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GUIDELINES FOR IMPROVING STRATEGIC MARKETING ACTIVITIES IN AGRIBUSINESS

ABSTRACT

The agrarian business in Bulgaria has potential for development by applying a marketing approach in its management. Agricultural production can be developed by satisfying the needs of the market. The supply of Bulgarian agricultural products faces many market challenges, which forces farmers to look for means to improve the market image of their products.

The purpose of the article is to determine guidelines for improving the management of Bulgarian agricultural holdings.

Implementation of strategic marketing activities by farmers can improve their economic performance based on better market performance. The correct implementation of these activities requires that they be considered as part of a systemic process that affects all elements of the production and marketing system. This requires that the management functions related to planning, execution and control of marketing activities are performed in the context of the market environment for each particular business.

KEYWORDS: process, system, marketing chain, analysis, marketing objectives

INTRODUCTION

The strategic marketing process begins with articulating the organization's mission and setting its long-term goals. Although these activities are not purely marketing, they are the basis for all others because they are general in nature and operate over a long period of time. Thus, at this stage, the boundaries within which the business will move (develop) in the future are determined and the attitude of the top management and shareholders towards the business is expressed.

Although it was established (in the course of the research) that the respondents gave the highest percentage of positive answers to the question regarding the clear formulation of the organization's mission, there are reservations regarding the content of this activity, the utilization of which will increase the quality of the entire marketing process.

First of all, it should be noted that it is common for the mission statement to be too narrow in nature, focusing on the product being offered. Such an expression contradicts the basic principle of the marketing concept that the consumer with his needs is the main (starting) point for any business. This also determines the need for the needs that the company wants and believes it could satisfy through its products to be the basis of its mission. Thus, the mission will acquire a permanent character over time, due to the fact that the needs exist objectively, and the products are only a means of satisfying them.

The second direction for improving the formulation of the organization's mission is related to its reality. This problem has two sides - on the one hand, the mission may have an unrealistic character, as it is impossible to fulfil, and on the other hand, in case of a strong underestimation of the company's capabilities, the stimulating function of the mission for the staff is lost, i.e. it is easy to achieve. Therefore, a balance must be found here between these two extremes. To be real and achievable, the mission must be tailored to the company's capabilities and market characteristics, taking into account both the current state and expectations for their future development. Also thus, the mission should stimulate the staff in their activities, which can be achieved by expressing a broader understanding of the business, setting the basic requirements by which the staff should be guided in the performance of their duties. Of course, it is no less important that the staff is familiar with and shares the company mission, which is the result of their motivation. In this way, unidirectionality is achieved in the actions of each of the employees and empathy with the philosophy of the organization. This, in turn, leads to an increase in the efficiency of the business unit's operation and achievement of its goals.

After the company mission is formulated, it needs to be detailed, through the main (main) goal and strategic goals of the organization (Borisov and Behluli, 2020). The main objective indicates the specific intentions of the company in the long term, and the strategic objectives take into account those areas that are recognized by managers as key to the realization of the mission and the main objective. For this detailing to be successful, managers need to have information about the needs and state of the market and, through strategic goals, to direct the efforts of associates to meet market conditions. For agricultural producers, it is appropriate that the strategic goals are related to the quality of the products offered; compliance with sanitary and hygienic requirements; establishment of partnership relationships with other economic entities; conservation of natural resources; staff training etc.

After defining the mission and strategic goals and before conducting a strategic analysis, market segmentation and target market selection are performed (Borisov and Garabedian, 2020). Thus, on the basis of the expressed mission and goals, the market will be segmented in such a way as to create an opportunity to choose the target market(s) that best suits them. After which to proceed to the next stage - carrying out a strategic analysis. We recommend that such an analysis be carried out, not only on the selected target markets, but also on the others that are currently not in the focus of the company, as this will allow to reveal both the common and the different between the individual segments, as well as to monitor their development so that, under certain conditions, the company can promptly direct its activities to serve new segments.

From the results of the conducted research, it is clear that there are significant reserves for increasing the effectiveness of strategic marketing activities at this stage. Market segmentation is the first step, without which it is unthinkable to carry out the next ones from this stage. Its successful implementation requires solving two problems: to define the relevant market, then to select appropriate criteria by which to segment it. According to Krastevich, the relevant market includes the entire set of consumers who will be the subject of the segmentation. It differs from the widely known category of target market. While the target market includes those market segments that are of particular interest to the business organization and to which marketing impacts are directly directed, the relevant market includes the entire set of potential and actual consumers with their needs that are relevant to it. There are different concepts

according to which an enterprise can define its relevant market. The most important of them are the following: elementary market concept; concept of physical-technical similarity; cross price elasticity concept; concept of functional similarity; concept of expected competitive response; concept of subjectively perceived interchangeability. When solving the first problem, we recommend approaching it not from the point of view of the offered products, but from the point of view of what needs they satisfy in the user. This allows a broader view of the market to be formed, taking into account other products satisfying consumer needs. The broader definition of the relevant market allows to identify more segments that can be fully covered with specially developed company offers.

In order to achieve this, it is necessary not only to segment, but also to outline the user profile of each of the segments. Unfortunately, this activity is among the least represented in the enterprises of the branch. Its implementation requires the collection of rich information about users, which is assigned to the relevant specialists. Here is the place of the marketing specialist, researching the market to provide this information, through which to know the characteristics of each of the segments, by answering the questions: "Who are the consumers?"; "What is their social status?"; "How old are they?"; "What motivates them to make a purchase decision?"; "What is their lifestyle?" etc. Collecting this information requires additional costs, but it enables the company to offer a specific marketing mix tailored and meeting exactly the needs of the given segment. This would save significant resources to produce and market products that are not based on consumer characteristics and would be difficult to adopt. Not a small part of the enterprises has focused on offering a mass product, without a clear idea of its user and competition based on price advantage. The creation of specific marketing mixes will personalize consumers and enable the transition to non-price competition, effectively using the other elements to influence demand.

Development of such marketing mixes can be undertaken after conducting a strategic analysis of the target markets. It examines all elements of the internal and external business environment, which requires obtaining information about each of them. Without sufficient information in terms of quantity and quality, the results of this analysis cannot be used further, that is why the construction and operation of a company information system has a leading role here. In fact, the quality of strategic analysis is determined by the availability of the necessary information and the methods used to collect and process it, and the improvement of the information-documentary base is a prerequisite for its improvement.

The presence of multiple subjects in the analysis necessitates the use of registries to gather information about each of them. While for the elements of the macro environment (economic, political, demographic, etc. conditions), various official publications (State Gazette, Statistical Yearbook, publications of governmental and non-governmental institutions, etc.) can be used, which provide the information in a ready form and it only needs to be classified. For the elements of the microenvironment and the internal environment, documents can be developed in which the collected information can be summarized according to certain parameters characterizing the state and actions of each element. The use of ready-made forms would facilitate the process of processing the information and improve its visibility. Samples of such forms are proposed, and we recommend that they be completed by year, after which they should be kept for a longer period of time (7-8 years).

In particular, the following forms have been developed:

When developing a distributor form, the main indicators by which they can be characterized and are relevant in the analysis of this element of the macro environment are included. Since the filling of the form is annual, it contains summary information about each economic entity, which is the result of the information collected throughout the year. This, in turn, requires that all interactions between the company and the distributor be recorded in chronological order. The form also contains ratings that can be given by experts and information about the distributor that the marketing specialists are responsible for recruiting.

A competitor form contains information about the products it offers, as well as how it operates in the market. We recommend filling in this form for each target segment separately, i.e. for the same company they can draw up more than one form depending on how many segments it participates in. In this way, the collected information about all competitors is relevant to the specific segment, which makes it easier to carry out a strategic analysis for each segment.

Collecting the information contained in a supplier form allows a company to both monitor and evaluate its interactions with each supplier and compare them among themselves. For this reason, the forms must be classified by type of product supplied, and also filled in for potential suppliers who, under certain conditions, would become partners for the company.

The emergence of new entrants to the market exacerbates competition, which is why it is necessary to analyse them. Through the proposed form, all new products on the market are registered, and here, too, the filling must be by segments. Despite its usefulness, this form is intended only for already developed and proposed products, and the analysis of this element of the external microenvironment (new entrants) requires also assessing the possibilities of their appearance, which is why only the proposed forms cannot be used. Evaluating the possibilities for the emergence of new participants can be done on the basis of expert assessments, using the information from the competitors' section. Also, in addition to the appearance of new products on the market, it is also possible for new economic entities to enter the sector.

Forms for registering information about the state of the elements of the internal company environment.

The proposed forms can be used both to analyse the elements of the internal environment and to compare the achievements with your competitors.

During the development of the financial form, 6 main indicators are included, which represent the financial situation of the company. To fill it in, information is used from the company's annual balance sheet and from its income and expense report.

Personnel is an important element of the internal company environment due to the fact that it is involved in all business processes. The proposed indicators show how labour resources have been used and their analysis makes it possible to reveal existing potential for their development.

A production form can be filled in either by plots (in case they are located at a great distance from each other or there are differences between them), or by varieties grown in the massifs. The information contained in this form makes it possible to analyse how the different plots are used and, on this basis, to foresee measures to improve those that do not meet the established

company standards (Nikolov, Boevsy, Borisov and Readev, 2020). Also, the registered information allows to reveal the real potential of the company for production.

Form marketing contains information characterizing the products offered by the company. It can be completed both for each segment of the markets in which the company participates, and in general for all segments, thus the significance of each of them would be easily assessed.

So the proposed forms yes large volume of information is collected, which is often difficult to access. Each completed form participates in the strategic analysis and through them the status of the different farmers involved in the marketing chain can be compared, which is important to reveal their development potential.

Although the use of such forms requires the allocation of resources from companies, they have the following advantages:

- The collected information clearly and accurately describes the state of the market;
- The use of ready-made formats facilitates the collection and processing of information;
- Changes in indicators over time can be tracked;
- The information is available and it is possible to use it for other purposes, not only for the needs of strategic analysis.

Another strategic marketing activity that can increase the effectiveness in formulating, implementing and controlling the marketing strategy is setting quantitative marketing goals in written form (Kolaj, Osmani, Borisov and Skunca, 2019). Its non-performance by a significant proportion of the studied sites indicates an underestimation of this stage, which can be overcome by understanding its role. Goal setting is an important part of any management process and is the basis for planning. Quantifying marketing goals is necessary for at least two reasons: the numbers accurately express what we want to achieve, and they facilitate control over the achievement of those goals. As for their written form, marketing objectives are part of the marketing plan (and of other strategic documents), so they must inevitably be present in it.

In order for the set marketing goals to be effective, we recommend that they be aligned with the mission, the main goal and the goals of the other functional areas. Marketing objectives derive from the mission and the main objective, and together with the other functional objectives ensure their implementation during the period for which the marketing plan is developed. Aligning marketing goals with those in other areas will make them real, achievable, which is among the most important requirements in goal setting. In this way, setting marketing goals becomes a process in which managers from all company areas participate, which will make them empathetic to their achievement. After the marketing goals have been set, the goal setting process continues with the determination of specific goals for all elements of the marketing mix, the achievement of which will lead to the realization of the first ones. As a result of this process, the so-called a tree of goals, with the mission at the top, followed by the main goal, from which the goals by functional areas (including the marketing ones) derive, which are detailed in goals by their individual elements. The development of a tree of objectives not only presents clearly and clearly what the organization strives for, but it is also the basis for developing the operational objectives that are the subject of operational management. The

binding of all these goals in one network shows not only what the company wants to achieve, but also what intermediate states it must go through, which necessitates setting specific deadlines for their achievement.

Another problem area in the formulation, implementation and control of the marketing strategy in the studied enterprises is the construction of a system to control its implementation. Control is an important management function, which aims to constantly compare the actual state of the organization regarding the implementation of the marketing strategy and the set desired state. The essence of the marketing strategy requires control to cover the state of the external as well environment, by monitoring the changes that occur in it. In this way, inconsistencies between the changed external environment and the current marketing strategy would be identified at an early stage, which would allow management to take corrective actions in order to establish alignment between them. The construction of a system for controlling strategic marketing activities is based on:

- creating standards for the state of intra-firm dimensions;
- monitoring of the elements of the external business environment;
- evaluating the effectiveness of the organizational structure;
- evaluating the implementation of the delegated rights and responsibilities for the implementation of the marketing strategy;
- procedure for correcting registered deviations;
- evaluating the implemented marketing strategy.

Thus, the proposed system monitors the current implementation of the company's marketing strategy, which is summarized at the end of its implementation period with an assessment of its effectiveness. This allows management to use these results in the next management cycle, which ensures continuity between time periods and justification of newly adopted management decisions. Building such a system will inevitably increase efficiency in formulating, implementing and controlling a marketing strategy.

CONCLUSION

In conclusion, it can be summarized that implementation of strategic marketing activities by farmers can lead to improvement of their economic results based on better market performance. The correct implementation of these activities requires that they be considered as part of a systemic process that affects all elements of the production and marketing system. This requires that the management functions related to planning, execution and control of marketing activities are performed in the context of the market environment for each particular business.

Agribusiness has its own inherent characteristics and the implementation of strategic marketing activities helps to improve the service of the market. Strategic marketing activities determine the essence of the marketing strategy of the business and form the basis on which the agricultural holding interacts with the business environment. The need to manage this interaction is provoked by the prospects for business development and the desire for long-term development of agrarian business.

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