

**SUBSTANTIATION OF MARKETING ACTIVITIES FOR THE
 PRODUCTION OF SEA BUCKTHORN FOR AGRICULTURAL
 ENTERPRISES IN THE REPUBLIC OF MOLDOVA**

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Abstract

In the Republic of Moldova marketing activities in agriculture have not yet become widespread. This situation can be explained by the fact that many agricultural products are not grown or manufactured in sufficient quantities to meet the demand of domestic consumers, and the importance and role of marketing in conditions of shortage of goods remain insignificant, which is unjustified.

The article highlights the need and the way of implementing marketing activities within agricultural enterprises. It specifies the term of agromarketing and analyzes the peculiarities of marketing activities for the production of white sea buckthorn, which is the subject of study in the framework of an institutional project called: "Development of technology for white sea buckthorn production in the ecological system and the processing of fruit and biomass", approved for funding by the State Program for 2020-2023.

This paper can be considered as the basis for developing a marketing policy for the cultivation of white sea buckthorn. It supports the need to develop a marketing policy that begins with the rationale for the implementation of activities based on the concept and principles of marketing and has the mission to convince agricultural entrepreneurs to implement marketing activities within agricultural enterprises.

Keywords: marketing activities, agromarketing system, marketing-mix tools, white sea buckthorn production

1. Introduction

The management system of the production process and agribusiness primarily involves flexibility, elasticity, operation and sensitivity to market changes. More than that, the marketing orientation is more adjustable to innovations, in general, and to the market situation, in particular. It widely uses modern methods of product and price policies in the organization and management. An agricultural entity with such guidelines bears or has a high social and moral responsibility for the product proposed and placed on the market. The bottom line is that the philosophy of the personal and management team is different. In the first variant, the goal of a (satisfied) consumer is pursued, and in the second, to produce and sell. All these aspects finally influence the agribusiness results.

2. The degree of investigation of the problem and purpose of research

Publications, referring to the problems of marketing implementation in the activities of agricultural enterprises in the Republic of Moldova, are practically lacking. Agricultural entrepreneurs most often use marketing concepts intuitively in their work.

The aim of this study is to justify the need for implementing marketing activities at agricultural enterprises in the Republic of Moldova, especially in the production of white sea buckthorn, for which the institutional research project "Development of the production of organic white sea buckthorn and the processing of fruit and biomass" was developed and approved.

3. Applied methods and materials

Sources of local and foreign literature are used regarding the approaches of different authors to the need and methods for implementing the marketing activities at agricultural enterprises. In developing the article, the method of induction and deduction, systemic analysis, qualitative and quantitative methods for assessing and forecasting market indicators of agri-food products, including white sea buckthorn, were used.

4. Obtained results and discussions

A simple, complete and unanimously accepted definition of marketing activities in agriculture is impossible, because according to many experts, it cannot be considered solely as a science, a practical approach or art. Marketing activities in agriculture have a much wider purpose than selling agricultural or food products, including processing operations, stock management, distribution, pricing and product promotion, etc. In addition, it deals with the market study and the art of influencing it, competition and market surveillance / regulation by public authorities. It also affects the three main market components: agricultural entity, consumers and public authorities.

In the daily practice of developed countries, the agri-food marketing system operates in an astonishingly complex and regulated manner, with the aim of immediately satisfying the demand for quantity, quality and diversity of products requested by consumers [1, p. 174]. The consumer has come to satisfy his needs, desires and preferences without any difficulty. This is due to the fact that agricultural producers, as well as processors and distributors, are constantly planning and solving the main issue of adjusting the supply in accordance with changes in demand that they expect for at least several months. An agricultural product must undergo several types of transformations, before becoming food, four of which are basic: physical transformation, dimensional transformation, transformation in time and transformation in space [2, p. 113].

Bearing in mind references to four types of utilities, it can be stated, that marketing in agriculture plays a crucial role in managing the activities of enterprises in the agri-food sector, orienting them towards the production of goods that are demanded on the market, selling them to the right place and at the right time and get hold of them as soon as possible.

Fulfilling these goals, the producers and traders can maximize their profits through greater consumer satisfaction.

There are many definitions of marketing in agriculture. According to the authors, the simplest and most understandable for Moldovan producers may be that of the Romanian scientist Constantin Marian, who defines the marketing activity in agriculture as agrimarketing and states that agrimarketing represents: "A set of activities, techniques, methods and procedures in which supply of agricultural and food products is regulated according to changes in demand, in order to maximize consumer satisfaction, by providing them with the necessary goods in the required quantity and quality, as well as at the right time and place, but also to optimize profit for producers and traders" [3, p. 79]. At the same time, we believe that this definition should be supplemented with the ability to manage agribusiness and study the land market in order to accumulate additional profit based on optimizing entrepreneurial activity and more fully satisfying the needs of rural food and processing enterprises with agricultural raw material.

At the level of theoretical approach to the problem under study, it is important to formulate the term "marketing activity" within the agricultural entities. Thus, in our opinion, the marketing activity is a way for an agricultural entity to achieve its ultimate goal. For an agricultural entity that wants to succeed in the market, this ultimate goal is to maximize profit by meeting the needs of consumers. The specific steps that an agricultural entity must take in order to achieve this goal are to constantly research the market and consumption needs, with the adaptation of the enterprise to these changes.

According to the authors, marketing activity in agriculture includes the realization of forecasting and planning function aimed at extending the balance between demand and supply with the help of the marketing-mix complex tools: product, price, placement and promotion. Of course, the results of agricultural market study should always be taken into account. It is necessary to use a comprehensive approach to marketing management, based on ensuring the mutual relationship between the elements of agro-marketing, to achieve the task of satisfying the needs of consumers in food products and agricultural producers - in material, labor and financial resources. It is also important to comprehensively approach marketing activities on the basis of optimizing the interaction of all elements of the marketing-mix, which corresponds to the prerogative of maximally satisfying the consumer demand with minimal marketing effort. The choice of "white sea buckthorn" product was not accidental. White sea buckthorn is rightly considered to be a magic plant, a super food and a bank of vitamins. This culture has several areas of importance for human society, namely: nutritional value, therapeutic importance, economic value and ecological significance (Figure 1).

Analyzing multilaterally the definitions given by several authors, we propose that marketing activities for the production of white sea buckthorn should be conceived as follows: "Marketing activities for the production of white sea buckthorn is the process of studying the market for this product by white sea buckthorn producers and the subsequent use of marketing-mix elements in order to obtain profit by satisfying the population with white sea buckthorn products".

Next, we will analyze the particularities of marketing activities for the production of white sea buckthorn. The specific peculiarities of marketing activities for the production of white sea

buckthorn are determined by agricultural characteristics as an area of the real sector of the national economy: dependence on climatic conditions; the role and importance of products obtained in the phytotechnical and zootechnical sector; discrepancy between the working period and the production period; the seasonal nature of bearing costs and their materialization in various goods; variety of forms of ownership; many types of organization of agricultural households; the presence of external economic relations; participation of central and local public authorities in the development of agro-industrial complex and its industries, etc.

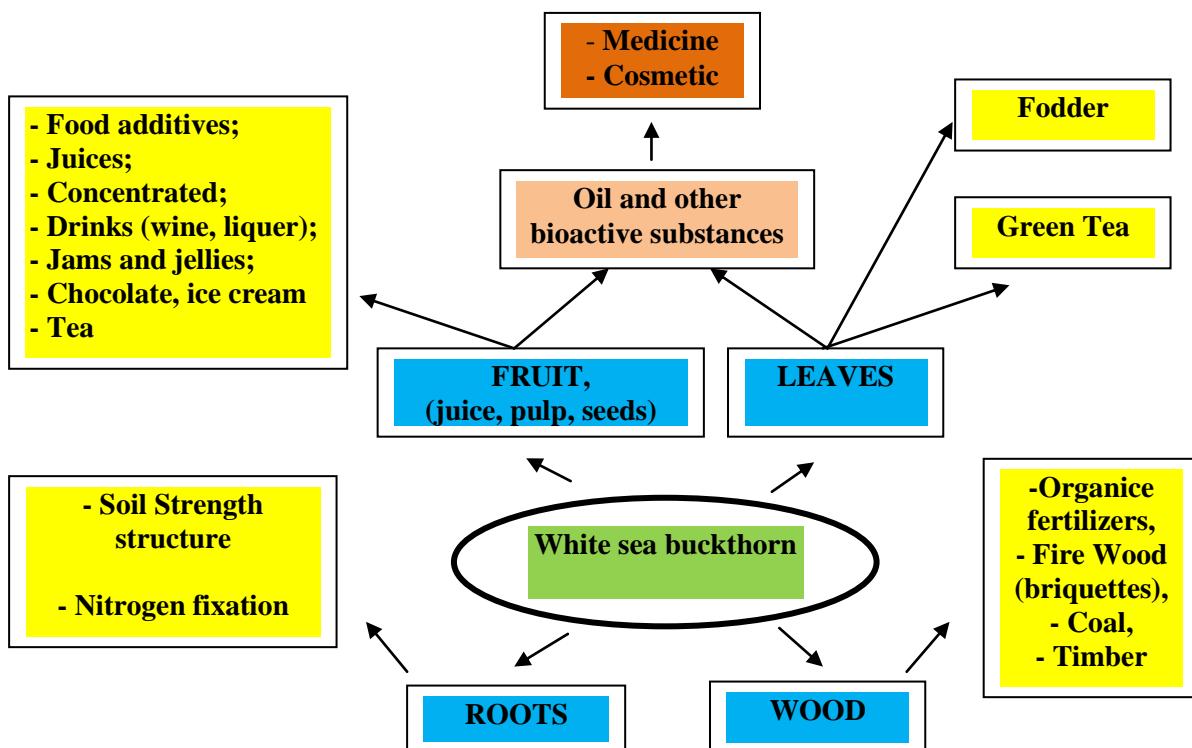


Figure 1. The importance of white sea buckthorn for the society

Source: elaborated by authors

One of the peculiarities of marketing activities for the production of white sea buckthorn is determined by the fact that the production of white sea buckthorn is associated with the main means and the object of production – land, cultivated area, soil quality and intensive use. Soil can be improved with proper and careful use. In this context, the rational use of phytosanitary products or their total lack in the technological process, the replacement of chemicals with biological methods to combat diseases and pests, the implementation of soil conservation technologies create sustainable premises for obtaining ecologically clean products. On the other hand, the reckless processing of agricultural land has a negative impact on the productivity of white sea buckthorn and on the quality of the obtained products. All these attribute to the marketing activities for the production of white sea buckthorn a certain specificity in the process of its organization and start-up. Natural and economic processes in the agribusiness activity are integrated and form new conditions for the development and organization of marketing.

If we are talking about the white sea buckthorn, then it is useful for the soil due to its hardness; the strong root system with a high dredging capacity is used as a pioneer plant in areas with very eroded land or when restoring anthropogenic soils in the industrial and mining areas. Another advantage is that white sea buckthorn is fixed at 180 kg N / ha per year. White sea buckthorn also gives poplar and pine a more vigorous growth in mixed forest strips.

Another peculiarity, no less important for the marketing of white sea buckthorn production, is the fact that marketing specialists are faced with the basic needs of the products. Based on this, agro-marketers must timely, taking into account the age, gender, national traditions and health status of consumers, meet their needs, requirements and interests in the required volume and range. White sea buckthorn goods are often perishable and, therefore, require quick delivery, attractive appearance and proper packaging.

The next peculiarity of marketing activities for the production of white sea buckthorn is the discrepancy between the work period and the production period. Thus, white sea buckthorn products are obtained once a year, while the working period lasts a whole year. In this context, specialists in the field should be well aware of the specifics, to be able to forecast consumer demand, the trend of its satisfaction, market conjuncture, etc., because the efficiency of marketing in the production of white sea buckthorn depends on all these points. This peculiarity is associated with the seasonal nature of white sea buckthorn production. The listed peculiarities of white sea buckthorn production, in contrast to industrial production, are achieved through specific forms and methods of agri-food products.

Since the consumer may be the last link in the examined chain, marketing activities regarding the processing of white sea buckthorn products (primary or secondary) directly by producers in an agricultural entity are strongly required. Currently, as a rule, these functions are performed by other types of marketing, located between the first consumer and the final consumer, i.e. by distributors (intermediaries). Primary processing, directly in the agricultural enterprise, is aimed at preserving the white sea buckthorn products and their quality, but not at improving consumption qualities.

Namely the situation in the processing of white sea buckthorn products, its provision with services and reduced competitiveness compared to similar imported products do not correspond to the modern requirements of consumers. This is explained by the fact that:

- agricultural enterprises operate in a difficult market;
- rural population does not have sufficient experience and traditions to organize entrepreneurial activities and marketing activities;
- many economic subjects in the agri-food sector do not have the necessary amount of money and adequate stocks;
- the state does not sufficiently finance and support this area of entrepreneurial activity;
- science and industry are not properly trained and do not provide quite effectively the given sphere of entrepreneurial activity.

Marketing activities for the production of white sea buckthorn is also outlined by the diversity of forms of ownership on land, means of production and production-commodity. This implies diversified competition, which is controlled only by the level of consumer satisfaction. In the context of a particular type of property, there are many forms of organization, operation and

self-management, but the most important thing is that the created agromarketing systems are sensitive, perceived and adapted to the consumer requirements, needs and interests.

Agriculture, including the production of white sea buckthorn, as a sector of the national economy is characterized by various legal forms of organization such as: joint stock companies, limited liability companies, agricultural cooperatives, peasant households (farmers), etc. Hence, it follows the diversity of possible forms of marketing for the production of white sea buckthorn, starting with objective marketing programs and ending with the results of agribusiness. Marketing activities for the production of white sea buckthorn are aimed at harmonizing the needs of consumers and its primary task is to create an integrated system at the country level, which would provide the necessary conditions for unlocking the potential of each entity. A complex aspect of the organization of marketing activities for the white sea buckthorn production is to reflect the dialectic of the forms of organizing the interconnection with the static character of this process. Currently, the movement of farmers in the Republic of Moldova has gained some spread, but due to the limited material possibilities, especially at the initial stage, the process is complicated and marketing should adapt, no doubt, to a typical peasant (farmer) household. Thus, it is necessary to create a movement of white sea buckthorn growers to protect and promote these producers at national and international levels.

Thanks to the privatization process and immediately after the completion of the land reform, a significant part of the former cooperatives or state-owned enterprises have changed their „facade”, becoming joint-stock companies, agricultural cooperatives or limited liability companies. In this particularly illustrative context, an example is given of joint stock companies in which, at the beginning of the 21st century, the number of land beneficiaries clearly prevails among corporate enterprises. Namely, this legal form of organization served as a bridge from cooperative or state enterprises to other forms based on private property: agricultural cooperatives, limited liability companies, peasant (farmer) households, etc.

Another peculiarity of marketing activities for the production of white sea buckthorn consists in the irregularity, nonequivalence and various levels of development of marketing activities in the agribusiness system, which includes the production, processing and realization of white sea buckthorn products. Unsatisfactory level of marketing insurance for, at least, one of these links leads to inadequate marketing. Moreover, this, in turn, reduces the efficiency of agribusiness.

A specific feature of marketing activity for the production of white sea buckthorn is also a higher sensitivity, adaptability, self-organization and self-management of the agromarketing system in comparison with other types of marketing systems, which is conditioned by the following:

- consumer's demand has a range of determinative and incidental requirements, needs and interests. For this reason, first of all, the agromarketing system has to meet the primary needs and to have flexible attitude to uncontrollable requirements and interests;
- on the market of agricultural products, including white sea buckthorn, there is fierce competition due to the homogeneity of goods. According to this fact, households with a competitive system succeed not only in the country, but also abroad;

- agromarketing system requires operational receptivity to government decisions relating to the multitude of organizational forms of the economic subjects.

Another peculiarity of marketing activity for the production of white sea buckthorn is the lower level of science and art of marketing activities compared to other types of marketing (industrial, commercial, etc.). This disadvantage is due to several factors. Firstly, we are facing a situation in which producers of white sea buckthorn, forced to deal with basic goods in a still deficient market, pay little attention to marketing activities and, as a result, neither the necessary experience nor the art of marketing was formed. Secondly, in the country and in the field, the science of agromarketing has not yet been established and, consequently, there are no reasonable recommendations for carrying out marketing activities in agriculture. With regard to agricultural entities, such science practically does not exist; and inside agri-food enterprises the units of marketing services are just at the initial stage of creation and, therefore, they are forced to operate mainly on the basis of intuition and chance.

Marketing activities for the production of white sea buckthorn must be oriented towards extending the balance between supply and demand with the help of marketing-mix tools. This requirement also refers to marketing activity for the production of white sea buckthorn that includes all traditional elements of marketing:

- product - identification of harvested white sea buckthorn goods, selection of efficient technologies for cultivation of white sea buckthorn plantations;
- price - studying the price policy in the production of white sea buckthorn, setting the optimal prices;
- distribution - organization of distribution and logistics activities in agricultural entities producing white sea buckthorn;
- promotion – carrying out different types of communications (advertising, public relations, personal sales, etc.) to promote sales on the market of white sea buckthorn products.

Let us further examine these elements, with an emphasis on various aspects of management in the production of white sea buckthorn.

Product-related activities include making decisions on the selection of white sea buckthorn varieties susceptible to cultivation in one agricultural entity or another. Any agricultural entity needs to know which varieties will have increased demand next year or the next few years. It is in the agricultural sector, in contrast to other sectors of the national economy, that the required amount of production is determined for a period of one year. This is due to the fact that white sea buckthorn is produced only once a year. An agricultural entity should give preference to those varieties that are more resistant to unfavorable climatic conditions characteristic of the Republic of Moldova.

With regard to pricing in the white sea buckthorn industry, it stipulates, first of all, for the adoption of decisions related to the pricing of white sea buckthorn production. In this industry, the justification of prices should be determined by production costs, since normal functioning of farms is largely dependent on the recovery of costs and obtained profit.

Distribution activities involve making decisions regarding the distribution of white sea buckthorn production to consumers. These decisions correlate with price decisions and product storage possibilities. At the same time it could be mentioned that the distribution of

white sea buckthorn on the market is a big problem for agricultural entities, since this type of product requires special requirements for transport, storage, handling and packaging. The main problem is the high level of spoilage of white sea buckthorn fruits and to avoid this, temperatures below zero degrees are needed. Thus, the harvested production of white sea buckthorn requires refrigerated storage facilities for the total produced volume. Agricultural entities will gain if they also provide cold storage to preserve the white sea buckthorn crop, allowing them to have sales throughout the year.

Promotional activities include making decisions regarding communication with consumers. For this area, the promotion of white sea buckthorn production, which is still little known to the whole society, is to inform consumers about the benefits of white sea buckthorn products.

Marketing activity in agriculture (including in the area of white sea buckthorn production) is a process of analysis, planning, organization and control of marketing-mix elements carried out, taking into account the specific activity of agricultural entities. The use of large-scale marketing tools could solve a set of economic, social, demographic and organizational problems in the agro-industrial area.

Marketing activities for the production of white sea buckthorn determine the production and distribution policy in this area, which is oriented towards obtaining a higher profit in the competitive market conditions. The main task is to establish and maintain the interaction of this area with the environment, ensuring advantages in the competitive fight on the agricultural market.

Marketing activities for the production of white sea buckthorn includes research and development of a strategy in order to meet the consumers' needs in white sea buckthorn products.

The connection of the agromarketing system for the production of white sea buckthorn with other agribusiness systems is presented in Figure 2. It, conclusively, demonstrates that the agromarketing system for the production of white sea buckthorn is a means of merging consumers' demand, production potential, marketing opportunities and market relations. Namely, this system is designed to ensure the satisfaction of consumer needs, based on integrated approaches and in-depth analysis.

When organizing the agromarketing system in agricultural entities, it ensures its integrity, i.e. the creation of an optimal system in terms of content, structure and operation. At the same time, the agromarketing system for the production of white sea buckthorn must be economical and safe. An important requirement for this system is its design, organization and rationalization in order to ensure sensitivity, receptivity and adaptability to consumers' and market's needs. To achieve these requirements it is necessary to create a whole series of subsystems, such as: the mechanism of organization, the technology of agromarketing process, the cultural and professional potential of marketers. The agromarketing system for the production of white sea buckthorn can work effectively only in case of optimal and rational organization, as well as due to the accomplishment of agromarketing cycle. For this reason, it is necessary to carry out the following measures:

- use of scientifically argued technologies in the agromarketing activity;
- training, modeling and programming of marketing communications;
- providing marketers with technical, organizational, mathematical resources, etc;

- permanent improvement of marketing qualification of entrepreneurs, managers, marketers;
- creating a comfortable creative-innovative, social-psychological and moral-ethical climate inside the team, as well as in the consumer-producer system.

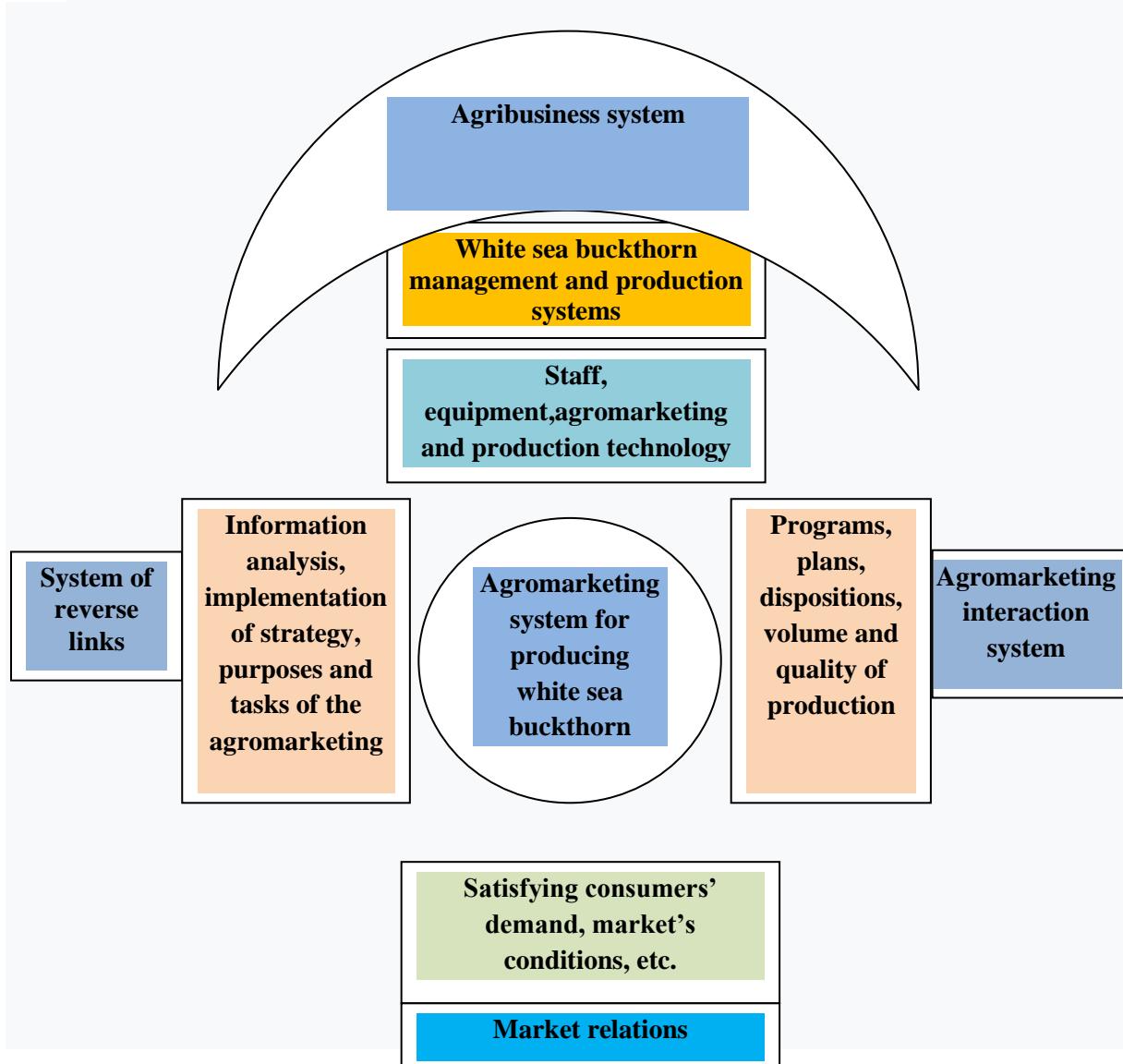


Figure 2. The place of agromarketing system in producing white sea buckthorn in the agribusiness system

Source: adapted and completed by Ю. А. Цыпкин [6, p. 56]

The functioning of agromarketing system for the production of white sea buckthorn implies a high level of culture, ethics and aesthetics, because one of this system's objectives is the education of consumers and producers.

From a methodological point of view, marketing activities for the production of white sea buckthorn should be focused on the following areas: improving the conceptual and categorical apparatus; using the concept of interaction and a systemic approach in developing marketing system models; applying the cyber approach; developing a conceptual model of organizational levels of marketing management; forming the marketing monitoring algorithm.

The general purpose of the marketing service in the management of an agricultural entity producing white sea buckthorn, as well as the way to supplement this service with control elements depends on the marketing strategy of the entity. In the case of white sea buckthorn products, strategies are usually simpler than in areas where technology, fashion or innovations are critical elements. Marketing strategies for the production of white sea buckthorn are aimed at meeting the needs of consumers in food, which, in turn, are manifested as primary or vital needs of all people. Therefore, in order to ensure consumption, it is not necessary to make advertising efforts for all products obtained from white sea buckthorn crop.

5. Conclusions

We believe that marketing activities for the production of white sea buckthorn ensure the implementation of a set of measures aimed at the production and distribution of white sea buckthorn products in order to satisfy the current and future needs of the population in such products.

Marketing activities on the white sea buckthorn market can be carried out at two levels, including:

- macroeconomic, which includes the following stages: establishing the mission of white sea buckthorn production area; planning the assortment of white sea buckthorn products; elaborating the strategy for the development of white sea buckthorn production;
- microeconomic, which has as objectives: conducting marketing research in the field; determining competitive advantages for each agricultural entity; elaborating overall marketing strategy per entity and agromarketing plan for each type of white sea buckthorn product.

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Rezumat

Activitatea de marketing în agricultură în Republica Moldova încă n-a obținut o răspândire largă. Această situație se poate explica prin faptul că multe produse agricole sunt cultivate sau fabricate în cantități insuficiente pentru satisfacerea cererii consumatorilor autohtoni, iar importanța și rolul marketingului în condițiile deficitului de mărfuri rămâne minor, ceea ce este nejustificat.

În lucrare se argumentează necesitatea și modalitatea de implementare a activității de marketing în cadrul entităților agricole. Se concretizează noțiunea de agromarketing și se analizează particularitățile activității de marketing la producerea cătinii albe, care este obiectul de studiu în cadrul proiectului instituțional cu denumirea: „Elaborarea tehnologiei de producere a cătinii albe în sistem ecologic și a prelucrării fructelor și biomasei” aprobat pentru finanțare prin Programul de stat pentru anii 2020-2023.

Lucrarea poate sta la baza elaborării politiciei de marketing la cultivarea cătinii albe. Se argumentează necesitatea elaborării politiciei de marketing care începe cu fundamentarea necesității de realizare a activității în baza conceptului și principiilor de marketing și are misiunea de a convinge antreprenorii din agricultură să implementeze activitatea de marketing în cadrul entităților agricole.

Cuvinte-cheie: activitate de marketing, sistemul de agromarketing, instrumentele marketingului-mix, producerea cătinii albe

Аннотация

Маркетинговая деятельность в сельскохозяйственной отрасли Республики Молдова еще не нашла широкого применения. Данная ситуация объясняется тем, что много сельскохозяйственных продуктов выращиваются или производятся в меньшем количестве по сравнению со спросом отечественных потребителей, тем самым значению маркетинга в условиях дефицита товаров не уделяется должного внимания, что обоснованно в условиях рыночных отношений.

В работе обосновуются необходимость и способы внедрения маркетинговой деятельности в сельскохозяйственных предприятиях. Конкретизируется понятие агромаркетинга и анализируются особенности маркетинговой деятельности в сфере производства белой облепихи, которая является объектом исследования в институциональном проекте «Разработка технологии производства белой облепихи в экологически чистой среде и переработки фруктов и биомассы» утвержденный для финансирования Государственной программой на 2020-2023 годы.

Работа может стать основой разработки политики маркетинга для выращивания белой облепихи. Аргументируется необходимость разработки политики маркетинга, которая начинается с обоснования необходимости осуществления деятельности на основе концепции и принципов маркетинга и направлена на убеждение предпринимателей, занимающихся сельским хозяйством, внедрять маркетинг в своей деятельности.

Ключевые слова: маркетинговая деятельность, агромаркетинг, инструменты marketing-mix, производство белой облепихи

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