

THE ROLE OF INTERACTIVE MARKETING IN AGRICULTURAL INVESTMENT ATTRACTION

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ABSTRACT

It is underlined that in the conditions of new opportunities to enter the European market the system of product promotion is important. It is important to get used to to market conditions, increasing the attractiveness of enterprises. It is important to admit that market system should current elements of the marketing complex. The Internet provides new modern methods and technologies of product promotion. Among its components are interactive marketing communications that are indispensable in the implementation of foreign economic activity. Consumers of Ukraine, Poland, and Germany point out the wide usage of Internet. It is underlined the tendencies to changes of Internet technical devices. To improve its management it is necessary to diagnose the evident resources of enterprises that is involved in the European market. It is especially actual for attraction of investments. A diagnostic method to assess the competitiveness of agricultural producers in the market environment has been proposed. The analysis of sites of agroholdings of Ukraine according to the criteria of attractiveness for a potential buyer and investors was conducted. There is the need to improve the promotion of Ukrainian agroproducers in Internet.

Keywords: market, investment, product promotion, management.

INTRODUCTION

Modern economic and political situation requires adaptation of managing enterprises to the changes that are taking place and foresee new opportunities and prospects for development. It is essential to adapt to market conditions, increasing the competitiveness of enterprises has the use of all elements of the marketing complex, and its new modern methods and technologies. The pace of development of Internet technologies determines the relevance of their use in marketing activities. At the same time, in practice of domestic enterprises, the management of interactive marketing

communications has not gained proper use and does not correspond to the realities that have developed in the international market.

THE ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS.

The issue of organizing and improving the management of interactive marketing communications has been actively studied over the last 20 years [1,2,3,4]. The basic principles of Internet marketing, strategy and implementation, factors impacting the adoption and effectiveness, internet marketing capabilities of this problem are highlighted in scientific works [5, 6, 7, 8]. However, problems with the use and improvement of interactive marketing communications of enterprises in foreign markets remain insufficiently developed. This is the purpose of our studying.

RESULTS AND DISCUSSIONS.

After the signing of the economic part of the Agreement on the Association of Ukraine with the European Union and the Comprehensive Free Trade Agreement, the Government of Ukraine has developed a set of measures aimed at adapting Ukrainian legislation to the requirements of the European Union which will facilitate access to European markets for goods and products of national producers, and social development of the country and raising the standard of living of the state. Nowadays geopolitical situation has challenged Ukrainian producers with a complex dilemma either they break into European markets or are destined to decay.

However, producers were able to avoid serious problems due to an increase in exports to the European Union by \$ 1.3 billion. The largest Ukrainian agrobusiness companies Nibulon and Kernel-Trade increased the supply of grain to Germany, the Netherlands, Italy at several times. In 2016-2018 Ukraine is expanding trading relations with the countries of the European Union. In 2017 exports to Europe of goods and services for over \$ 20 billion representing about 40% of the total exports of our country.

Despite, Ukraine does not actively trade with all EU countries. The bulk of the imports goes to Poland and Italy 15.5% and 14.1% respectively. Third place is Germany (10% of products), followed by the Netherlands 9.6%, Hungary and Spain 7.6% and 7.2%.

Ukraine exports mainly to Poland grain crops, seeds and fruits, oilseeds, fats and oils of vegetable or animal origin, residues and wastes of the food industry, ores, slag and ash, mineral fuel, ferrous metals, electric machines and wood. A similar list of goods is exported to Germany.

Nowadays, to promote products in Europe, it is necessary to use interactive marketing communications [9]. The basic way of interactive marketing is the Internet. It is considered as a set of means of advancement in the system of marketing communications. The main advantages of Internet marketing include interactivity, the ability to target the goal, conduct post-cliches, analysis, etc. [10]. In this case, enterprises need to be sensitive to changes in the marketing environment. In order to track the needs and characteristics of consumers it is necessary to use research Consumer Barometer.

Data in the Consumer Barometer is pulled from two sources. The core Consumer Barometer questionnaire which is focused on the adult online population, and

Connected Consumer Study which seeks to enumerate the total adult population and is used to weight the Consumer Barometer results.

Considering Ukrainian agroholdings it is investigated data Consumer Barometer for the three countries that are the leaders in volume of Ukrainian exports (Poland, Italy and Germany). We think that the potential investor is working with the Internet resources on the same principles as a potential buyer. By the end of 2017 more than 80% of consumers use the Internet. A slightly lower data in Italy 77%. At the same time on average 70% of respondents use the Internet daily (Fig.1).

It is useful to study the technical means used by the consumers. Percentage of people who use a computer in Poland during last 5 years increased in 77-80%. In 2012- 2017 this index in Italy decreased to 62% and in Germany in 2017 - 77%.

The use of tablets is growing. Today more than a one third is used in (Germany 38%, Italy 31%, Poland 27%). The smartphone is gaining popularity. In 2017 it is used by more than 70% of consumers (Tabl.1).

As a result, percentage of people who access the internet via smartphone is higher than computer (fig.2).

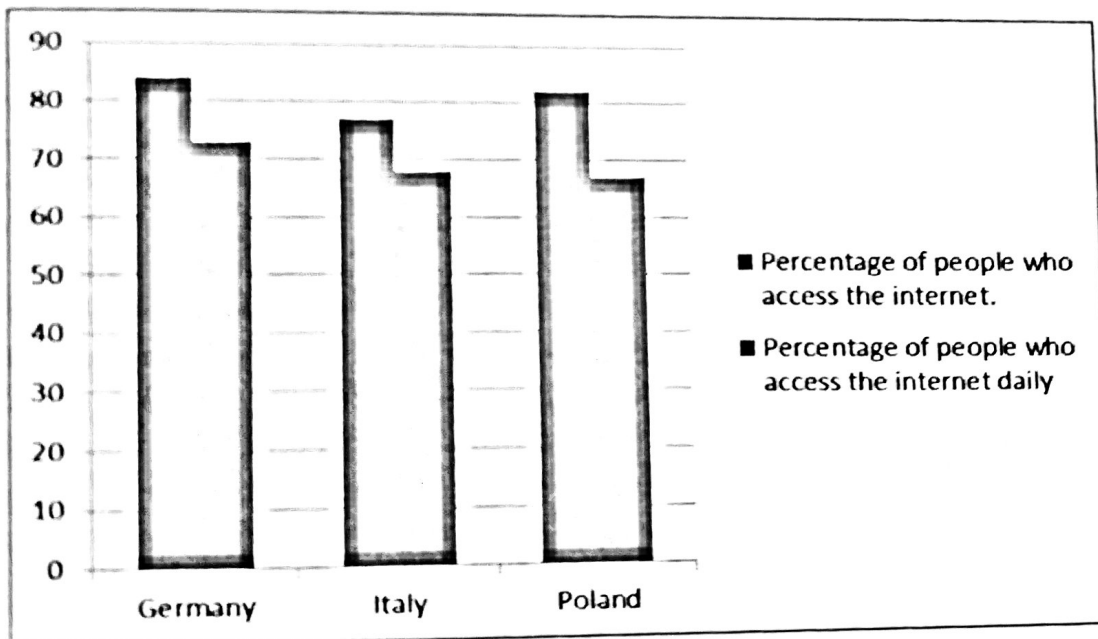


Fig. 1. Percentage of people who access the internet

Table 1 Percentage of people who use smartphones, %.

	Germany	Italy	Poland
2012	29	28	15
2013	40	41	35
2014	50	53	41
2015	65	62	59
2016	68	70	61
2017	75	76	70

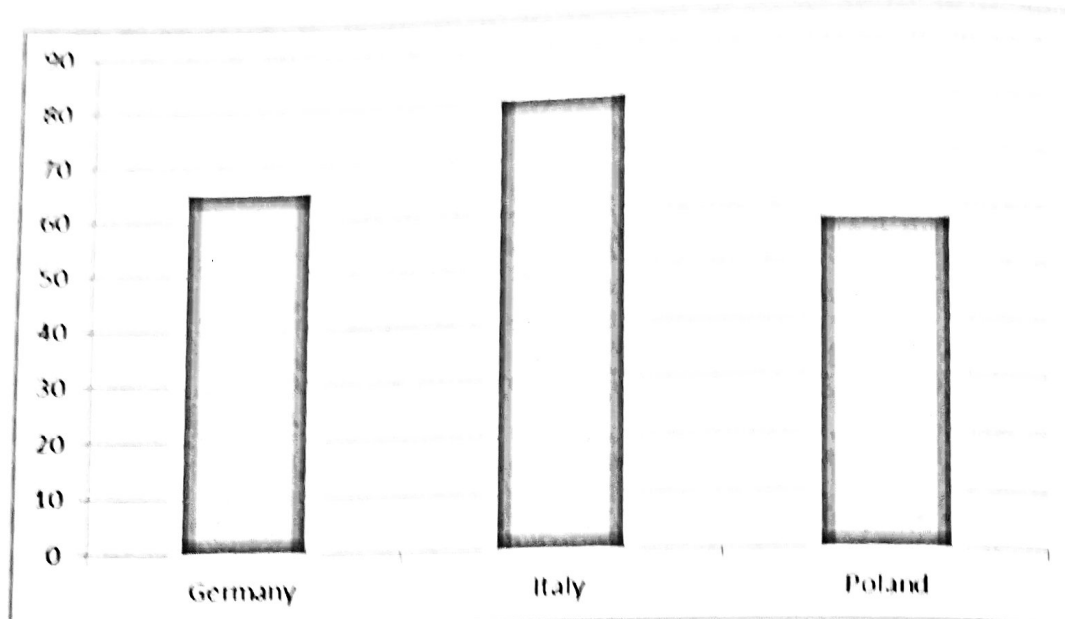


Fig. 2. Percentage of people who access the internet via smartphone.

Such tendencies led to the fact that percentage of people who use one screen - a computer, smartphone or tablet has decreased by an average of 4 times and is about 20% for 5 years

The effectiveness of online marketing depends on the level and quality of representation in the virtual economy. It forms the need to determine the factors and indicators that provide the effectiveness of marketing communication activities on the Internet, and increase the return on funds to promote the market. In our opinion, the study of the effectiveness of interactive marketing communications should begin with the diagnosis of web-servers as the main source of information for a potential buyer. The purpose of such diagnosis to use methods of qualitative research which are sufficiently developed at the scientific and methodological level, but, unfortunately, do not provide a wide practical implementation. In addition, the possibility of its application is considered in the general plan. There is no clear definition of the principles on which the use of these methods is economically feasible [11].

The aim of practical application of qualitative research methods of marketing communications is increasing in the context of widespread use of Internet space. In this article it is analyzed a number of Ukrainian manufacturers operating on the international market. It was carried out with the help of expert assessments web-servers. Primary research of corporate sites of Ukrainian agroholdings was held by Investor Relations Agency [12]. It was studied the availability of information needed for potential and active investors [13-14]. The research included agroholdings, which have a listing on stock exchanges or have attracted investment through direct investment funds or international financial institutions. The second criterion for investing of agricultural holdings was the size of the holding bank which more than 60 thousand hectares. It is worth to underline that in 38 out of 100 the leading, Land Bank of Ukraine's agroholdings do not have accessible web sites. Out of 500 Ukrainian companies that produce agricultural products and food products only 4% went to stock exchanges to attract investment. The total number of analyzed agroholdings was 32, of them 66% made public funding, while 34% attracted investments through closed-end funds. There were allocated 10 main groups of parameters for evaluation of a separate section of the

corporate site of the agroholding. In the absence of the estimated parameter on the site put 0 points. Evaluating the group parameter the total score for the group was broken down into the number of estimated subgroups. As a result, 15 companies were selected. The results of the estimation of sites according to the criterion of attractiveness for the investor exceeded 5 points (Table 2).

There were conducted a similar analysis of web-servers of 32 agroholdings in order to identify their competitiveness in the international market while promoting the product. In general, parameter analysis to determine the competitiveness of web servers as a means of promotion is universal for evaluating any media.

Table 2. Results of evaluation of sites of Ukrainian agroholdings on the criterion of attractiveness for the investor

№.	Company	Point
1.	Kernel	
2.	Myronivskiy Hliboproduct	8,6
3.	Avangard	8,45
4.	Трайгон Фарминг	8,35
5.	Glencore	8,05
6.	Mriia Agroholding	7,95
7.	Milkyland	7,7
8.	Astarta-Kyiv	7,6
9.	Agrokultura	7,55
10.	Ovostar Union	7,25
11.	Idusrialna Molochna company	7,2
12.	Укрпродукт Групп	7,05
13.	KSG Agro	6,85
14.	Agroliga Group	6,65
15.	Agroton	6,4
16.	Ukrlandfarming	4,9

Source : [12]

At the same time we have taken into account additional indicators that are inherent only to electronic resources, and the possibility of their use in the Internet. There were studied the following factors as: specifications of sites; design characteristics; the structuring of the information provided; the depth of information provided; the ease of finding the necessary information; existence of the possibility of 'feedback'; additional services provided by the company on the Internet; marketing research conducted by the company on the Internet; availability of mobile access to the site; a foreign language version of the site.

Each of the factors is determined by a number of constituent factors. For example an analysis of specifications of sites includes the assessment of such parameters as speed of access, ease of navigation, the ability to search information, the completeness of downloading information presented as text and graphic, etc. The analysis of additional services provided by the company on the Internet included assessing the possibility of subscribing to news, the presence of banner ads, affiliate programs, etc. With the help of experts, electronic resources were evaluated for certain groups of indicators, taking into account the main condition: how well investigated the criterion affects the web-metric rank and promotes the attraction of visitors. The use of the everometric rank (ranking based on the statistics of search engines) is due to the fact that most users (90-95%) fall

into the resources of enterprises through search engines. That is, where the electronic resource is located among the results of targeted requests, the number of customers who visit it depends on it.

Experts were involved in the research, among them are site administrators, marketers, representatives of trading companies. In order to increase the reliability of the diagnostic results, the average estimation of the factor was determined taking into account the different weight of expert decisions. Estimation of the specified parameters of web-servers of selected agroholdings is carried out on a 10-point scale.

To determine the competitiveness of agroproducer sites in Ukraine, the total range of grades (from 0 to 100) is divided into three groups. The first group is a company with a high probability of attracting a buyer through interactive marketing communications (a total score of 70 to 100 points), the second group is an average probability (from 50 to 70 points), the third group includes agribusinesses whose sites are characterized by low attractiveness for the potential buyer (less than 50 points). The results of grouping sites of Ukrainian agroholdings in Ukraine for the attractiveness of a potential buyer are presented in Table 3.

Table 3. Grouping of Ukrainian Agroholdings for the attractiveness of a potential buyer

Index	Level of probability of attracting a buyer		
	high favorable condition	moderate average condition	low unfavorable condition
Range of grades, points	100-70	70-50	50-0
Number of agroholdings, pcs.	2	11	19
Share of the group in the total number of agroholdings,%	6,3	34,4	59,3
Maximum total score, points	81	68	48
Minimum total score, points	74	51	28
Average rating in the group, points	77,5	59,2	36,8

Source: author's research

The analysis revealed that the largest share of agroholdings (almost 60%) has the lowest probability of attracting a buyer using interactive marketing technologies. Only 6% of companies can confidently expect new customers to arrive as a result of visiting their sites. Consequently, only 40% of analyzed agroholdings are promoting their products in the interactive space at the proper level. At this stage, the research did not determine the importance of factors.

However, the diagnosis conducted revealed a number of factors that were of low significance in a large number of experts, which ultimately had a negative impact on site rankings. Yes, there is a rather weak link (60% of agroholdings) is the presence of foreign-language sites. The analyzed companies represent information mainly in one foreign language only. In the period of open access to the European Union market, such an approach can not yield positive results. A few sites have two- and three-language versions (Russian, English, German). It is important to note that the development of a foreign language site should be based on a potential sales region, which will significantly increase the competitiveness of the agroholding in the market.

The data of the received distribution should be compared with the results of the study of the attractiveness of sites of agricultural holdings for investors, as mentioned above. The grouping of agroholding sites in Ukraine was attractive for a potential investor according to a similar method (Table 4).

Table 4. Sites groups of Ukrainian agroholdings for attractiveness for a potential investor

Index	Level of probability of attracting an investor		
	high favorable condition	moderate average condition	low unfavorable condition
Score range, points	10-7	7-5	5-0
Number of agroholdings, pcs.	11	4	17
Share of the group in the total number of agroholdings, %	34,4	12,5	53,1
Maximum total score, points	8,6	7,95	4,9
Minimum total score, points	8,05	6,4	0,5
Average rating in the group, points	7,8	6,6	2,6

Source: Author's research

As a result, a slightly smaller share of companies (53% vs. 59%) turned out to be unattractive for a potential investor for site diagnostics. However, more than a one third represent their information in such a way that, according to experts, can be recognized as conducive to attracting investment. In our opinion, this state of affairs is explained by the long period of capital search by agroholdings. The need for decent competition forced companies to submit their own information in an appropriate manner. Consequently, you should expect relevant changes on the sites and from the perspective of a potential buyer. We believe that the proposed model is a means of practical diagnosis of the competitiveness of agricultural producers in a market environment. Further research will be furthered by taking into account the importance of factors, the analysis of sales volumes and the search for a link between the assessment of the competitiveness of the site and the market position of the agroholding.

CONCLUSION

The conducted research confirmed that one of the reasons for the difficulties of domestic exporters of agro-industrial products to enter the market of the European Union is a weak marketing complex. Today, domestic producers do not have a proper analysis of the market, its price conditions, do not have the appropriate means to promote their products etc. A comprehensive solution to these problems will significantly increase the volumes of Ukrainian exports, change its structure. The system approach in this context involves efforts from both the entrepreneurs and the state. The state should create an effective system of export support. It will include, financial, regulatory, infrastructural mechanisms and marketing and information support.

Agricultural producers simultaneously with improving the quality of products to the level of requirements of the European Union need to expand the use of marketing tools for the promotion of manufactured products. Objective diagnostics of existing resources and will be the first step towards improving the management of the marketing system and ensuring its effectiveness at the international level. When enterprises are creating web resources they should take into account the type of technical devices that consumers use to access the Internet.

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