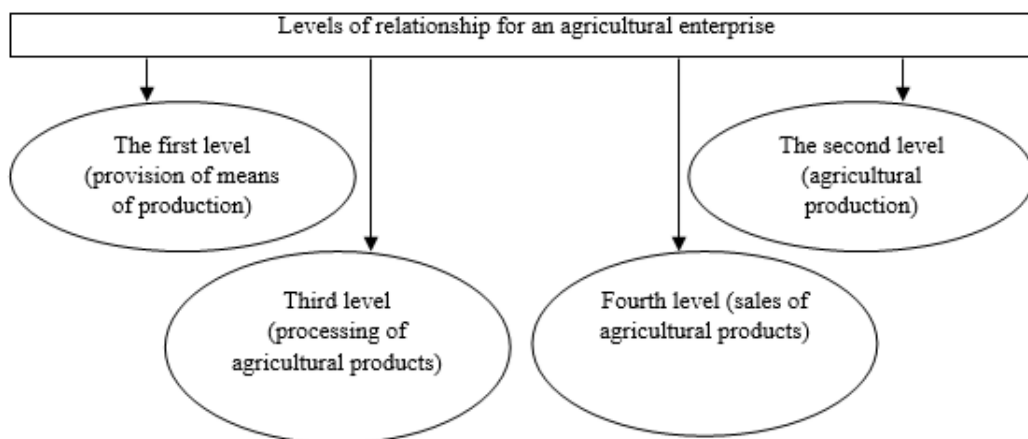


Fig. 1. The system of relations between participants in agrarian relations

At the same time, if we consider each of the levels of relations of the agricultural enterprise and economic security, it should be noted that each of them is characterized only by its characteristic list of indicators and evaluation criteria. Let’s consider one of the most important elements, the state of which depends on the degree of competitive struggle in the system of agrarian relations – the marketing security.

The marketing security is one of the most important components of the economic security of agricultural

enterprises and is one of the leading research sites of domestic scientists.

The main components of the company’s economic security are depicted in Fig. 2.

The marketing component is of particular importance, as this component characterizes the system of measures aimed at studying the market, consumer demand, environmental analysis, maintaining the life cycle of products, the movement of goods and sales of products, the formation of demand and the stimulation of product sales.

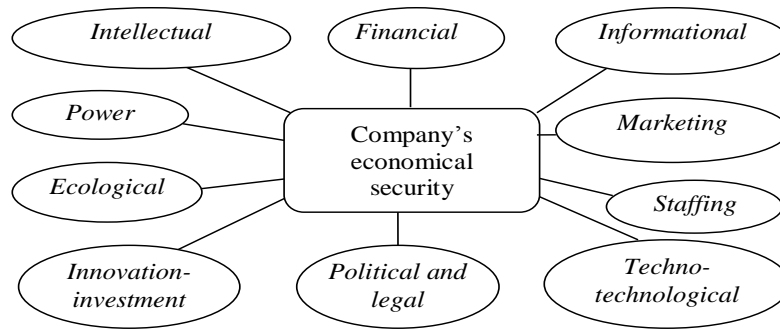


Fig. 2. Components of economic security of agricultural enterprises

Marketing security of the company's economic security is a system of relations between the business entity and the external environment (buyers, competitors, business community, macro environment), aimed at providing an effective marketing mix (product, price, marketing and communication policy) to provide conditions for extended reproduction.

The conduct of sectoral and competitive analysis should take into account the specifics of each industry within the agricultural region, which is reflected in the research methodology, marketing component, which should include such interconnected stages.

Let's consider the methodological study of sectoral and competitive analysis of the marketing component of economic security of agricultural enterprises (Fig. 3).

The initial stage in analysing the competitive advantages of products produced by an agricultural enterprise is the study of

market requirements, which involves the characteristics of consumers, depending on the geographical area of residence, income, sex, age, education. Particular attention is paid to assessing customer loyalty, which should be understood as partnership, consumer reputation, trust and adequate advice to other buyers.

The assessment of consumer loyalty should be conducted according to the following criteria: level of satisfaction; intention to repeat the purchase; the intention of the consumer to buy another product in the same enterprise; the intention to move to a competitor; the intention to recommend this product to other consumers. For each of the above characteristics, it is advisable to compile a segmentation map in order to assess the potential market and pay attention to consumer management standards.

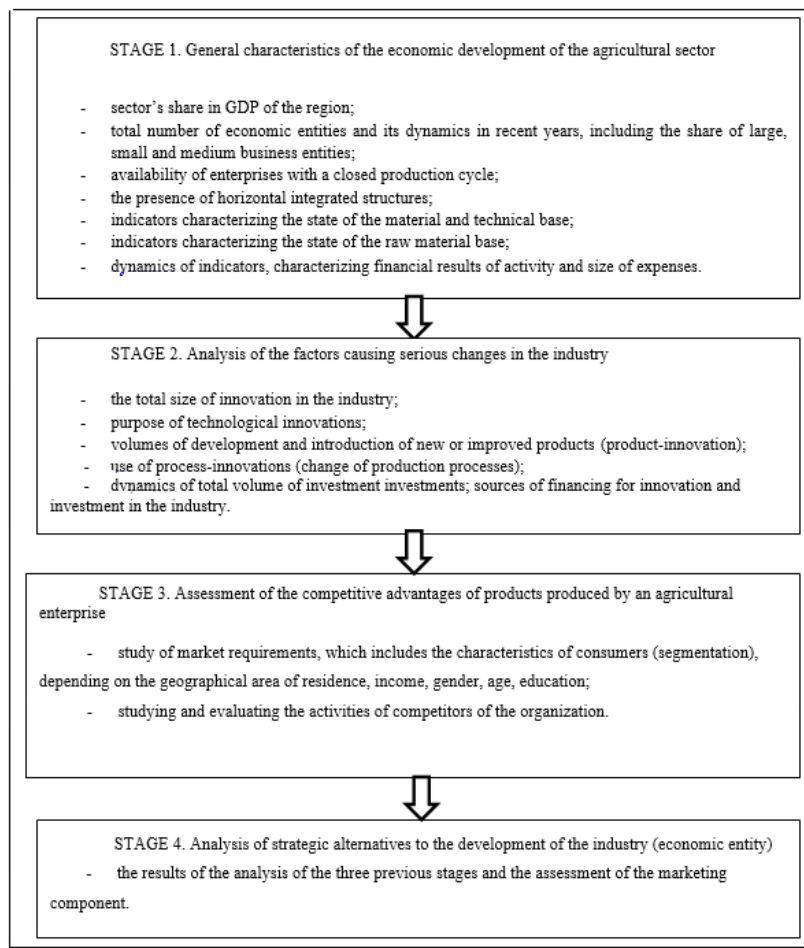


Fig. 3. Methodology research of branch and competitive analysis of marketing component of economic safety of agricultural enterprises

In order to evaluate and manage the marketing component of economic security in the system of agricultural enterprises, the following key factors that influence consumer management are used. They are: the family life cycle should be taken into account; lifestyle; cultural factors; social factors; ecological compatibility of the agricultural product produced, the relation to the commodity producer himself, its trademarks, quality of service; the level of satisfaction of consumer requests, their advantages; making purchasing decisions, consumer behaviour in the process and after purchase, consumer motivation. At the next stage of the analysis, it is necessary to study the competitors of the organization, for which we consider the following issues of relevance to science and practice. They are: - monitoring of competitors as an effective tool of competition, which

allows you to receive and maintain a competitive advantage in the amount and quality of information necessary to make managerial decisions in the competition; - monitoring of competitors as a specialized marketing business process; - monitoring of competitors as a direction of the functions of marketing research, which involves a set of methods of good faith and unscrupulous research, allowing you to obtain the information necessary for competitive control of competitors. The competitive environment of an enterprise from the point of view of the marketing component is characterized by its peculiarities. Therefore, as an element of the analysis of competitive struggle, it is advisable to put the information in tabular form (Table 1).

Table 1 – Assessment of competitors’ activities

Enterprise	Scope of activity (large, medium, small)	Market share, %	Competitive advantages	Used channels	Marketing strategy	Pricing strategy	Sales Strategy	Advertising and promotion of goods
A								
B								

To determine the level of concentration and the state of competition in the market (industry) you can use two indicators: 1. Index *F4*. It is calculated as the sum of market shares of the four most important players. International practice has established the following boundaries: *F4* < 45% – the industry is poorly concentrated; *F4* from 45 to 70% – the concentration level is strong; *F4* > 70% – the concentration level is very strong. 2. Herfindahl Index – Hirschman (*HHI*). It is defined as the sum of squares of market shares of all significant market participants (the share is more than 1%):  $HHI = (q1)^2 + (q2)^2 + (q3)^2 + (q4)^2 + \dots + (qn)^2$ ,

where *q* is the share of the company in the market, %.

It is established by the international practice, if the *HHI* < 500, free competition in the market; *HHI* from 500 to 1500 testifies to monopolistic competition. The value of an *HHI* of 1500 to 3000 indicates an oligopolistic competition. With *HHI* over 3000 – a monopoly of the market. In order to assess the competitiveness of products, it is necessary to evaluate its range from the point of view of the allocation of strategic products (which occupy the largest share in the total financial result of the enterprise). For this purpose, it is advisable to include information on the types of products in the Table 2.

Table 2 – Estimation of strategic types of products

Types of products	Sales volume, ths. UAH	Share in revenue, %	Cost share, %	Share in profit, %	Sales volume, %			
					Own retail network	Under direct contracts	Within the area	Outside the region
A								
B								
C								
...								
Total								

To assess the significance of the production of this or that type of product allows ABC analysis. International practice based on data of Table 2, the following products can be distinguished: group A is the share in the proceeds exceeds 50%, and the profit exceeds 60%. Group B is the share in the proceeds of 30 to 50%, and in profits from 10 to 20%. Group C is the share in the proceeds of up to 30%, and in profit up to 10%.

Based on the results of the analysis of the three stages above, it is necessary to identify the key success factors, which is the final analysis of strategic alternatives to the development of the industry (economic entity) and the assessment of the marketing component of the economic security of agricultural enterprises. To do this, compare the competitive advantages of products manufactured by technical, aesthetic, ergonomic, regulatory and economic parameters with the data of competitors. Because of this comparison, a map of strategic changes is being developed to achieve the competitive advantages of products. Taking into account the map of strategic changes, a map of price positioning has been formed, assortment policy is formed and the strategy of functioning of the economic entity for the achievement of marketing safety as a component of the economic security of agricultural enterprises as a whole has been developed.

### Conclusions

In the article the concept of economic safety of the agricultural enterprise and its main components have

been considered, the system of relations between the participants of agrarian relations through the levels of production, namely, means of production, production, processing and marketing of agricultural products, has been considered. One of the most important elements, the marketing security, the state of which depends on the degree of competition in the system of agrarian relations, has been considered. It has been overviewed that marketing security is one of the most important components of the economic security of agricultural enterprises and is one of the leading research sites of domestic scientists. A methodological study of sectoral and competitive analysis of the marketing component of economic security of agricultural enterprises has been formed and considered. The theoretical estimation of the competitive advantages of products produced by agricultural enterprises is conducted through the study of market requirements, which includes the characteristics of consumers (segmentation), depending on the geographical area of residence, income, gender, age, education and assessment of the activities of competitors of the organization. In order to identify the strategic problems of ensuring marketing security in the system of ensuring economic security of agricultural enterprises, an effective monitoring system is needed that could provide reliable, objective, operational information in the context of each strategic map (for example, agricultural products, etc.).

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