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MARKETING MANAGEMENT AND ITS FEATURES IN THE ORGANIC SPHERE OF PRODUCTION

Dorozhkina Kateryna, post-graduate student, Department of institutional provision of natural resources, Institute of Agroecology and Nature Management of National Academy of Agrarian Sciences of Ukraine, Ukraine,

ORCID ID: <https://orcid.org/0000-0002-3132-998X>

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ABSTRACT

The article considers the definition of marketing and marketing management from the standpoint of various scientists. The main tasks of marketing of an enterprise are studied as an integral part of management of marketing activities. The necessity of marketing management is analyzed, and the advantages of its use are outlined. The concept of organic production is studied; an interpretation of marketing management of organic production is proposed, which includes the study of the needs of existing and potential consumers, the development of an appropriate product range, which will be based on the requirements for the production of organic products, taking into account the wishes of consumers, the sale of products by optimally selected sale channels, which will lead to the achievement of better competitive advantages and profit maximization.

The article also considers the general requirements for organic production in Ukraine, as well as the list of prohibitions for this production. The features of marketing management in the field of organic production are determined, which include: ensuring the absence of negative impact on the environment by production; compliance with the principles and requirements for the production of organic products; the presence of a transition period of production; the mandatory procedure for annual certification; the presence of special labeling of products, which is agreed with the certification body.

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Introduction. Marketing plays a key role in enterprise management. It makes it possible to study in advance the demand for existing products or those which are planned to be added to the range, to adapt production in accordance with changes in the external environment and to meet the needs of consumers as much as possible. The importance of the marketing management of organic production is twofold: on the one hand, it is about meeting the needs of consumers as much as possible, and on the other hand, it is about proving to consumers the usefulness of such products and convincing them to pay a premium price for them. Also, during production, it is necessary to take into account all the requirements for organic products and exclude negative impact on the external natural environment.

Analysis of recent research and publications. The study of marketing and marketing management was carried out by outstanding foreign scientists such as P. Kotler [1], K. L. Keller [1], P. Drucker [2], Z.-Z. Lamben [3]. Among the native scientists, the following should be highlighted: I. V. Yurko [4], K. M. Kraus [4], D. V. Rajko [5], V. H. Voronkova [6], T. V. Hryhorchuk [7], S. I. Chebotar [8], Ya. S. Larina [8], O. P. Lutsii [8], M. H. Shevchyk [8], R. I. Buriak [8], S. M. Boniar [8], A. V. Riabchyk [8], O. M. Prus [8], V. A. Rafalska [8], L. V. Balabanova [9], V. V. Kholod [9], I. V. Balabanova [9], L. M. Kurbatska [10], L. E. Lebedieva [11], I. V. Hvozdet'ska [12], I. P. Chaika [13], M. A. Konopliannikova [14], I. V. Boichuk [15], A. Ya. Dmytriv [15].

Marketing and its main provisions were studied by T. V. Hryhorchuk [7], S. I. Chebotar [8], Ya. S. Larina [8], O. P. Lutsii [8], M. H. Shevchyk [8], R. I. Buriak [8], S. M. Boniar [8], A. V. Riabchyk [8], O. M. Prus [8], V. A. Rafalska [8], L. V. Balabanova [9], V. V. Kholod [9], I. V. Balabanova [9]. I. V. Yurko and K. M. Kraus [4] investigated the evolution of the concept of «Marketing management». Management was considered by P. Drucker [2] and Z.-Z. Lamben [3]. Management of marketing was studied by P. Kotler [1], K. L. Keller [1], D. V. Rajko [5], L. M. Kurbatska [10], I. V. Hvozdetzka [12], I. P. Chaika [13], M. A. Konopliannykova [14]. V. H. Voronkova [6] focused on the marketing of social services. D. V. Rajko [5], L. E. Lebedieva [11], I. V. Boichuk [15], A. Ya. Dmytriv [15] were engaged in a research of a marketing for an industrial enterprise. The specifics of marketing management of organic production require further study.

The purpose of the research is to define the concepts of marketing and marketing management, to determine its features in the field of organic production, to study the concept of organic production and to suggest a definition of marketing management of organic production, to consider the requirements and prohibitions of Ukrainian legislation in the field of organic production.

Research methods. When processing the materials, the following general scientific methods were used: comparison – while establishing patterns in the interpretation of the definitions of marketing, marketing management and organic production, definition – while formulating the term «marketing management of organic production», abstraction – while studying the requirements and prohibitions of organic production by Ukrainian legislation separately from the requirements of other countries, systematization – while summing up the features of marketing management of organic production. Among other special methods applied are historical and economic – while considering the definitions of marketing and marketing management in the process of developing economic science and the changing external environment, monographic – while studying the requirements and prohibitions of organic production of a particular country as an object of study.

Research results. Thanks to the development of a market economy and the expansion of supply, the consumer becomes more and more demanding. In order for him to choose the product you offer, it is necessary to meet his needs as much as possible. Marketing is useful to solve this problem.

According to the definition of P. Kotler and K. L. Keller, marketing is the identification and satisfaction of human and social needs [1, p. 28]. P. Drucker defines marketing as the concept of managing a firm, in the center of which is the buyer, the client with his needs and requests, and the entire company, its branches and sites are aimed at meeting these needs as much as possible [2]. Z.-Z. Lamben defines marketing as a social process aimed at satisfying the needs and desires of individuals and organizations by creating a free competitive exchange of goods and services that form value for the buyer [3, p. 36].

I. V. Yurko and K. M. Kraus consider the essence of marketing while studying comprehensively the market, demand, needs and preferences of consumers, actively influencing the market and existing demand, and studying the formation of customer preferences [4]. D. V. Rajko defines marketing as a set of elements of the marketing complex (forms and properties), as well as knowledge and skills of marketing personnel, which can be aimed at obtaining a strategic advantage over competitors in the market [5, p. 22].

According to V. H. Voronkova, marketing is a system of internal corporate management, which is aimed at identifying and taking into account the demand and requirements of the market for a more reasonable orientation of production activities of enterprises to create competitive types of products in pre-determined volumes and in accordance with certain technical and economic characteristics. The marketing philosophy is simple: the manufacturer should produce products that beforehand are guaranteed to be sold and the company will receive the planned level of profitability. Marketing should be considered as an integrative management function that aims to turn the needs of the consumer into the income of the manufacturer. Marketing in an enterprise is only a part of the management system (which guides, forms, but still it is a part), and if other functions are not performed such as management of a personnel, management of an operating system, etc., then marketing will be unnecessary [6].

Table. 1 provides an interpretation of marketing management from the point of view of various scientists.

Table 1. Definition of the marketing management

Kotler and Keller	Art and science of choosing target markets and getting, keeping and growing customers through creating, delivering, and communicating superior customer value.
Hryhorchuk	Analysis, planning, organization, motivation and control over the implementation of measures designed to establish, strengthen and support mutually beneficial exchanges with the target market to achieve a specific goal of the enterprise.
Chebotar, Larina, Lutsii, Shevchyk, Buriak, Boniar, Riabchyk, Prus, Rafalska	Identifying and meeting the needs of target markets in better ways than competitors and thus maximizing profit.
Yurko, Kraus	The systematic purposeful activity of the enterprise, including analysis, planning, implementation and control of actions aimed at ensuring a stable market position, research of demand and satisfaction of consumer demands, use of integrated methods of sales promotion, adaptation to dynamic changes in the marketing environment and, as a result, making a profit.
Balabanova, Kholod	Practical implementation of a carefully thought-out integrated policy of the enterprise in the market, which includes the organization, analysis, planning, implementation of measures aimed at achieving certain goals of the enterprise in the market and control; a set of measures that regulate the position of the enterprise in the market through marketing functions.
Kurbatska	The process of analysis, development and implementation of tools designed to establish, strengthen and maintain profitable exchanges with customers to achieve the main goal of the company – making a profit, sales growth, increase market share and more.
Rajko, Lebedieva	One of the management subsystems, the content of management functions which is determined by the specifics of both: the enterprise as a whole and the specifics of the marketing organization. The specificity of marketing is that it can't only be the responsibility of a group of professionals, it must cover, coordinate and direct the work of all departments and all specialists of the company to meet the needs and demands of consumers.
Hvozdetska	Comprehensive management of marketing activities of the enterprise, formed on the basis of socio-ethical marketing and aimed at studying the demand and needs of consumers, rapid response to changes in the marketing environment and ensuring long-term commercial success.
Chaika	The process of formation and direction of system marketing interaction of functional divisions of the enterprise on attraction, preservation and development of consumers, built on the principles of holism (decentralization of management, open decision-making, realization of freedom of each participant of the process, developed information communication in system).
Konopliannykova	Activities within the enterprise aimed at the market environment, which is based on the use of information technology, establishing constant communication with the consumer, allowing to increase the adaptability of marketing tools in accordance with market needs, and contribute to the goals of marketing activities.

Source: developed by the author based on data [1, 4, 7-14].

The main tasks of the company's marketing as an integral part of management:

- research of the needs of real and potential consumers of the company;
- marketing support for the development of new products and services of the company;
- analysis, evaluation and forecasting of the state and development of the markets in which the company operates or will operate, including research on the activities of competitors;
- formation of the range policy of a company;
- participation in the formation of the company's strategy and tactics of its market behavior, including the development of pricing policy;
- sales of the company's products and services;
- marketing communications, advertising activities;
- organization of the service;
- formation of proposals, recommendations, information support in the interests of all management functions and various branches of the enterprise's activity, etc. [6].

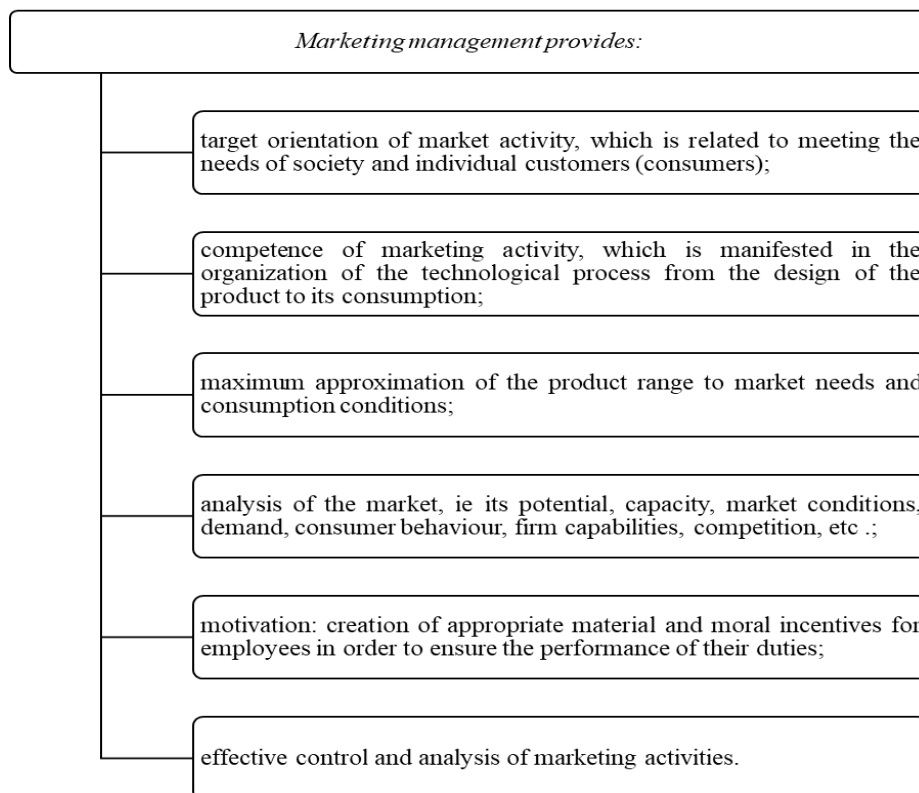
Consumers dictate the product requirements which lead to the use of most optimal management structures, a combination of centralized and decentralized forms in management, more

complete consideration of consumer requirements in the production program, increased competitiveness, implementation of a program-target approach to the development and adoption of managerial decisions. Implementation of marketing activities acts as an objective necessity of orientation of scientific, technical, production and sales activities of an enterprise (company) to take into account market demand. Marketing activities of the company are aimed at establishing specific current and, mainly, long-term goals, ways to achieve them based on the demand of the market, as well as determine the real sources of economic activity, the range and quality of products, the optimal production structure and expected profit [6].

The main tasks of marketing activity management are [8]:

- formation and improvement of organizational structures for managing marketing activities at the enterprise;
- determining the company's goals and ways to achieve the marketing activity in terms of return on investment (break-even point); making a profit; entering new domestic and foreign markets; increasing the company's market share;
- introduction of new and / or modified products to the market etc.;
- organization and conduct of marketing research (consumer behavior, market conditions, competition and competitors, market opportunities of the enterprise, etc.);
- formation of a marketing strategy, which is a general plan for achieving marketing goals, and includes: market segmentation (identification of individual consumer groups); selection of target markets (determination of target segments to which the enterprise will focus its activities); positioning of goods in the market (the place of your goods among competitors' goods); identification of the best performing companies of competitors for comparison; identification of competitive advantages of the enterprise in the market;
- development and implementation of marketing programs related to making managerial decisions for each of the «4p» of the marketing – product, price, place, promotion;
- creation and improvement of the mechanism of functioning of marketing activities in the company;
- development and implementation of a marketing plan.

The advantages of implementing marketing management are shown in Fig. 1.



*Fig. 1. The advantages of implementing marketing management
Source: developed by the author based on data [15].*

Marketing also plays an important role in the development of the organic sphere. Ukraine is included in the list of developing countries, which is in particular triggered by low social payments and by the low purchasing power of the majority of the population. This is one of the main factors that constrains the demand for organic products within the country and contributes to their sale abroad, often in the form of raw materials for the subsequent production of finished products.

The second factor is the consumer's lack of awareness about the benefits of organic products. The third factor is the presence of pseudo-organic products, when illegally (without any real grounds) the terms such as «Bio», «Organic», «Natural», «Environmental» are used by fraudulent companies. The manufacturer needs not only to distinguish its products from the competitor's, but also to convince the consumer of their safety and usefulness to encourage them to pay a premium price for the product. This is where the marketing management comes in handy.

For a better understanding let's consider the definitions of organic production introduced by various international organizations in the relevant documents in Table. 2.

Table 2. Definitions of organic production

FAO	Holistic production management system which promotes and enhances agro-ecosystem health, including biodiversity, biological cycles, and soil biological activity. It emphasises the use of management practices in preference to the use of off-farm inputs, taking into account that regional conditions require locally adapted systems. This is accomplished by using, where possible, agronomic, biological, and mechanical methods, as opposed to using synthetic materials, to fulfil any specific function within the system.
IFOAM	Production system that sustains the health of soils, ecosystems, and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic Agriculture combines tradition, innovation, and science to benefit the shared environment and promote fair relationships and good quality of life for all involved.
USDA	Ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. It is based on minimal use of off-farm inputs and on management practices that restore, maintain and enhance ecological harmony.
The Law of Ukraine «About the basic principles and requirements for organic production, circulation and labeling of organic products»	Certified activities related to the production of agricultural products, including all stages of the technological process, namely primary production (including harvesting), preparation, processing, mixing and related procedures, filling, packaging, processing, recovery, and other changes in the state of production), which is carried out in compliance with the requirements of the legislation in the field of organic production, circulation, and labelling of organic products.
Council Regulation (EC)	Overall system of farm management and food production that combines best environmental practices, a high level of biodiversity, the preservation of natural resources, the application of high animal welfare standards and a production method in line with the preference of certain consumers for products produced using natural substances and processes.

Source: developed by the author based on data [16-20].

Considering the above, I believe that marketing management of organic production is the study of the needs of existing and potential consumers, the development of an appropriate product range, which is based on the requirements for the production of organic products, on the wishes of consumers, on the sale of products by optimally selected sales channels, which will lead to the achievement of better competitive advantages and profit maximization.

General requirements for organic production are (fig. 2):

- ✓ separation in time or space of production and storage of organic products, considering accounting for such products, from the production and storage of inorganic products and products of the transition period;

- ✓ use of technologies that meet the requirements of legislation in the field of organic production, circulation and labeling of organic products;

- ✓ use of mainly renewable resources and own resources, including processed waste products and by-products of plant and animal origin, provided that they meet the requirements for organic production;
- ✓ use of technologies that do not harm human health, plants, and animal welfare, prevent or minimize environmental pollution;
- ✓ use of food additives, trace elements and additives for technological purposes in the maximum permissible quantities determined by the legislation in the field of organic production, turnover and labeling of organic products;
- ✓ use of water as an ingredient of organic products that meets the requirements established by law for drinking water;
- ✓ prohibition of mixing the organic and inorganic ingredients in the same organic product [19].

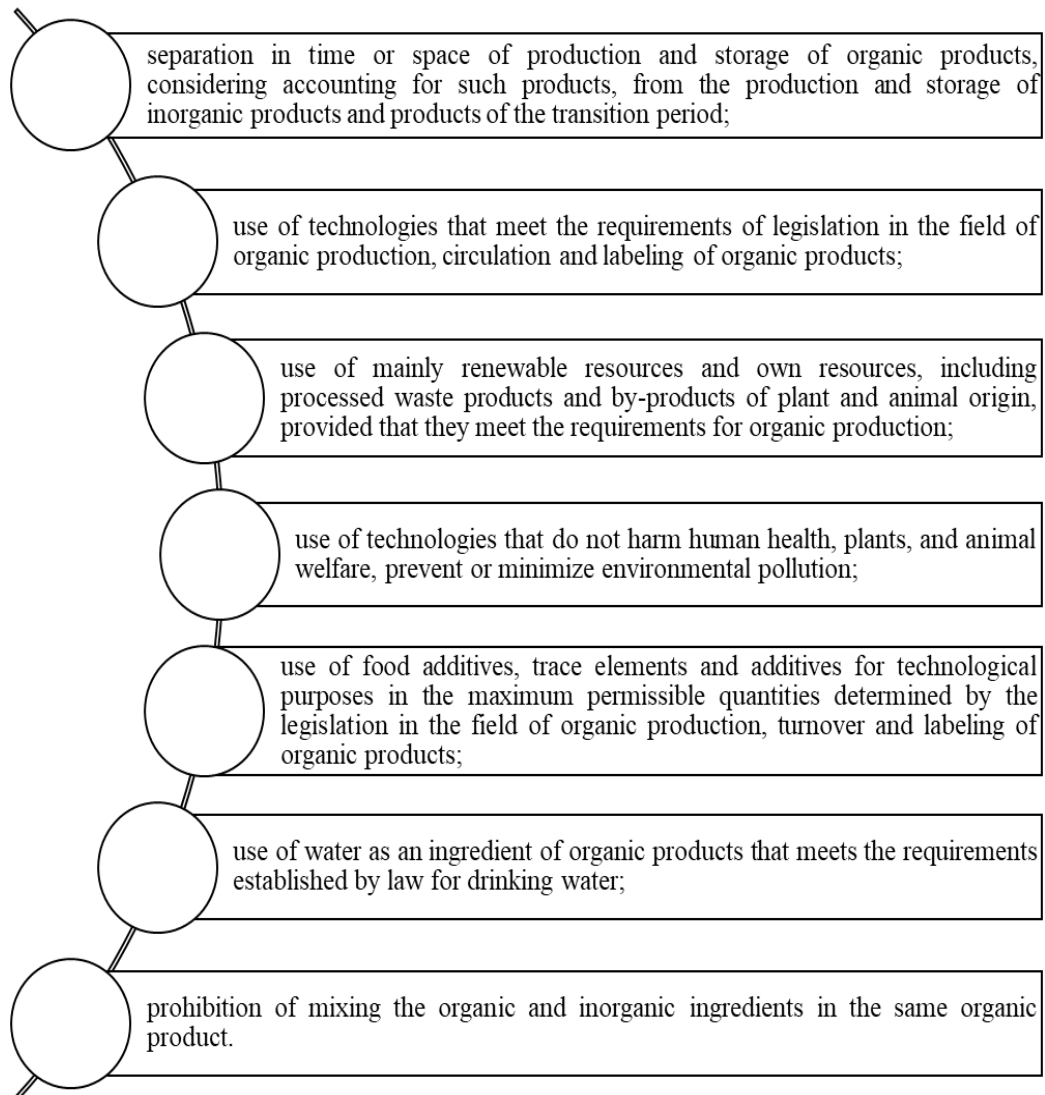


Fig. 2. General requirements for organic production
Source: developed by the author based on data [19].

In the process of organic production, it is prohibited to use:

- ✗ any unnatural or uncontrolled influence on the genome of agricultural plants and animals (including poultry and insects), industrial microorganisms through the use for the production of genetically modified organisms and products containing, consisting or produced from genetically modified organisms, except for the use of veterinary medicines included in the list of substances (ingredients, components), which are allowed to be used in the process of organic production and which are allowed to be used in maximum permissible quantities, in cases established by law;
- ✗ synthetic substances, including agrochemicals, pesticides, antibiotics for preventive purposes, hormonal drugs, growth stimulants and feeding of animals (including poultry and insects);

- ✗ methods of electrical or other stimulation which induce pain in animals, the use of tranquilizers;
- ✗ ionizing radiation;
- ✗ other hydroponic methods;
- ✗ use of artificially bred polyploid animals and plants;
- ✗ substances and technological methods of production, the results of which may mislead the consumer about the nature (origin) of the product;
- ✗ growth stimulants, hormones or similar substances, except for the use of substances included in the list of substances (ingredients, components) that are allowed to be used in the process of organic production and that are allowed to be used in maximum permissible quantities, in cases established by law [19].

Features of marketing management in organic production are:

- 1) ensuring that there is no negative impact on the environment by production;
- 2) compliance with the principles and requirements for the production of organic products in the relevant industry;
- 3) availability of a transition period for the production;
- 4) mandatory annual certification procedure;
- 5) availability of special product labeling, which is made in accordance with the certification body.

Organic production involves the use of only organic fertilizers, farming on non-polluted land plots, maintaining a balance in crop rotations, as well as mandatory cultivation of legumes that enrich the land with nodule bacteria. Organic animal husbandry provides for free range of animals, providing them with close to natural living conditions, as well as the use of biological preparations and, consequently, the prohibition of antibiotics. The requirements for organic production allow the producer to reduce the cost of mineral fertilizers, plant protection products, and fuel, since only surface tillage is allowed.

Conclusions. Marketing management is an important aspect of the functioning and development of an enterprise. Organic production is not an exception, but rather the opposite. Marketing management of organic production is defined as a set of measures to study the needs of existing and potential consumers, develop an appropriate product range, which is based on the requirements for the production of organic products and on the wishes of consumers, sell products through optimally selected sales channels, which will lead to achieving better competitive advantages and maximizing profits.

The features of marketing management of organic production include the following: ensuring the absence of negative impact on the environment by production; compliance with the principles and requirements for the production of organic products in the relevant industry; the presence of a transition period for the production; mandatory procedure for annual certification; the presence of special labeling of products, which is made in accordance with the certification body.

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