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# STRATEGIC DIRECTIONS OF MARKETING COMMUNICATIONS OF AGRO-INDUSTRIAL ENTERPRISES IN UKRAINE

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## ABSTRACT

The use of various tools of marketing communications and a strategic approach to developing communication campaigns are nowadays of particular importance. The processes of differentiation and positioning, being an integral part of any business, become complete only if consumers are made aware of the unique qualities and differences of the product, compared to alternative offers, through the marketing communication tools. Most of the Ukrainian agro-industrial companies should refer to the experience of leading Ukrainian and foreign companies, which, thanks to effective communication strategies, have successfully explained the differences and position of their products to the target audience and markets and achieved significant success.

In marketing communication campaigns, especially in foreign markets, it is advisable to refer to the image of Ukraine as a well-known agricultural producer and the heritage, being an important component of modern agribusiness. Today, the issues regarding the truthfulness of messages of agricultural companies are associated with the compliance with standards and food safety regulations, which is a concern of national governments and international organizations. Therefore, communication campaigns of the Ukrainian companies should be simple and distinguishable, and convey the main ideas of differentiation and positioning of a product or enterprise itself short and clear. The limited and selective perception of modern consumers, who are overloaded with the vast amount of information, should also be taken into account.

**Keywords:** consumer selective perception, food safety, marketing communication, regulation of communications of agro-industrial companies, promotion

**JEL Classification:** L19, M38, M39, Q13

## INTRODUCTION

The modern Ukrainian agro-industrial enterprises try to actively cooperate with the target audience and look for new sales markets. Developing a rational marketing strategy of promotion and communications can help in this. Communications help to not only inform, remind and convince potential buyers of the benefits of cooperation and the advantages of their goods or services, but also to stand out in a competitive market, affect the consciousness of the target audience and impose long-term mutually beneficial interaction.

Differentiation and positioning become important for the Ukrainian agro-industrial products. Thanks to marketing communications, they become priority factors for the company's success in the market and can provide significant competitive advantages. To this end, it is advisable to use different means of communication, paying special attention to the accuracy, truthfulness and timeliness of messages. False or deceptive marketing communications can have negative consequences for agro-industrial products, in particular food products, in terms of the population health and current global issues and, consequently, for the company's business. That is why the Ukrainian legislation is adapted to the European one, including, in order to harmonize the communication messages of enterprises and organizations with modern requirements to influencing the consumers. The Ukrainian agribusiness, therefore, needs to take into account the legal restrictions on marketing communications, taking into consideration the peculiarities of

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the perception of agro-industrial goods and services and the complexity of the behaviour of modern consumers.

## THE PURPOSE AND OBJECTIVES OF THE PAPER

The aim of the study is to find out the current features of marketing communications of Ukrainian agro-industrial enterprises, strategic directions and ways to increase their efficiency, based on current legal and customer requirements.

Among the main objectives of the study, the following should be pointed out:

- to distinguish and analyse effective strategies of marketing communications of Ukrainian agricultural enterprises;
- to determine the role of heritage in marketing communications of Ukrainian agribusiness;
- to pay attention to the issues of false messages and misleading information in the communication of agro-industrial companies;
- to analyse the impact of legal norms on the policy of promotion of Ukrainian agricultural enterprises;
- to explain the influence of consumer selective perception on the company marketing messages.

## RESULTS

The agricultural sector has been an important component of the national economy of Ukraine over the past decades. It undergoes constant changes, develops and improves, despite the general economic situation. After all, regardless of the crisis, food and related goods and services always have a sufficient level of demand. At the same time, the level of competition in the agro-industrial sector of Ukraine is high and showing a tendency to increase. It is important, therefore, to develop and implement new and optimal approaches to interaction with the marketing environment, while the tools of communication aimed at strengthening the position in the market should become the key ones.

The success of modern business is closely related to the processes of differentiation and positioning, being the focus of most marketers and market experts. New and extraordinary ideas for differentiation are extremely important for the Ukrainian agricultural enterprises today, being though in sufficient conditions for effective management. It is necessary to develop a marketing communication campaign able of informing the market about the features and differences of a product (service) compared to the current market offers.

It is not without reason that scientists sometimes note, that «marketing is a mind game with potential customers» (Trout, 2019, p. 80). Communications should not only affect consciousness, but also be perceived the way the customer and the producer of the message want. Therefore, any way of interacting with the target audience requires effort and expense to get into the minds of consumers and to stay there for a long time to organize mutually beneficial cooperation. Ukrainian agricultural companies should remember that even «a mediocre idea can be successful with the use of rational marketing communications» (Trout, 2019, p. 79–82).

That is why profitable agribusiness companies in Ukraine often increase their profitability, because they have enough opportunities and resources to inform and convince potential buyers of the profitability of purchasing their products and the impact on the mind of the target audience.

In the marketing communication activities of such agricultural enterprises, other risks appear:

- how to separate good ideas from bad ones;
- how to reduce cost of «extra» products;
- which programs to cut when there are many of them.

Understanding their potential consumers is currently a necessary condition for an effective marketing communication policy of Ukrainian agricultural enterprises. However, this may not be enough: as in other industries, it is effective to create a unique sales offer and send relevant messages to the target audience. This also applies to consumer goods produced by the agro-industrial complex of Ukraine. There are many examples of the effective impact of differentiation and marketing communications of such goods in developed countries. Successful strategies include:

- 1) clear identification of products. For example, the Ukrainian agribusiness grows a significant number of cucurbits, while virtually there are no trademarks of these producers and products. Following the example of foreign producers, for example, of pineapples or bananas, who place stickers on each of their products or use packaging, telling through marketing communications why it is necessary to look for such labels or packaging, the sales and

brand awareness can be significantly increased. A striking example is the producer of green salads Galicia Greenery LLC, which, having packed each portion of the product in a clear plastic bag and a small pot (which allows maintaining optimal conditions to keep products fresh for a longer period of time), became one of the most recognizable producers of green products. Certainly, a well-thought-out marketing communication policy maintained over the past several years, which explained to consumers why it was worth looking for labels from this company, helped to achieve this;

- 2) personification through links to certain characters. For example, the use of a cartoon white and blue cat in the products of Prostokvashyno trademark (Danone group of companies) has long become for Ukrainian consumers the standard of «delicious farm milk» (Trademark Prostokvashyno, 2018) with a rich collection to suit every taste. The products «from the cat» are easily recognizable. For the little ones, Danone offers another character, a well-known «Rastishka» the dragon with its «incredible adventures» and interactive applications;
- 3) creation of a new product by means of an appropriate name and its presentation. Most would probably agree that the name significantly affects the perception of a product or service and can significantly change the understanding of market supply. For example, Volodymyr-Volynsky Poultry Farm PJSC used the word «Epicurus» for the name of its brand, which is associated with an ancient Greek materialist philosopher. His views, by the way, largely coincide with the position of the management of the poultry farm: ideal is the satisfaction of natural desires and justice is not to harm others and not to suffer from others (Epikur, 2021). This is indeed the way of positioning and branding, to which modern Ukrainian agribusiness companies, aimed at long-term perspective and building strong brands, should pay particular attention;
- 4) changing the category of goods through the introduction of proper associations. For example, the owners of Polissia Delicacies trademark have introduced pork products with the technology of dry-cured meat under the «Matsyk» brand in the market. The product was transferred from the category of ordinary products to the category of expensive branded goods, the category of jamón. This is how the Ukrainian jamón appeared in Ukraine: «a traditional delicacy prepared exclusively by men and the recipe of which is passed down through generations (Company Offer, 2021).» An effective marketing move that allows taking the issue of perception of agricultural products to a different level.

Being in the market for a long time is a significant advantage and differentiator of the Ukrainian agro-industrial production. The image of Ukraine as a «breadbasket of Europe», formed over the past several centuries, can give potential consumers a sense of cooperation with the industry leaders with significant experience. With the help of marketing communication tools at the level of enterprises and the state, it is possible to give the goods and services of Ukrainian agricultural production a distinctive appearance, different from other manufacturers and countries with a clearly articulated and reasonable position (Kuzyk, 2020).

J. Trout and S. Rivkin repeatedly emphasize in their publications (Trout, 2019) the importance of heritage (the origin of company) for occupying a special place in the world market.

The Ukrainian agribusiness has every reason to turn to the history of heritage in its marketing communications: after all, Ukraine has a rich and interesting history, which can be related to the business of many agro-industrial enterprises.

Many global companies try to standardize marketing communications in different markets. However, it is important to remember that in practice the possibilities of combining a standardized product and the same messages for all markets are quite limited. The Ukrainian agricultural enterprises with their products can consider the option of a universal product for various markets, however, it is useful to adapt communications to local market characteristics, cultural factors and legislation. After all, despite the growing role of mass culture in the world, the desires and needs of buyers often differ, especially in terms of food products and the way of consumption. Even marketing communication campaigns of McDonald's and their products have a regional focus and take into account local differences.

Thus, marketing communications in the agro-industrial sector should be considered «as an interdisciplinary field of knowledge, which acts as a link in the processes of production, distribution, exchange and consumption of food products» (Savytska, 2019, p. 5) and agricultural goods and raw materials. An important component of the marketing communication policy of agricultural enterprises is the social responsibility of both the business itself and the messages of the company, because the products produced and the impact of the production in this sphere on the environment is extremely important for the development of present and future generations (Majovets, 2021).

That is why the issues of approaches and standards to marketing communications in the agricultural business and food safety are important global problems that are addressed at the level of many national economies and international organizations. In 2019, amendments were made to the ICC Advertising and Marketing Communications Code in order to take

into account the values, culture and ethics of specific countries, as well as the extent of internal regulation of the advertising market (Savytska, 2019).

The problems of misleading messages and deceptive information in marketing communications are relevant for the agro-industrial business of Ukraine and the world. During 2017–2019, the Ukrainian authorities adopted a number of regulatory documents on food safety, food sector and agribusiness products, which partially relate to communication policy (this indicates Ukraine's desire to join the European market), including the following Laws of Ukraine:

- 1) «On the state control over compliance with legislation on food products, feeds, animal by-products, animal health and welfare»;
- 2) «On the basic principles and requirements to organic production, circulation and labelling of organic products»;
- 3) «On amendments to certain legislative acts of Ukraine regarding the implementation of acts of the European Union legislation in the sphere of technical regulation»;
- 4) «On information for consumers of food products».

In addition to legislative changes that affect the economic and marketing activities of agro-industrial enterprises of Ukraine, their communication campaigns should take into account current changes in consumer behaviour aimed at overcoming the «diseases of civilization»:

- change of lifestyle;
- taking care of one's health and the health of the loved ones;
- dietary diversification;
- food transparency.

The modern technologies have empowered marketers to penetrate into the minds of consumers with their messages and grab attention through a wide variety of platforms and tools. The ability of customers to collect, study, analyse and compare information about a particular product or service with almost instantaneous exchange of experience became another aspect of this process (Kotler, 2018). Obviously, under such conditions, it is extremely important for any agro-industrial company to be truthful and reliable in the information presented to the target audience and the microenvironment through marketing communications. For example, if an agricultural company reports false information about the components of its product, consumer's distrust of this brand will increase. The agribusiness in Ukraine should also take into account:

- 1) time spent on purchase;
- 2) comfortable conditions for purchase of goods or services;
- 3) positive emotions from the purchase and consumption of economic goods;
- 4) possibility of establishing contact after sharing and studying the response to purchase.

The statement of N. Savytska and V. Yevlash that «modern consumers choose functional demand multiplied by the capital of trust in the brand; the highest value for them is convenience, individuality, environmental friendliness, trust, impressions, emotions and saving time and money (Savytska, 2019, p.7)» is also relevant for the enterprises of the agro-industrial sector.

Since the agribusiness products are related directly to the health and life of present and future generations, the components of such goods and services, their impact on the environment and the company's strategic vision of the future are extremely important for the modern consumer. In our opinion, it is not enough today to indicate everywhere that manufactured products are eco-friendly, use paper bags and green colour in packaging and corporate symbols, etc. We need a healthy perception of the brand by consumers through the provision of truthful information about the composition of the product, a corporate approach to the production and sales process, and precautions for consumption and use. The modern consumer expects honest «product communication», which must be ensured by the marketing communication policy of the enterprise. After all, if they do not receive this, a rapid sharing of experience and thoughts about economic goods by means of modern information capabilities will occur. Thus, the non-transparency, deception and asymmetry of information transmitted through the marketing communications of agricultural enterprises leads to the loss of consumers and market share respectively, reputation damage, reduced opportunities and financial results.

That is why Ukraine should introduce quality standards for goods and services for agricultural companies, as they do it, for example, in European countries. Ukrainian legislation should be completely updated: rely on new requirements and standards and regulate provision of transparency in the production and development of food products. This is the key to the formation of a socially responsible business in the agro-industrial sector and marketing communications in particular.

In Ukraine (as in all developed countries), liability is imposed for providing false, inaccurate or misleading information about agro-industrial goods and services through marketing communications. Penalties for such violations are quite significant (for legal entities — 15 minimum wages, for individual entrepreneurs — 10 minimum wages (the Verkhovna Rada, 2017)). However, the information about the imposition of such sanctions on agribusiness and other business in Ukraine is not available, which casts doubt on the effectiveness of such system of control.

Under any conditions, marketers of agricultural enterprises, when developing communication campaigns, must constantly take into account the overload of modern consumers with information:

- during the last three decades, mankind has created more information than in the previous five millennia;
- amount of printed knowledge doubles every five years;
- one modern newspaper contains more information than an average resident of the 16th and 17th centuries perceived in his entire life;
- over four thousand books are nowadays printed in the world every day;
- an average office worker today uses twice as much copy paper a year as he did 10 years ago;
- every day the World Wide Web is replenished with 2 million electronic pages (Trout, 2019).

Thus, the marketing communication campaigns of modern agribusiness should be simple and recognisable. They should convey the main ideas of differentiation and positioning of the product or the enterprise itself short and clear. It is necessary to send messages many times through various media. Otherwise, it will be extremely difficult to ensure their perception by the target audience.

Economists and psychologists have repeatedly argued that perception and memory are selective (Kaneman, 2018). This is due to the natural defence mechanism of an individual: blocking the excessive overload and stimuli. Moreover, there is a relationship between the proportion of messages perceived by the audience and the category of goods advertised. For example, shoes advertising is more interesting than yogurt advertising; meat products advertising, other conditions being similar, is less exciting than modern devices advertising, etc. Thus, when selecting marketing communication tools and the frequency of their repetition, a specific product (service, company or name) being promoted and similar messages from other product groups, which the target audience will receive, should be taken into account.

## CONCLUSIONS

Marketing communications can aid the development of agro-industrial enterprises of Ukraine today. They help to effectively differentiate and position goods and services, inform and remind potential consumers about the company's offer and convince of the profitability of the purchase through the impact on the minds of the customers. A rational marketing communication campaign, however, involves understanding of its consumers and peculiarities of their behaviour.

1. When developing communication strategies, the Ukrainian agricultural enterprises should pay attention to clear identification of their products, personification through links to certain characters, «creation» of a new product by using appropriate name and presentation, change of product category through the introduction of correct associations. A number of well-known agribusiness companies in Ukraine use these approaches successfully, gaining additional competitive advantages and strengthening their positions in the market and minds of consumers.
2. The Ukrainian agribusiness companies should pay particular attention to experience and heritage in their marketing communications campaigns, especially when entering foreign markets. The historical component for such enterprises and reference to a rich and interesting history can become an important component of Ukrainian agro-industrial goods in the world. At the same time, significant attention should be paid to the social responsibility of such companies and food safety, which is emphasized by many national economies and international organizations. To this end, in recent years Ukraine has been trying to unify its domestic legislation with the European one, which will also determine the approaches to the communication policy of agricultural enterprises.
3. The desire of Ukrainian agro-industrial companies to build long-term competitive business should be supported by truthful and reliable information provided to the target audience and the microenvironment through marketing communications. It is also necessary to take into account the time spent on the purchase and comfort level of the purchase, impression of the purchase and consumption of good, as well as the possibility of establishing closer contact after the transaction. At the same time, agribusiness marketers should pay attention to the overload of modern consumers with vast amount of information and look for simple and rational ways of delivering messages with the possibility to impose long-term cooperation.

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### СТРАТЕГІЧНІ НАПРЯМИ МАРКЕТИНГОВИХ КОМУНІКАЦІЙ АГРОПРОМИСЛОВИХ ПІДПРИЄМСТВ УКРАЇНИ

Подальший розвиток українського агробізнесу пов'язаний із застосуванням сучасних маркетингових підходів до співпраці зі своїми споживачами й опирається на глибоке розуміння особливостей їхньої поведінки. При цьому особливого значення сьогодні набуває застосування різноманітних інструментів маркетингових комунікацій і стратегічний підхід до побудови комунікаційних кампаній. Процеси диференціювання і позиціонування, які є невід'ємними складовими будь-якого бізнесу, стають завершеними лише за умови доведення до відома споживачів особливостей і відмінностей товару, у порівнянні з альтернативними пропозиціями через засоби маркетингових комунікацій. Більшості агропромислових компаній України доцільно звернутися до досвіду провідних українських і зарубіжних підприємств, які завдяки ефективним комунікаційним стратегіям вдало пояснили цільовій аудиторії та ринкам відмінності й позицію своїх товарів, досягли значного успіху.

У маркетингових комунікаційних кампаніях, особливо на зовнішніх ринках, доцільно звертатися до іміджу України як відомого агровиробника і спадщини — важливої складової сучасного агробізнесу. При цьому слід розуміти, що стандартизація на всіх ринках маркетингових комунікацій є вкрай складним завданням. Зумовлено це не лише відмінностями в поведінці споживачів, а й законодавчими обмеженнями. Сьогодні питання правдивості повідомлень агрокомпаній стоять поряд із дотриманням стандартів і безпечності харчових продуктів, про що дбають уряди країн та міжнародні організації. Тому маркетингові комунікаційні кампанії українських агропромислових компаній мають

бути простими, видимими, коротко й чітко доносити основні ідеї диференціації та позиціонування товару чи самого підприємства. Слід урахувати також обмеженість і вибірковість сприйняття сучасних споживачів, які переобтяжені значними обсягами інформації.

**Ключові слова:** маркетингові комунікації, безпечність харчових продуктів, законодавче регулювання комунікацій агропідприємств, споживче сприйняття, стратегія просування

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