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## **MARKETING STRATEGIES ON THE FOOD MARKET**

**Setting the problem.** On current stage of social development is particularly acute arises problem of providing population of products food. The solution to this problem and further improve the food supply of the population are possible thanks to fuller involvements in market circulation of agricultural products and raw materials as a source of his resources..

Under the conditions of Ukraine's integration into the world economic system of base attention is on the task of providing the population with food due mainly domestic sources, gradually reduce dependence on foreign food producers, create food security as an important component of national security.

Regard to the above mentioned, it is necessary to work out the marketing strategy of the national food market, which requires generalization of relevant theoretical and methodological principles in view of the acquisition of both domestic and international science and practice, the researches of organizational and economic aspects and impact factors associated with marketing processes.

Should be noted that the problem of strategic marketing to ensure the formation and functioning of the national food market has not yet found a complete and comprehensive coverage in the economic literature.

**The analysis of recent research and publications.** Issues of strategic planning of marketing activities, particularly in the food market in developed countries always attract the attention of theorists and practitioners of management. The great interest to this explains their desire to own such devices of management, which provides a opportunity quick and appropriate responses to changing internal and external market environment.

Theoretical and practical aspects problems of formation and subsequent operation of the national food market and a source of commodity providing of the agrarian sphere are investigated in the works of domestic and foreign economists: Blanc I., Boiko V.I., V.I. Vlasov, Voychak A.V. Golubkov E.P., Əvansa J.R., Atkinson J. Gubenko V.I., A.V. Zozuleva, Illyashenko S.M., Kotler P., S. Cramon-Taubadel, J.J. Lambe, Linwood T. Ludwig Striewe, Malik M.I., Makarenko P.M., Osentona Tom, Pavlenko A.F., Paskhaver B.I., H. Pruss, Reshetnykova I.L., Sabluk P.T., D. Sachs, Sahatskoho M.P., Steyninhera K. Tanhermana C., Timothy J., Farmer K, Shpychak O.M., S. Yaroshenko and others. The results of their research revealed that the factors that restrain the development of the food market is undeveloped legal and institutional base and also not work out pricing, tax and credit systems. An important unresolved question to ensure the transition to a sustainable development of the food market remains the use of a full strategic marketing management. The current consideration of questions the optimization of functioning agricultural markets made strictly on the achievements of the theory and practice of international experience, the globalization of economic relations, not beyond the level of formation of the conceptual foundations and generalization of toolkit on ways to solve existing problems.

**Setting the objective.** The purpose of this article is to substantiate ensuring marketing strategies of effective functioning of the food market.

**The main material of the study.** The issue of normalization of the domestic food market is extremely important because it affects the interests of the whole population of country. At the same time current unstable situation in the food market, this caused inefficient management, leading to a decline in the economy as a whole. In the formation of the food market plays a key role agricultural production, which are inherent in the specific features associated with the uniqueness of formation and functioning of the agricultural sector, it is particularly presence of a time lag between production and sales, which requires a large storage capacities, initial and final processing, packaging, transporting goods and more. Considerable parts of agricultural commodities and processed products have inelastic demand and need of

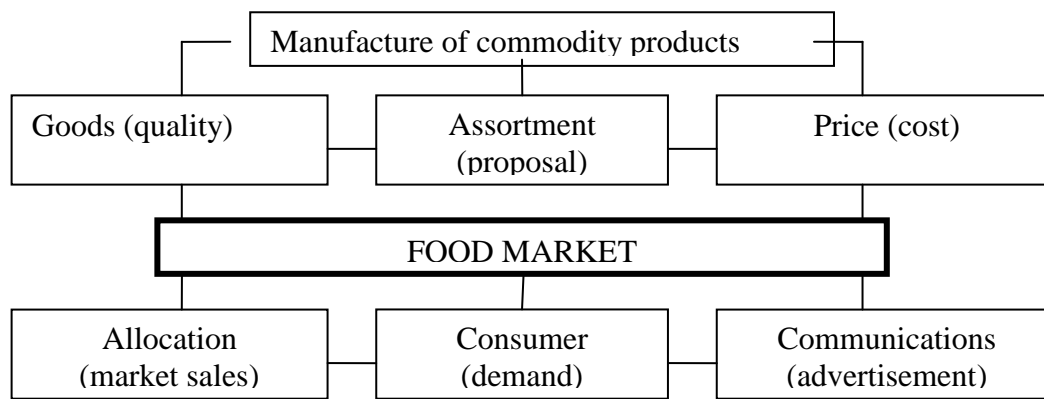
the human daily diet. To ensure this engaged quite a large number of employees engaged in sales. This leads to additional costs not only in production but also in the whole marketing chain passage of goods from producer to final consumers. In addition, for the realization of agricultural products and foodstuffs required extensive sales network as wholesale and retail. On the other hand, the additional requirements imposed peculiar marketing industry added the most characteristic features of products - one and daily using, use by all without exception and indispensability in consumption [1, 2].

Strategy of the effective functioning the national food market largely depends on its marketing collateral. Marketing - this is such set of relations and services of market activities through a careful movement of goods or product from the manufacturer to the buyer, creating favorable conditions for Entrepreneurship to the fullest customer satisfaction. [3]

The main thing in marketing - target orientation and complexity, that is a combination of entrepreneurial, commercial, industrial and sales activities.

Complexity means that the applying of marketing providing effect only if it is used as system. The use of certain marketing activities usually not gives positive results. The practice of using marketing has shown that the use of only certain components, such as the study of the product or prediction of market not gives the desired effect. Only a comprehensive approach can effectively enter the market with goods and services, especially with new products and services of the original [4, 5]. So marketing is complex, dynamic and complex concept in the social production, economic science and practice of farming on market principles.

The system of "marketing" food market consists of separate subsystems: "product", "price", "allocation" and "communication", known from the works of foreign marketing [6] as «4-*p*» ( $P_1$  – *product*,  $P_2$  – *price*,  $P_3$  – *place*,  $P_4$  – *promotion*). Mentioned subsystems are regarded as instruments, means of tactics and marketing strategies through which an entity affects on its target market. (Fig. 1).



**Fig. 1. Marketing tools of the food market**

Food marketing system that brings together the interests of producers and consumers of food products includes all operational activities and services associated with the flow of food from producer to consumer. She is a complex and relatively costly structure of channels, intermediaries and marketing activities related to the production, distribution and exchange of products of national agricultural production.

Food marketing forms the a kind bridge between the producers of agricultural products and consumers while under the influence of factors such as technology, laws and social mores of society, national resources and others. [7].

On the food market an important determinant is competitiveness of goods. Competitiveness - a multidimensional concept that refers to conformity of goods with market conditions, the specific requirements of customers, not only for its high quality, technical, economic, aesthetic characteristics, but also for commercial and other conditions of its realization (price, delivery time, channel sales, service, advertising) . From the classification scheme of indicators of competitiveness of production shows that the main factors are the quality and price. The problems of competitiveness, quality and price in marketing are not the current tactical and long-term strategic partnership. Thus, under competitive understood complex of consumer and cost (price) product characteristics that determine its success in the market. [8]

In justification of the strategic development of the food market the marketing begins with the acceptance of the concept that characterizes not types of activities, but their purpose. Hence, the concept of marketing - is its ideological project of economic thought, rather than organizational structure. We are talking mainly about

such technology solutions in all areas of business from the standpoint of ensuring their overall success in the market, which get reflected in various types of organization, management and sales [3].

According to Kotler, such as marketing concept sees the main task of the organization to clarify the needs and wants of target markets and seeks to ensure that the organization that it determines meet the needs of your target markets more effectively and efficiently than competitors. [9]

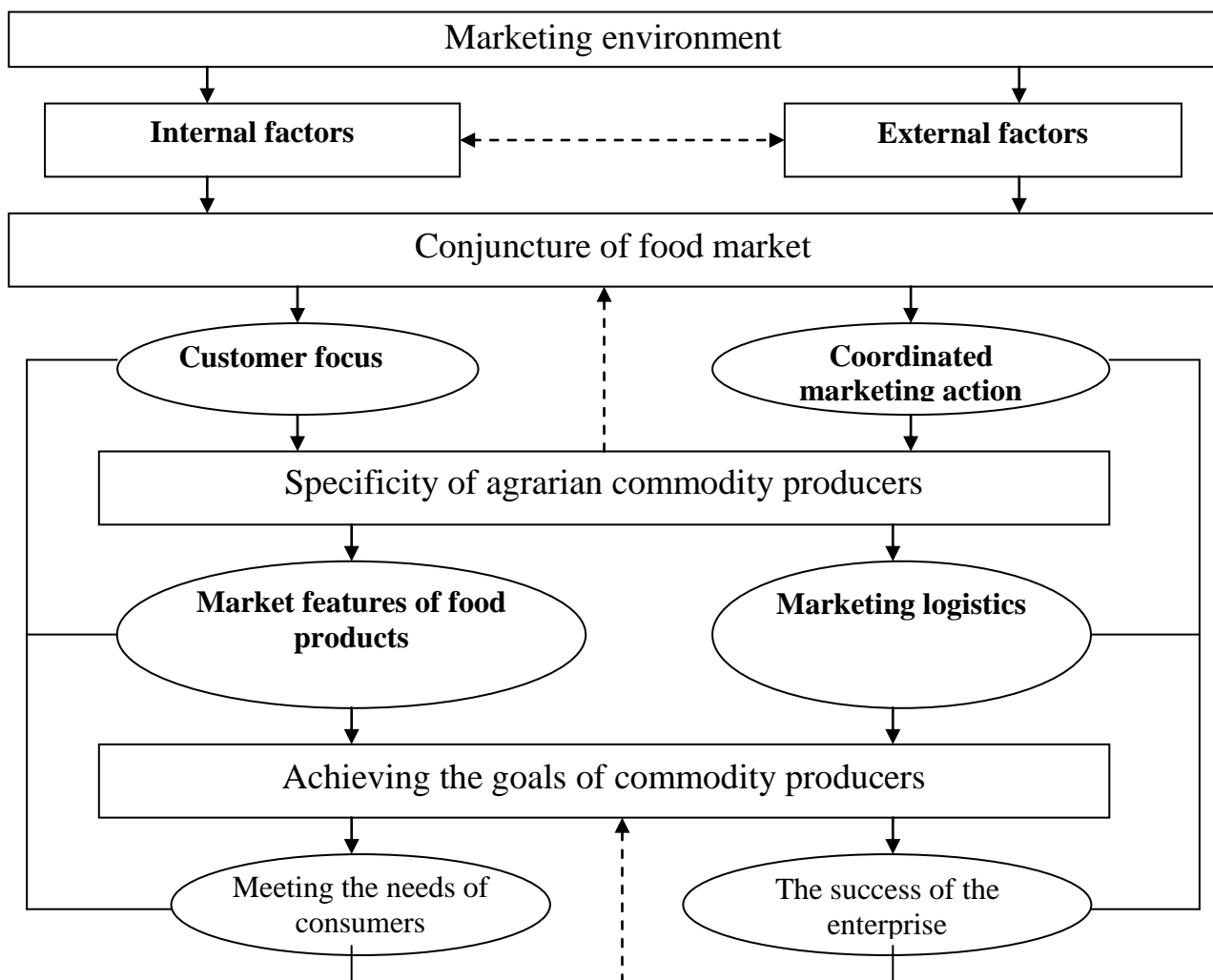
The enterprise by taking the concept may use a variety of forms of organization in the field of marketing, depending on the specific circumstances of internal and those external conditions in which operates.

The modern marketing concept food market strategy is based on three fundamental statements. First, all production and planning necessarily oriented to the consumer. That is, the organization and its employees are focusing their efforts on identifying and meeting the needs of consumers. Secondly, all the marketing activities of the organization must be coordinated. In practice this means that marketing functions (such as advertising, product planning, pricing, etc.) Are logically combined and interdependent. Thirdly, consumer-oriented and coordinate marketing is a necessary and important means of achieving the objectives of the company and its mission. [3] Customer focus, along with coordinated marketing activities are reliable tools for successful implementation of enterprise purpose (Fig. 2).

Marketing as concept and a course of action based on the principle of the priority of long-term goals. The concept of traditional marketing has its functions - market research, the use of advertising, sales promotion, market policy and pricing policy - combined in a complex system whose purpose is to ensure fulfillment of the tasks enterprise considering available resources.

On a marketing system organization of individual playback on the micro level affect various factors of environment. Some of these are external to the company, and therefore a greater extent not subject to influence from the side of the enterprise. Other factors, however, operate inside the organization and generally controlled by

management. Enterprise should be able to plan, implement and evaluate - in other words, to manage - their marketing system under the influence of this external and internal factors.



**Fig. 2. Elements of the concept of the marketing strategy of the food market**

The commodity producers in marketing system in the agricultural sector is at the very beginning, is under pressure from the totality of factors and should have priority position (due to the nature of the agricultural production, specificity and indispensability of agricultural products, etc.) in relation to other members of the marketing process. Followed by the agricultural producers in the process of bringing the product for consumption consumer conditions, is involved large number subjects of market activity. Modern marketing theory divides them into the following groups according to their functions in the marketing process: a) exchange functions: buying, selling, and b) physical functions: storage, transportation, processing,) auxiliary

functions: standardization, financing, risk taking, market knowledge, market competence and insurance. [6]

Totality of agents marketing system enters into the process of production and distribution and adds its share to the total cost of the finished product, influences the nature and strength of demand in the primary market, causing the specifics of agricultural marketing in organic combination with its purpose.

Since no one product should not be made, until it has the market of sales, the marketing begins from the process creation of commodity products in the enterprise. Nature and the original form in which agricultural production and its products are offered to marketing system have the main determining influence on the functioning and organization of the marketing system. At the same time and from the dynamic marketing system may depend the agricultural production.

On the other hand, a consequence of the results of the marketing process is the consumer. Again, there is a mutual influence, as demand is mainly dictated by the course of marketing activities. In turn marketing services also put great effort in trying to change the behavior of the market and the demands of consumers in their favor.

Thus, the marketing system functions as the glue between producer and consumer of agricultural products. It operates within a framework that is more in formation outlined some independent conditions. In foreign literature, these conditions are referred to as social capital. This includes transportation, communication networks, financial systems, education, cultural traditions, and others.

To effectively compete in the market, the company must constantly collect and analysis of vast amounts of information about the industry, market competition and on this basis to form a marketing strategy of a business entity. Strategy represents a detailed comprehensive integrated plan designed to ensure the implementation the organization's mission and achieve its objectives. It involves the development of sound measures and plans to achieve the objectives, which should be taken into account scientific and technical potential of the company and its production and sales opportunities [3, 10].

The strategic plan should be developed so that not only remain intact for long periods of time, but also be flexible enough to, if necessary, could make its modification and reorientation. The overall strategic plan should be seen as a program that directs the activities of the company for a long period of time, realizing that conflict and ever-changing business and social environment makes constant adjustments inevitable.

Strategic planning involves three interrelated objectives: to develop the objective function of the enterprise, presenting it as a long-term and short-term objectives and the strategy to achieve goals. That must be the answer to three questions: what to do when to do and how.

In an expanded form of the strategic planning process includes the following items [3, 11]:

- 1) Determine the initial mission of the company;
- 2) Forming strategic goals and objectives;
- 3) The assessment and analysis of the environment;
- 4) An analysis of the strengths and weaknesses of the company (internal environment);
- 5) The assessment and analysis of strategic alternatives;
- 6) Choice of strategy

Mission detailing the status of the company and provides direction for setting goals and strategies at different organizational levels. Contents of this mission:

- The task of the enterprise in terms of its products, markets and technologies;
- Environment in relation the enterprise determines its operating principles;
- The culture of the enterprises

Determining of purpose - this more specific level of accepted decisions, requires the development of appropriate strategic objectives. In developing the strategic position enterprises enjoy certain qualitative and quantitative indicators. Qualitative indices in practice called landmarks, quantitative - tasks. Landmark - in fact, it is more distant goal that the company is trying to achieve through the development strategy.



Between landmarks, goals and strategy there is a close interdependence. As landmarks, goals and strategies are formed inside a single enterprise, the strategy produced at the highest levels of government; it is the purpose and landmark in the lower tiers of management - production units.

General objectives reflect the concept of enterprise development and are developed for the long term. They determine the main directions of development of enterprise applications that require precise formulation of objectives and linking them with resources. General objectives are typical meaning for virtually any business.

Specific goals are developed within the framework overall objectives of the main activities in each unit, the enterprise and can be expressed in quantitative and qualitative terms. Among the specific objectives of the central place occupied by marketing objectives - achieving a certain level of sales in absolute terms or established share of sales in one or more markets or segments, the introduction of new products, which are determined by the number or ratio to the entire output, measures to improve the distribution system marketing and promotion, expanding the given technological services and sales.

Goals should have a number of characteristics: be specific and measurable, oriented in time (short-long-term); achievable; mutually supportive - that the actions and decisions that are necessary to achieve one goal, should not interfere with the achievement of other goals.

To clearly present the state of enterprises, we using techniques SWOT - analysis, comparative analysis of the costs and competitiveness analysis, this involves the simultaneous analysis of the internal and external environment [10, 12]. Using this tool makes it possible to get an overview of the strategic assessment of the condition of the subject of the food market. His idea is that a successful strategy must be based on the principle of linking internal capabilities of the enterprise and external environment.

Analysis of the external environment or macro entourage is the process by which developers of the strategic plan for controlling external to the enterprise factors to identify opportunities and threats for economic entity. It includes the study of the

influence of components (factors) environment as the economy, legal regulation and governance, political processes, environment and resources, social and cultural components of society, scientific, technical and technological development of society, infrastructure and others [11, 13].

The main objective of the analysis of the internal environment lies in the fact to identify the internal capabilities and the potential at which the company can expect a competitive edge in achieving their goals. Analysis of the internal environment is done through a process referred to as management survey, which is a methodical evaluation of the functional areas of the enterprise, designed to identify its strategic strengths and weaknesses [11, 12].

In system of marketing survey included the following issues: market share and competitiveness, diversity and quality range of products; market demographic statistics that determine changes in the market in terms of consumers' interests; market research and development to achieve optimum effectiveness implementation of the new type of goods or services, resale and after-sales customer service that helps sell more products and keep a certain thought; effective sales, advertising and promotion of goods that are essential management functions, mandatory profit, since all efforts idealization goods companies will be in vain, if in the result will be no profit, detailed analysis of financial situation that can identify existing and potential internal weaknesses of the company, as well as the relative state of the subject of the food market compared to its competitors; constant analysis of operations management and influence operations in the state made the subject of the food market, analysis of the internal environment of the following areas: training company, their potential, skills, interests, etc., the formation of organizational culture, creating an image of the company, which is a powerful factor in attracting customers or conversely, their repulsion [8, 12].

Separately, it should be noted the special importance and also lack of research an integral part of marketing such as logistics. [14]. Advanced experience shows that the level of logistics in Ukraine can be a determining factor in the promotion of domestic grain production for export. Marketing logistics - the so-called "physical distribution"

- has as its object the transport and warehousing activities necessary in order to make the product most appropriate for the client

**Conclusions and further research.** In the formation of the food market plays a key role agricultural production, which are inherent in the specific characteristics associated with direct production, storage, primary and final processing, packaging, transportation and realization products.

Strategy of the effective functioning of the national of the food market largely depends on its marketing support, which includes a set of relations and services of market activities through a careful movement marketable product from producer to consumer.

In the marketing strategy plays a key role target orientation and complexity that is a combination of entrepreneurial, economic, production and sales activities. A comprehensive approach can effectively enter the market with new products and genuine service.

The main landmark of marketing strategy in the food market is competitive goods that mean goods line with market conditions, particular requirements of customers for quality, and technical, economic, aesthetic characteristics.

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