

MARKETING STRATEGIC ASPECTS IMPROVING THE COMPETITIVENESS OF MEAT PROCESSING ENTERPRISES IN THE LOCAL MARKET OF UKRAINE

Oleksandr FEDORCHUK¹ ORCID ID: 0000-0003-4732-8305

Svetlana BOLILA² ORCID ID: 0000-0002-9689-6774

Abstract: *In the article necessity of introduction of strategic competitiveness management on the basis of marketing approach in activity of meat-processing enterprise for the purpose of formation of steady competitive advantage of the manufacturer and increase of its share in the local market is proved. The purpose of work its research of competitive position of the meat processing enterprise in the local region of Ukraine, estimation of potential of sales, definition of the most profitable and attractive in view of consumers' inquiries and product names, optimization of the producer portfolio under market and consumers' requirements, forecasting of possible vector of brand development and formation of a complex of strategic marketing actions for increase of its competitiveness. The results of the research have revealed some shortcomings, which need to be eliminated, in the issues of marketing support of competitive positions of meat processing enterprise in the local market. A number of marketing measures and tools, which strengthen the marketing activity of the producer in the regional market, provide proper competitiveness of its products and achievement of its strategic goal in the local food market.*

Keywords: *meat processing enterprise, competitiveness, local food market, marketing strategy, marketing complex*

JEL Classification: M31, Q13

Introduction

In the face of intensifying competition, the Ukrainian meat processing industry has found itself in a rather difficult position. This is reflected in the shortage of raw materials for production as a result of reducing livestock and poultry and, consequently, reducing production, especially at the local level, disrupting the infrastructure of meat markets, increasing competitive pressure from foreign meat producers.

The issue of increasing the competitiveness of enterprises in the market and their timely adaptation to changes in the competitive marketing environment is acute. Enterprises need to form sustainable competitive advantages based on matching the strategic capabilities of enterprises with internal potential and unused reserves in order to maximize the synergy of efficiency in a

¹ PhD in Economics, associate professor of Finance, Accounting and Entrepreneurship department, Kherson State University, Ukraine, Email: 15961980@ukr.net

² PhD in Agricultural science, associate professor of Management and Information Technologies department, Kherson State Agrarian and Economic University, Ukraine, Email: bolelayasu@gmail.com

DOI: 10.29302/oeconomica.2021.23.2.3

competitive market, taking into account regional specifics to form a stable commitment of customers. Experts explain the market situation by a number of factors: rising prices for resources and raw materials, declining incomes and overall purchasing power of Ukrainians, and as a result, declining consumption of meat and meat products, general global trends in the meat market.

Due to the fact that competition at the local level in Ukraine is fiercer, meat processing companies need to look for effective levers to increase their presence in the regional market and increase the impact on customers, which can be achieved through more effective use of marketing tools and tools for competitiveness, which determines the relevance of research on this topic.

Literature review

Problematic issues of the principles of competitiveness of the producer in the conditions of aggravation of competition are an actual direction of researches of scientific community (Dolzhansky I. and Zagorna T., 2006; Belenky P., 2007; Petrova A. and Shekhovtsova I., 2015) which reveals essence competitiveness, its components and significance for the modern enterprise. Strategic planning issues, including marketing, play an important role in increasing competitiveness (Korshunov V., 2000; Kudenko N., 2002; Tsygankova T., 2004).

In the scientific literature, the study of strategic competitiveness management has been widely reflected in the works of domestic and foreign scientists in various fields. Researchers have studied strategic planning as a process of managing an organization's interaction with its environment to achieve the desired state of the system for the organization's mission (Schendel D. and Hattch K., 1972; Higgins J., 1983). Its purpose for the company is to achieve the ultimate goal: to make a profit and maintain a stable market position (Shershneva Z. and Oborskaya S., 1999; Tsyba T., 2006; Babiy I., 2016.). Strategic planning by scientists is defined as a set of actions and decisions of management, the result of which is the development of specific strategies aimed at achieving the goals of the organization (Romanyuk L., 2010; Pearce J. and Robinson R., 2012).

Planning as a function of management specifies the goals in the systematic indicators of socio-economic activity of the organization and in developing strategies and tactics of production, management activities focused on achieving management goals and implementing plans (Vasylenko V. and Tkachenko T., 2003; Pashchenko O., 2011). in the conditions of high turbulence of the market conceptual questions of management of competitiveness of the enterprise also remain (Shinkarenko V. and Bondarenko A., 2003; Balabanova L. and Kholod V., 2006; Balabanova L., Kryvenko H. and Balabanova I., 2009). Thus, considering the strategic management of enterprise competitiveness, scientists (Yevtushenko N., Drokina N. and Savenko A., 2020; Protosvitskaya O., Fedorchuk O., Sviridovsky V., Dudchenko V., 2021) note its continuity and versatility, process nature, which is realized through the implementation of strategic decisions of human capital, focused on long-term competitive advantage. market with timely adjustment of goals and strategies, which will help the company in a timely manner to choose ways of innovation, structural adjustment or crisis management.

The essence and structure of strategic planning of marketing and competitiveness management, detailed consideration of their elements in the works of scientists leads to the conclusion of the need for their use by enterprises to create key benefits in economic activity, which determines the main risks and opportunities. in order to form long-term competitive advantages with appropriate market coverage. But despite the numerous developments of scientists in this area, the sectoral features of competitiveness management in the local plane in Ukraine remain not fully disclosed, which raises the question of the need for applied research on this issue.

Data and methodology

The aim of the study was to investigate the marketing strategic aspects of increasing competitive advantages for the meat processing enterprise in a highly competitive local market.

The object of the study was an enterprise that is one of the leading producers of meat products on the market of Ukraine - "Yubily". The subject of the study was the process of forming a regional strategy for managing the competitiveness of the brand of the manufacturer. The research was conducted for the period 2017-2020. In the process of research such scientific and applied methods as abstract - logical, statistical and economic, analytical groupings and graphical comparison, computational and constructive, expert, etc. The information base of the research was scientific publications on the selected topic, official statistical materials, internal documentation of the enterprise-object of research; data from consumer and expert surveys, as well as the results of personal observations and judgments of the authors.

Empirical analysis

TM "Yubily" meat processing plant sells its own products on the regional markets with the help of intermediaries. Thus, in the market of Kherson city its official sales representative is LLC "South Logistics Group".

The analysis of sales indicators of the manufacturer's brand revealed seasonality of turnover: over the past five years of the manufacturer's presence on the market, the highest sales were observed in summer (July / August), due to growing demand for products due to increased flow of vacationers in the region. - in winter (mainly in February), which is explained by the decline in consumer purchasing activity due to their significant spending on products during the New Year and Christmas holidays and a certain period of calm in shopping at the end of winter.

After the rapid growth of sales of TM "Yubily" - by 63% in 2017, there is a gradual decline to 3% in 2019, which is a negative indicator of the activities of LLC "South Logistics Group" and signals the need for a set of measures to increase turnover products sold on the market (table no.1).

Table no.1 Dynamics of the results of the enterprise of product sales

Year	Increase / decrease, sales, %	Increase / decrease revenue, %
2017	63%	114%
2018	12%	20%
2019	-3%	5%
2020	-1%	19%

Source: compiled by the authors according to the internal reporting of the enterprise

Analysis of sales performance of the distribution network in terms of species of the manufacturer's products are given in (table no. 2).

Table no. 2 Sales performance of the manufacturer by types of products in the local market

Product group	Sales volume, kg	Share of sales, %	Net income, thousand, UAH
Boiled sausage	529059.41	18.3	2328.319
Semi-smoked sausage	378725.59	13.1	2071.74
Cooked-smoked sausage	419200.08	14.5	2991.94
Smoked sausage	367161.45	12.7	4640.8
Ham	465456.64	16.1	2439.83
Sausages	268866.26	9.3	1235.244
Fat sausages	135878.65	4.7	428.18
Meat	326686.96	11.3	3157.04
Total	2891035	100.0	19293.09

Source: compiled by the authors on the basis of internal reports of distributors

According to the analysis, the largest sales volume, namely 18.3% (or 529 t) in the market of Kherson city are boiled sausages of the manufacturer's brand, and the largest income comes from a group of smoked sausages, which bring him 4 mln. 640 thousand 800 UAH and meat, for which the income is 3 mln 157 thousand UAH. The smallest share of sales and, accordingly, income is allocated to the group of sausages and fat sausages TM "Yubily".

Marketing research of consumer preferences of Kherson customers through a survey conducted in November 2020 found that the products of TM "Yubily" meat processing plant are in high demand, the share of buyers is 41%, in addition, about 23.5 % of customers were regular supporters of this brand. According to research, the target consumers of "Yubily" products are people with high and medium income, who pay more attention to the quality characteristics of the product.

The analysis of competitiveness and competitive advantages of TM "Yubily" (table no. 3) showed its rather stable condition in the commodity local market of Kherson in comparison with competitors: "Farro" (competitor 1), "Meat shop" (competitor 2), "Sausage row"(competitor 3)," Yatran "(competitor 4)," Globino "(competitor 5)," Meat Guild "(competitor 6)," Golden Calf "(competitor 7)," Alan "(competitor 8) , "Index" (competitor 9), as evidenced by the competitive strength of the brand of the analyzed company at 63, 4%.

Table no. 3 Assessment of the competitive position of the analyzed manufacturer in the local market

№	Factors of competitive force in the target segment	Average expert assessment of competitive force factors by enterprises - competitors in points (scale 1 - 15)									
		Competitor1	Competitor2	Competitor 3	Competitor 4	Competitor 5	Competitor 6	Competitor 7	Competitor 8	Competitor 9	The researched enterprise
1	Affordability	13	14	8	6	7	10	4	5	5	11
2	Quality	9	10	12	7	6	10	5	4	3	15
3	Market share	9	10	13	4	5	7	7	4	3	13
4	Sales volume	9	12	10	6	8	6	7	5	5	15
5	Profitability	10	10	13	6	6	7	8	5	4	12
6	Commodity circulation	8	13	11	6	9	5	8	3	5	15
7	Assortment	14	8	14	10	12	7	7	3	4	15
8	Novelty products	13	12	10	8	8	5	14	4	6	13
9	Sales channels	13	10	15	5	9	5	6	7	7	14
10	Packaging	15	8	8	6	10	13	13	5	4	15
11	Incentives for buyers	13	9	9	15	14	5	8	4	10	12
12	Advertising budget	8	10	8	10	9	5	5	7	8	10
13	Staff incentives	13	10	12	8	9	6	9	7	5	15
14	Reputation of the enterprise	12	12	13	5	6	10	8	3	3	13
Competitive power		159	148	156	102	118	101	109	66	72	188
Average rating		11.4	10.6	11.1	7.3	8.4	7.2	7.8	4.7	5.1	13.4
Average rating of competitors		8.2									

Competitive position of the analyzed manufacturer	63.4%
---------------------------------------------------	-------

Source: compiled by the authors according to an expert survey

Our SNW analysis of the internal environment of the researched enterprise revealed "bottlenecks", such as insufficient number of exclusive shops and low quality of material base (table no. 4).

Table no. 4 SNW-analysis of the internal environment of the researched enterprise

№	Name of strategic position	Qualitative assessment of positions		
		S strong	N neutral	W weak
1	Enterprise strategy	-	+	-
2	Product competitiveness	+	-	-
3	Information and digital technologies	-	+	-
4	The quality of the material base	-	-	+
5	Marketing level	-	+	-
6	Level of management	-	+	-
7	Market image in the market	+	-	-
8	Staff professionalism	-	+	-
9	Reputation as an employer	-	+	-
10	The mode of operation of the enterprise	+	-	-
11	Availability of a network of exclusive retail and retail stores	-	-	+
12	Concentration on certain market segments	-	+	-

Source: compiled by the authors according to the analysis of the internal environment of the enterprise

As for the material base, enterprise needs to expand its own vehicle fleet in order to increase the efficiency of the manufacturer's product delivery service and guarantee its timely arrival at the counter. In general, it can be noted that enterprises of various sectors of the economy faced logistics problems during the pandemic. Not only is there a lack of transport, warehouses, the problem is deeper and more complex - there is a shortage of manpower and experienced management staff, which leads to losses in logistics systems. This also applies to the researched enterprise, so the solution of this problem is important, given that the product has a short shelf life.

Analysis of the range and product portfolio of the studied enterprise showed that the saturation of its range is significant and currently amounts to 64 products, and the results of ABC analysis of products revealed the most profitable product groups, namely: smoked, smoked sausages and meat delicacies.

The comparative analysis based on the results of expert evaluations of assortment-price strategies of the main producers of meat products presented on the local market singled out three leaders among the brands: products of the researched enterprise, competitor 1 (TM "Farro") and competitor 3 (TM "Sausage row"). These brands have the widest range and the best merchandising indicators in retail outlets, are marked by noticeable packaging and belong mainly to the middle price segment (except for TM "Farro"), which differs favorably from competitors. The influence of the studied characteristics on the competitiveness of products becomes obvious.

Based on the study of possible vectors of further development of the studied enterprise and the prospects of positioning its brand by SPACE-analysis, we determined that to strengthen the competitive position of TM "Yubily" in conditions of intensification of competition, the optimal

orientation strategy is the leader's competitive strategy strengthening. In order to achieve maximum effectiveness of marketing activities, the researched company in the local market should apply a business strategy of segmentation and selection of the target market, which today as promising and most profitable for the manufacturer considers such product groups as cooked sausages and meat.

At the same time, such product groups as smoked, boiled-smoked sausages and ham are also strategically important for the company's activities, as they allow to expand market share and bring considerable profits. Therefore, we can conclude that it is necessary to position each of these target segments, while preferring the most promising of them.

Among the opportunities for developing competitive potential, identified through SWOT-analysis (table no. 5) include increasing the number of loyal customers by increasing customer awareness of the product and manufacturer, systematic reminders of products and persuasion to try new types, which will expand the market.

Tabel no. 5 SWOT-analysis for TM "Yubily"

S	Strengths	Weak sides	W
	sufficient raw material base experience significant relative market share production quality diverse range introduction of new technologies the presence of structural units for marketing	insufficient material and technical base low level of readiness of employees for changes short shelf life	
O	Opportunities	Threats	T
	increasing the number of loyal consumers expanding the range of informing potential buyers expansion of the market for products increasing turnover improving the quality of staff expansion of the range due to innovative high-tech technologies for specific consumer requests improving the dealer network	increasing competition in the local market oversaturation of the industry market with marketable products technological lag in innovation areas in the industry reduction of staff skills	

Source: compiled by the authors according to the analysis of the internal and external environment of the enterprise

Portfolio analysis by matrix The Boston Consulting Group found that the largest number of varieties of products, namely 31 items, are at the stage of maturity and belong to the business units "Dairy Cows", which is a leader in the already established industry and without significant costs for marketing activities have large profits, which become a source of funding for other units. Thus, the analysis showed the need to redistribute funds within the product portfolio of TM "Jubilee" in favor of the range of items included in the group "Battle Horses" (5 products) and "Stars" (22 products.). Adhering to the proposed product strategies, the company will be able to significantly improve the economic performance of its activities by abandoning illiquidity and activating investments to stimulate sales of profitable product groups.

Market competition necessitates the constant improvement of the marketing complex in order to influence the consumer and form his favorable attitude to the product. We can mention the

following areas of improvement of the marketing complex of meat processing enterprises in terms of each element of the marketing mix to increase customer loyalty:

- in the direction of manufactured products: improving its quality, safety and environmental friendliness in accordance with global trends; improving small changes in the composition of the product to maintain its consumption in the phase of maturity and expand the production of innovative technological products for the specific needs of the consumer to enter other segments of the local market; increasing loyalty to the products of the manufacturer due to a successful brand;
- in the direction of the price component: increase of reliable sources for making reasonable decisions about the price and elimination of errors in pricing; use of pricing tactics in terms of discounts / surcharges to encourage active actions of participants in exchange processes;
- in the direction of sales policy: elimination of conflicts in the distribution channels of the abdomen, the transition to vertical marketing distribution systems; expansion of the network of branded stores at the local level; elimination of miscalculations in supply chains and logistics and intensification of introduction of digital forms of product sales;
- in the direction of the communication component: the use of effective means of stimulating the intermediary and the buyer; diversification of communicative influence on the target client and the choice of a successful form of communication for the consumer audience; reputational advertising of the manufacturer and image advertising of the trademark, rebranding of the trademark; retail – branding; establishing partnerships with customers.

Conclusions

Thus, the results of the analytical and expert study of the meat producer, the competitive position of its brand clearly demonstrate the incomplete use of the company's own competitive advantages and opportunities, which is manifested in ignoring the relatively unfilled market niches. We believe that in this situation in the local market for the formation of long-term commitment of buyers for the meat processing plant is especially important communication component of the marketing complex.

In view of this, the manufacturer should intensify communication activities in accordance with the defined objectives, namely in the direction of forming a positive image of the product and the reputation of the manufacturer; strengthening the position of new product names and types of products; raising awareness of potential buyers about the manufacturer and its product; attracting new consumer groups; increasing market share; increasing the level of consumer loyalty.

In the local market, we consider it necessary for the producer to resort to a combined promotion strategy and encourage active actions of both intermediaries and end consumers. Measures to implement the chosen communication strategy in the distribution system should include: granting the right to exclusive sales in the local market; wholesale discounts to intermediaries; allocation of funds for sales promotion; providing free product samples for sampling; brand advertising using emotional means of influencing the consumer; training staff to increase their professionalism in terms of product promotion and improve the art of product sales and the use of merchandising tools at the point of sale of the manufacturer's product (Bolila S. and Walter R., 2019). We believe that the introduction of the advertising company's plan will increase the positive attitude to products within 10% in the near future. According to experts, this percentage increase in consumer loyalty to brand products through the intensification of advertising will increase sales to 20% by attracting to the consumption of buyers of other competing brands by increasing awareness of potential consumers.

Thus, in our opinion, the comprehensive implementation of the proposed measures will eliminate gaps in the system of marketing support of the manufacturer and ensure the appropriate level of its competitiveness in a highly competitive local market.

References

1. Babiy I., 2016. *Analysis of scientific views in the formation of strategic enterprise management*. Bulletin of Khmelnytsky National University. № 1, P. 8-9.
2. Balabanova L., Kholod V., 2006. *Strategic marketing management of enterprise competitiveness* .: textbook. K.: Knowledge, 444 p.
3. Balabanova L., Kryvenko H. and Balabanova I., 2009. *Enterprise Competitiveness Management*. K.: Publishing house "Professional", 256 p.
4. Bolila S., and Walter R. 2019. *Merchandising as a tool to support the brand of meat products*. Modern management: problems and prospects of development: materials of the 4th All-ukrainian scientific-practical. conf. Kherson, "KSAU", P. 248-250.
5. Belenky P., 2007. *Research of competitiveness problems*. Bulletin of the NAS of Ukraine. № 5. P. 9–18.
6. Dolzhansky I. and Zagorna T., 2006. *Competitiveness of the enterprise*: textbook. K.: The methodical center for educational literature, 384 p.
7. Higgins J., 1983. *Organizational Policy and Strategic Management*. 2nd edition. Chicago: The Dryden Press, 824 p.
8. Korshunov V., 2000. *Planning of marketing activities of the enterprise*. Kharkiv: Osnovy, 304 p.
9. Kudenko N., 2002. *Marketing strategies of the firm*. K. .: KNEU, 246 p.
10. Pashchenko O., 2011. *Strategic management of enterprise development*. Bulletin of Khmelnytsky National University. № 2. V. 2.
11. Petrova A., and Shekhovtsova I., 2015. *Competitiveness of the enterprise in conditions of instability*. Actual problems of economy and management. № 9.
12. Pearce J. and Robinson R., 2012. *Strategic Management: Planning for domestic and Global Competition*. 13th edition. Chicago, IL.: RD Irwin, Inc., 1014 p.
13. Protosvitskaya O., Fedorchuk O., Sviridovsky V., Dudchenko V., 2021. *Ensuring the competitiveness of agricultural enterprises in terms of sustainable development*: monograph. Kherson: OLDI-PLUS. - 196 p.
14. Romanyuk L., 2010. *Theoretical aspects of strategic management of the enterprise and its personnel*. K.: Scientific works of KNTU. Vol. 17.
15. Schendel D. and Hattch K., 1972. *Business policy and strategic management*. Academy of Process Management. 538 p.
16. Shershneva Z., Oborskaya S., 1999. *Strategic management*: textbook. K.: KNEU. 384 p.
17. Shinkarenko V. and Bondarenko A., 2003. *Enterprise competitiveness management*. Kharkiv: KhNADU. 186 p.
18. Tsyba T., 2006. *Features and mechanism of strategic planning*. Current economic problems. №2 (56). - P. 159 - 172.
19. Tsygankova T., 2004. *Modern models and trends in strategic marketing*. Marketing in Ukraine. №2, P. 31–36.
20. Vasylenko V. and Tkachenko T., 2003. *Strategic management*. K.: TSUL. 396 p.
21. Yevtushenko N., Drokina N. and Savenko A., 2020. *Strategic management of enterprise competitiveness: theoretical aspect*. Economic space. Dnipro: PDABA. № 156, P.129-135.