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Geomarketing in the system of managing selling activities of agrarian enterprises

Scientific problem. One of the fundamental principles of competitive development and a successful activity of enterprises on the market is equilibrium in the economic system. The efficiency of economic activity can be achieved under conditions of systemness and a successful combination of the following components: using high-tech equipment, innovative technologies and machinery; increasing employees' readiness to learn and acquire appropriate competencies, abilities and practical skills; improving the system of managing enterprises and efficient selling policies. Today the resource strategies and the improvement of the production program of an enterprise are not sufficient to promote competitive development and economic growth. Thus the accent in managing agrarian enterprises is shifted towards the improvement of the selling policies and marketing strategies of an enterprise.

Analysis of recent researches and publications. The problems and the concept of sustainable social and economic development and efficient management have been investigated by a number of scientists, namely N. V. Bahrov [3], O. H. Bilorus [4], Ye. M. Borshchuk [5], I. M. Vakhovych [7], Z. V. Herasymchuk [7], B. M. Danylyshyn [8] and others. However, the problem of efficient stimulation of managing agrarian enterprises based on the use of innovations in management still requires discussion [11]. Geomarketing has to become an efficient technique under conditions of increased geoeconomic competition. This research is devoted to clarifying the essence, peculiarities and

techniques of geomarketing as an approach to stimulating efficient management of economic agents of the agrarian sector.

Marketing and selling activities in the area of manufacturing agricultural products are conditioned by certain peculiarities connected with natural conditions of production, yields and intensity of using farmlands; the importance of manufactured goods, which determine special requirements to producing, storing and transporting them; the discrepancy of the time of manufacturing products and consuming them; seasonal character of production; the diversity of ownership forms in the agrarian sphere of production; the availability of different forms of incorporation; the duration of the cycle of manufacturing and consuming agricultural products. The above-mentioned complicates the process of making efficient marketing decisions in the competitive struggle and meeting consumer demand for product quality. Agromarketing is characterized by high sensitivity and susceptibility to external changes as compared with other systems of marketing. A comparatively low level of scientific research in the area of marketing activities of agrarian enterprises should also be mentioned.

Nowadays agrarian marketing is a management concept which provides a market orientation of manufacturing and selling activities of an enterprise. The basis for making managerial decisions is not only a producer's potentialities, but mainly the needs of an agro-industrial market, existing and potential demands of consumers and buyers of agricultural products. The modern concept of marketing implies that all the activities of an enterprise are based on the

awareness of consumer demand and its prospective changes. The marketing system makes the process of manufacturing goods dependent on demand and requires the production of goods in the range and quantities necessary for consumers. Therefore agrarian marketing as a group of market research methods also directs its efforts towards developing effective sales channels and integrative formation of demand.

The objective of the article. While realizing a selling policy by agrarian enterprises there is an objective demand for managing spatially scattered objects, obtaining information about a competitive environment, consumers, sales markets and territorial infrastructure. Using spatial data allows solving these tasks efficiently. Thus the importance of geomarketing as a key component of making decisions in managing agrarian enterprises is increasing.

Statement of the main results of the study.

A spatial component of making managerial decisions can be considered by geomarketing, which is a derivative of marketing but it has its unique tools, functions and objectives. A geomarketing environment is characterized by the following: the contradictory nature of Ukrainian reforms and their incompleteness; imperfection of market relations, when the basis for their formation is the orientation towards a final product, and not towards consumer demands for high-quality and ecologically safe, organic agrarian products; a low level of training and the lack of marketing specialists who have competencies and skills for working in the agrarian sector; the unsettled legislation base in the problems of protecting consumers' rights [6]. It is necessary to note that the present economic condition not only causes problems in the field of geomarketing, but also opens doors to new opportunities. Agrarian enterprises find new, non-standard approaches to solving the problem of meeting consumer demands [13, p. 22–30].

The experience of the countries with developed market economy proves that science, science intensive technologies and innovative activities are the driving forces of production development in all economic branches, about 85% of gross domestic product is gained due to new knowledge, which is transformed into science intensive technologies. According to the data of

the World Bank, the national wealth of developed countries consists of natural resources – 5 %, manufactured and financial capital – 18 %, knowledge and abilities to use them rationally – 77 % [10, p. 130 – 136]. The innovative component is a key component which maintains progress and competitive innovative development. Thus, the present conditions of market formation of the agrarian sector of economy require the improvement of a practical and methodological component of spatial management of economic activity. Consequently a marketing strategy must be developed considering both an economic component and a spatial component. The vector of competitiveness of an enterprise moves considerably towards innovative support of organizing production and marketing activities, including the economic space of an economic agent.

Logistics research and information about geographic structure of a market has recently become important in developing a marketing strategy [15, p. 202–211]. Increasing intellectual and informational components of the strategy of developing agrarian enterprises will make it possible to improve their selling policies and support competitive development. One more positive feature of using a geoinformation component in the strategy of an enterprise is creation of a single information environment of managing spatially distributed resources aimed at maintaining economic growth and competitive development. Considering the experience of European countries, when the food chain affects the public, includes food producers, processors and distributors it has to create about 7% jobs. Under conditions of the national market it is necessary to mention that the food chain does not always function efficiently. It is related to the impact of contractual commitments and insufficient transparency in pricing. In this case using logistics systems, implementing logistics forms and methods of management allow increasing management efficiency at macro-level, creating an efficient system of managing production resources, reducing the cost price of products. Logistics systems as a component of geomarketing make it possible to combine all the business processes of agricultural production at all its stages, integrate logistics processes into the system of managing an

enterprise. It will have an immediate impact on acquiring and improving the competitive status of an enterprise on the market.

According to the definition of the information resource Wikipedia geomarketing is a part of marketing research, which is a technology of making decisions by using spatial data in the process of planning and realizing activities in the area of selling products, managing spatially distributed objects: consumers, a competitive environment and territorial infrastructure [17]. Conducting geomarketing research allows diagnosing external and internal geospatial indexes of agrarian enterprises while considering the dynamics and tendencies of their development and makes it possible to forecast competitive behavior.

The author's interpretation of this category consists in the following: geomarketing is a marketing concept of managing an object, which is based on spatial research aimed at improving economic management of an enterprise to maintain its competitive development on the basis of an innovative component.

Geomarketing is characterized by specific features, which are determined by its research object. The problems of territorial marketing have been investigated by the leading foreign and domestic scientists (Ph. Kotler, D. Haider, I. Rein, J. Bowen and others) [16]. One of the most contradictory problems of these studies is development and identification of a system of geomarketing tools. Ph. Kotler [16] mentions four key tools: goods, price, promotional and sales methods, R. Morris suggests price, goods, place, methods and people (this category includes manufacturers and consumers of goods).

According to Anderson's definition, geographic marketing (geomarketing) is one of the most important components of geographic management, which has an independent meaning. The scientist looks at the concept of geomarketing within the framework of three different approaches. Firstly, geomarketing can be considered as geographic aspects of classical marketing, in particular, the procedure of geographic market segmentation and geographic positioning of goods. Secondly, geomarketing can be treated as territorial marketing and, in particular, regional marketing. Thirdly, geomarketing can be understood as marketing

of geographic knowledge and technologies [1, p. 225–231].

It is also necessary to mention the experts' view concerning the positioning of geomarketing as a general integrated concept which has to combine all the three approaches discussed above in order to establish synergetic connections between the activity of geomarketing agents as to introducing regional and local economic development of economic agents, local authorities and the public. Such an integrated concept of marketing can be realized due to organizing a partnership of public and private sectors (public-private partnership) on regional and local levels.

Geomarketing is a technology of conducting marketing research for making strategic, conceptual and managerial decisions, based on the methods of geographic analysis of different spatially distributed objects and phenomena. Such research allows identifying a target audience in a particular territorial unit, conducting a competitive analysis, finding the best location for a new shop or a chemist's, forecasting the turnover of commercial real estate, developing a concept for an existing or a prospective object, evaluating the best use of a land plot etc.

Geomarketing is a technology of making strategic conceptual and managerial decisions concerning marketing research, based on the use of methods of geographical analysis of spatially distributed objects and phenomena. As a result agrarian enterprises have a full range of information about their target consumer on a territorial unit, a thorough analysis of a competitive position and the information about market segmentation, the forecast of commercial efficiency and the evaluation of expediency and prospects of their selling policies. The experience of developed countries proves that there is a direct connection between competitiveness and efficiency of an agromarketing system. For instance, in the USA in order to use marketing tools efficiently, the condition of infrastructure support, internal and external demands – their structure and volume, and also the geolocational placement of an agrarian enterprise and its competitive position are investigated. The marketing strategy consists of managerial decisions, coordination of the activity and policies of an enterprise that is the most

adaptable to the conditions of the environment in which it operates. The boundary between marketing and geomarketing is not clear enough, that is why it is expedient to give semantic characteristics of the concept

“geomarketing”. The data represented in Table 1 make it possible to establish a logical connection between the definitions, which is expressed in their consequent dependence, i.e. the latter is a derivative of the foregoing.

Table 1

Semantic characteristics of the concepts “geomarketing” and “marketing”

Semantic features	Categories	
	Marketing	Geomarketing
Methods	Analysis, inquiry, observation	Cartographic comparative geographical
Tools	Goods, price, methods of sales promotion and stimulation	Price, sales location, products, promotion methods, producers and consumers
Practical value	Developing and realizing strategies of marketing actions aimed at increasing efficiency of an enterprise’s selling activities	The possibility of long-term forecasts of competitive development considering all the branches of economic activity
Research trends	Integrating into the system of strategic and tactical management	Integrating into an information system
Objects used	Market relations	Market relations which include the relationship between consumers, suppliers and sellers, taking into account the spatial component
Agents of relations	Consumers, producers, competitors	Consumers, producers, competitors, developers, managers
Information space	Economic activity	Integrated data system
Purpose	Indicating the efficiency of using resources for the current period and realizing strategic tasks	Maximizing an economic effect and maintaining efficiency increase and competitiveness in managing resources
Concept meaning		
as a conception	Art and science of selecting a target market, involving, retaining and increasing the number of customers by forming a customer’s opinion about his/her high value for an enterprise.	The marketing concept of managing an object, based on spatial research aimed at improving economic management of an enterprise for maintaining its competitive development on the basis of an innovative component.
as a technology	The activity aimed at achieving the objectives of enterprises, institutions, organizations by generating demand and meeting consumer demands maximally.	The process of planning and making decisions about pricing, image and selling policies of an enterprise using geoinformation technologies.

* Source: Developed by the author.

Considering the partial identity of marketing and geomarketing it is expedient to analyze and evaluate geomarketing tools of agrarian enterprises (Figure 1).

Methodical tools of geomarketing have their unique specifics [16, p. 82–86]. For instance, spatial analysis allows forecasting and suggesting such variants of selling products, which make it possible to cover as many consumers as

possible and solve the problem of covering a given percentage of the total market share taking competitors into account. Correlation and regression relationship, the degree and intensity of the impact of factors on a dependent variable become apparent due to statistical methods in economics. Hoff’s model allows predicting a tentative volume of consumer demand on the basis of geolocaion of the points of purchase.

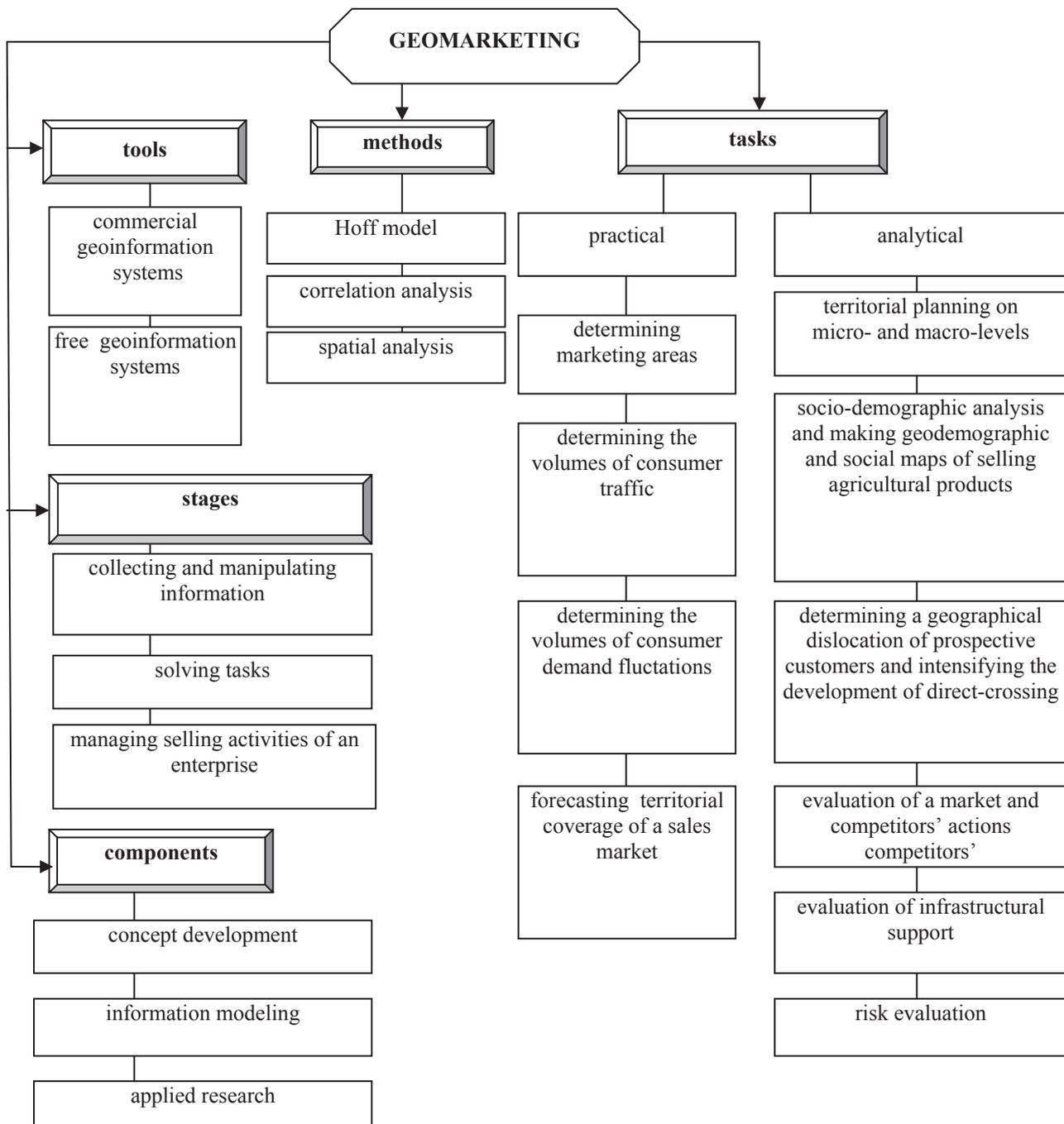


Figure 1. Geomarketing tools of agrarian enterprises

* Source: Developed by the author.

The main task of geomarketing is to establish optimal and the most beneficial relations of a manufacturer and consumers of a product based on geolocaion aimed at maximizing positive effects. In this case geographical analysis of an environment allows reducing economic costs, distributing resources rationally and making particular tactical managerial decisions. Taking spatial aspects into consideration allows reducing mistakes which can be made in conducting classical marketing research, avoiding

“mirroring” and duplication. It is impermissible to transform a successful experience of other regions immediately without considering the location of agricultural production, a spatial component etc. Thus, geomarketing as synthesis of marketing and geography is a key component of maintaining competitive development and an element of gaining competitive advantages at different levels. In addition, geoinformation technologies allow visualizing spatially localized data, obtained as a result of

conducting geomarketing research, which optimizes the process of manipulating them [2]. The geomarketing complex is a group of

geomarketing tools and methods which are used to achieve market objectives of an enterprise (Figure 2).

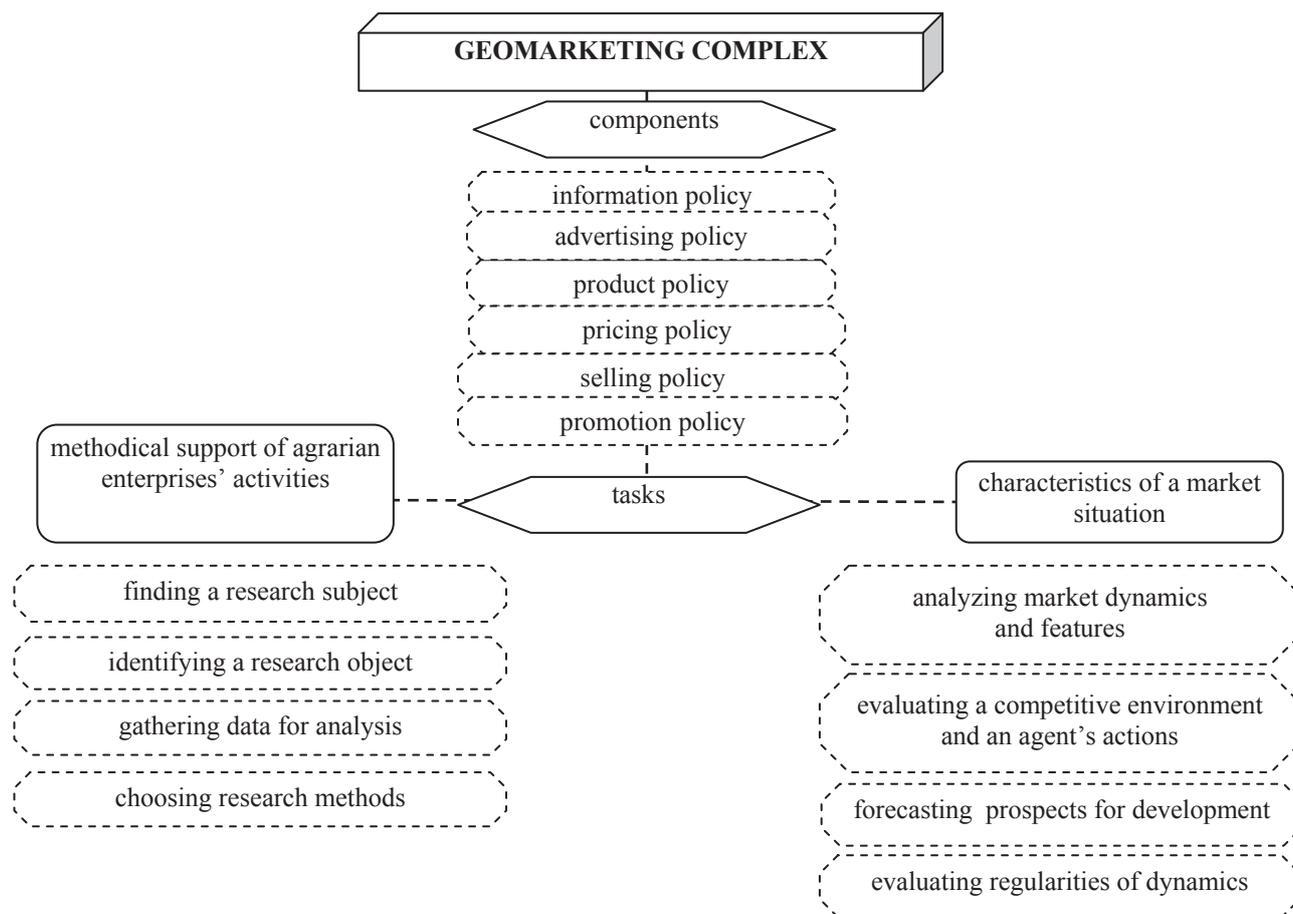


Figure 2. The geomarketing complex of agrarian enterprises

* Source: Developed by the author.

An informational component is one of the most important tools of building a system of geoinformation activity in geomarketing of agricultural formations, a basis for developing a favorable socially significant image of agrarian enterprises and their products. The principal objective of a geoinformational component is to provide consumers with thorough information about an enterprise product, its ecological qualities, safety, organic characteristics and the necessity to buy it. This is a leading principle of informational and ecological activities in geomarketing. An efficient tool for it is ecologic and organic brands and marks, and also eco-certificates, which can be given to enterprises, products and even territories.

By considering the development of information technologies, improving particular infrastructure, the results of geomarketing research are becoming more and more available for end-users, who are the managers of all lev-

els and areas of activity. Using a geomarketing approach is a guarantee of efficient management of agrarian enterprises. Geomarketing as a powerful integrated means is not efficient for solving small private tasks. In these cases it is more expedient to use common marketing methods [14, p. 89–94].

It is possible to increase the efficiency of territorial marketing by using geomarketing methods, mainly, by employing geoinformation technologies both in gathering primary data and taking marketing measures. Thus, it is possible to create a new concept such as “territorial geomarketing”, which must become a basis for managing territorial development [12, p. 37–39].

In conducting geomarketing research by agrarian enterprises it is expedient to use the methods of creating buffer zones, which allow identifying probable zones of entering a market, market coverage and its stability, establishing

priority directions of delivering and transporting goods. In order to support the latter it is necessary to use routing methods, methods of availability analysis, spatial statistics. This group of methods provides information about the distribution of consumers, shops, logistics centers, sales concentration; the methods of network analysis allow reflecting the interrelations between manufacturers, dealers, sellers and buyers, finding critical points and making it possible to evaluate the possibilities of reducing uncritical ways and avoiding indirect connections.

Spatial development is impossible without considering the experience of leading European countries. Geomarketing in the agrarian sector of economy of developed European countries has its characteristic features in implementing product, pricing, selling and communication policies. The most important and efficient tool of interacting with consumers is a so called regional trade mark or brand. Its functional role consists in maintaining a positive image of an enterprise in a given region, in generating regional economic flows and creating added value, increasing "recognition" of a product and guaranteeing product quality, increasing attractiveness for a consumer [9]. This experience is acceptable and can be adapted by agrarian enterprises of agrarian regions with a high infrastructure potential and prospects for developing agro-eco-zones. The development and introduction of an agrarian regional trade mark by enterprises as a result of an integrated geomarketing strategy will have a positive profound effect. Firstly, it is a social, ecological and economic impact on the development of rural areas and agrarian agents in particular. Secondly, it will favor stimulating production intensification and concentration in the agrarian sector, retaining jobs, overcoming the effect of seasonality, increasing financial turnover. Thirdly, it will improve the system of managing the resources of agricultural formations, increase the sales of agricultural products, stimulate ecological farming and regional self-identification.

Conclusions. Geomarketing in managing agrarian enterprises solves the following main tasks: it identifies priority zones of developing and selling products; it determines the volume of consumer traffic and possible reasons for its

fluctuations; it forecasts the degree of territorial coverage of a sales market and makes it impossible to cover it with trade zones. It results in achieving the principal objective, namely: increasing economic efficiency on the basis of spatial and temporal analysis of different initial conditions; monitoring, forecasting, managing agricultural formations on the basis of detecting inapparent regularities of consumer behavior in a dynamically changeable environment. Geomarketing research tools allow investors and managers to obtain immediate information for creating a development strategy, making tactical managerial decisions, substantiating the concept of diversifying production and selling activities.

The advantages of geomarketing of the micro-level are the following: the possibility to visualize the potentialities of building strong infrastructure connections or a distribution network; the selection of an optimal and effective location for production facilities and the evaluation of the possibility of their territorial expansion and diversification; the evaluation of competitors in terms of determining the strength of connections and intensity of competitive struggle; the market estimation of a business and assessing its prospective value taking a geographical component into consideration. The advantages of the macro-level are maintaining sustainable resource use, an optimal correlation between the number of sales locations and the amount of consumption and maximizing the effect of "optimal location". It is important to note that a limited access to outgoing spatial, demographic and statistical data is a main obstacle for using a geomarketing strategy by agricultural formations. The modern geomarketing allows conducting integrated research of global and local economic processes and that is important for spatial economics.

Thus, geomarketing is an innovative tool for analysis and management resulting in an information resource which is a basis for making managerial decisions. Geomarketing uses: geodata which are a systemic information resource that allows using methods of systems analysis efficiently; spatial relationships which consider spatial factors of economic characteristics; innovations in the field of managing agrarian enterprises.

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Новини АПК

Експортовано понад 23 млн т зерна

З початку 2016/2017 маркетингового року Україна експортувала 23 072 тис. т зерна, що на 1 448 тис. т. більше від показника відповідного періоду попереднього року.

Загалом, прогнозна пропозиція зерна у 2016/2017 році сформована на рівні 71,6 млн т, з яких 64,2 млн т – виробництво, 7,1 млн т – перехідні залишки та 0,37 млн т – імпорт. Пропозиція зерна за культурами: кукурудза – 29,1 млн т, пшениця – 28,8 млн т, ячмінь – 10,1 млн т, жито – 0,45 млн т, гречка – 0,197 млн т, інші – 3 млн т.

Беручи до уваги, що потреба для внутрішнього використання становить 23,5 млн т зерна, експортний потенціал зберігається на рівні 40,2 млн т, який вже використано на 57%.

Прес-служба Мінагрополітики України