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CONDITIONS FOR INCREASING THE COMPETITIVENESS OF AGRO-FOOD ENTERPRISES

Guohe Qin., Kopykovskiy Y. Conditions for increasing the competitiveness of agro-food enterprises.

Increasing the competitiveness of agro-food sector enterprises from a strategic perspective is inextricably linked to ensuring sustainable development and gaining long-term competitive advantages based on sustainable values and priorities. This implies the need to consider sustainable and environmentally neutral production methods in the management policy of business entities, the result of which should be new competitive products, original in terms of their quality parameters. Competitiveness implies enterprises' high efficiency and ability to adapt to constantly changing environmental conditions. The level of competitiveness is formed not only at the level of individual producers but also at the level of the agro-food value chain in general and, thanks to the effect of scale and synergy, creates additional inclusive opportunities for improving the competitive positions of producers in the market. World experience has shown that solving these problems is possible by forming a competent, competitive strategy, which must meet the following criteria: the presence of clearly formulated relevant goals; the presence of a forecast of the development of the situation and scenarios for achieving the goal; the presence of a system of management and control of the main business processes. At the same time, the new policy of ensuring competitiveness should be aimed at strengthening the ties between agro-food chains and the market, consumers, and society, considering the interests of all parties. The priorities for achieving the goals of increasing the competitiveness of business entities along with commercial values should be increasing the added value of the agro-industrial production sphere, ensuring stable incomes of all participants in the agro-food chain, improving the use of resources and gradual transition to circular business models; formation of responsible consumer behavior and maximum satisfaction of consumer demand. The high variability of the external environment, the difficulties of identifying numerous and closely interacting factors, risks, and dangers, and the entropy of connections and relationships pose urgent tasks for businesses to form competitiveness as a system of strategies, measures, and technologies for maintaining market share and financial stability.

Keywords: competitiveness, environment, agricultural enterprise, agro-industrial sphere, factors, drivers.

Statement of the problem in general. Increasing the competitiveness of business entities in the agro-industrial sector is a strategic task in restoring Ukraine's economy and gaining sustainable competitive positions in the world market. Solving this problem requires substantiation of specific methods and tools for rapidly adapting domestic producers to market changes and the institutional environment.

Analysis of recent research and publications. The issues of the essence, significance, and factors of the formation of competitiveness of agricultural enterprises are constantly in the field of view of both leading scientists and young scientists. It is worth noting the scientific works of such scientists as Azizov O.R. [1], Apopiy V.V. [2], Danko Y.I. [3], Slyusareva L.V. [3], Zorya S.P. [4], Lupenko Y.O. [5], Patyka N.I. [5], Popadynets N.M. [6]. The scientific works consider a wide range of issues, from the essence of competitiveness of agricultural enterprises to the specifics of their formation in domestic and foreign markets in the context of the active spread of innovative technologies.

Despite numerous scientific works, the issue of increasing the competitiveness of enterprises in the agricultural sector requires a systematic study and based on current conditions, further forecasting the prospects for increasing competitiveness.

The purpose of the research. Aims to substantiate the direction of increasing its competitiveness at different levels of influence by allocating strategic decisions and the necessary conditions for their adoption.

Presentation of the main research material. Success in achieving sustainable competitive positions of agri-food enterprises in the market under modern conditions is determined by the clarity of product and pricing policy orientation to the buyers' needs, the level of innovation activity, and the strength of the company's competitive potential. Institutional and market changes already require new policies and proposals from the management of companies based on values, competencies, innovations, and responsible consumer behavior. Resources, inclusive opportunities, products, shared values, and innovations become levers that define a single system of interaction between businesses and consumers.

Within the framework of the system of sustainable agri-food chains, a new concept of market relations is formed: resources - values - opportunities - innovation - responsible behavior - results. Based on shared long-term values, such elements are essential for businesses, consumers, and society. The long-term common values that underlie the new paradigm of increasing the competitiveness of agri-food enterprises are the

priorities of product safety and quality, environmental friendliness, sustainability, and inclusive development, considering the interests of present and future generations.

The main instrument of regulation of the market economy is competition, the essence of which is the struggle between enterprises operating in the market to provide the best opportunities for selling their products, meeting the various needs of buyers, and obtaining the most significant profit [7].

Competition should be considered as a coercive force that increases labor productivity, accelerates scientific and technological progress, increases the scale of production, introduces new forms of organization of production, etc., since it is an objective economic law of developed commodity production and, as a result, competition is an essential driving force for the development of the economic system, an integral part of its economic mechanism [8].

The level of competitiveness is formed not only at the level of individual producers but also

at the level of the agri-food value chain as a whole and, because of scale and synergy, creates additional inclusive opportunities to improve the competitive position of producers in the market.

In today's competition, with all its sharpness and dynamism, the winner is the one who analyzes and competes for his competitive position. The process of ensuring competitiveness is an integral stage of the strategic management of the enterprise. It is associated with solving the problem of the fastest achievement of the planned results in a changing internal environment and market situation [9].

Increasing producers' competitiveness in agricultural products within the unified agri-food chains is associated with low factors, which are divided into external and internal by the nature of their actions. Considering and managing the system of these factors forms the prerequisites for substantiating a new competition policy based on sustainable and inclusive development (Fig. 1).

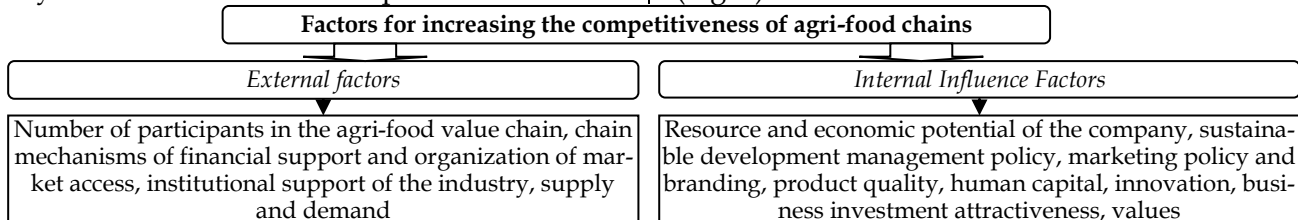


Fig. 1. The system of factors for ensuring the competitiveness of participants in the agri-food value chain

Source: author's development.

The impact of external factors on the competitiveness of participants in agri-food chains should be adjusted in terms of the formation of an effective institutional policy of the agro-industrial complex, which should contribute to the implementation of strategies to provide the population with affordable and high-quality food products and stimulate the external competitiveness of domestic enterprises. Future institutional policy should contribute to the maximum information and analytical support for creating and functioning sustainable agri-food value chains and form macroeconomic and regulatory prerequisites for the functioning of the financial mechanism of the APV sphere. A vital element of the institutional policy is the organization of agri-food market monitoring, creating digital platforms for producers and potential investors, and ensuring the rapid implementation of standards and procedures for certification of organic and food production and their labeling. An important direction for modern agri-food production remains the continuation of the unification and harmonization of the system of food safety standards with EU requirements. The main drivers of increasing the competitiveness of agri-food

products are innovation, environmental and quality standards, corporate social responsibility of business, and branding (Fig. 2).

Studies of agri-food enterprises' current competitiveness level have allowed us to identify several prominent areas in which further decisions should be made to improve their competitive positions. Among the main ones, it should be noted: 1) production is related to the commercial priorities of business performance and is focused on the traditional resource use and organization of the technical and technological process. The transition of agri-food production to eco-principles and the abandonment of the traditionally high level of intensification based on the use of chemicals and GMOs is also taking place at a relatively slow pace; 2) problems in the organizational and managerial plane of APV enterprises are primarily related to the awareness and perception of the concept of sustainable and inclusive development in the future, which significantly narrows the strategic potential for increasing investment attractiveness and attracting financial resources. At the present stage of the development of integration ties, the aspects of building equal, fair, and inclusive relations

between different participants in agri-food chains, without considering the criteria of scale, business reputation, and production size, also remain difficult; 3) The most critical issues for agri-food enterprises are the organization and implementation of practical marketing activities. Suppose the production plane of management has traditionally been at the center of management's attention and has undergone constant improvement and adaptation to market factors. In that case, the marketing management system still

needs to be a more vital link for many APV participants. To the greatest extent, this is typical for agrarian formations, most of which (except for large agribusiness entities) need a well-grounded marketing strategy, marketing staff, and their brands.

It is expedient to consider production and market innovations as critical tools for their elimination, considering the identified problematic aspects of the current state of management of competitiveness of agri-food enterprises.

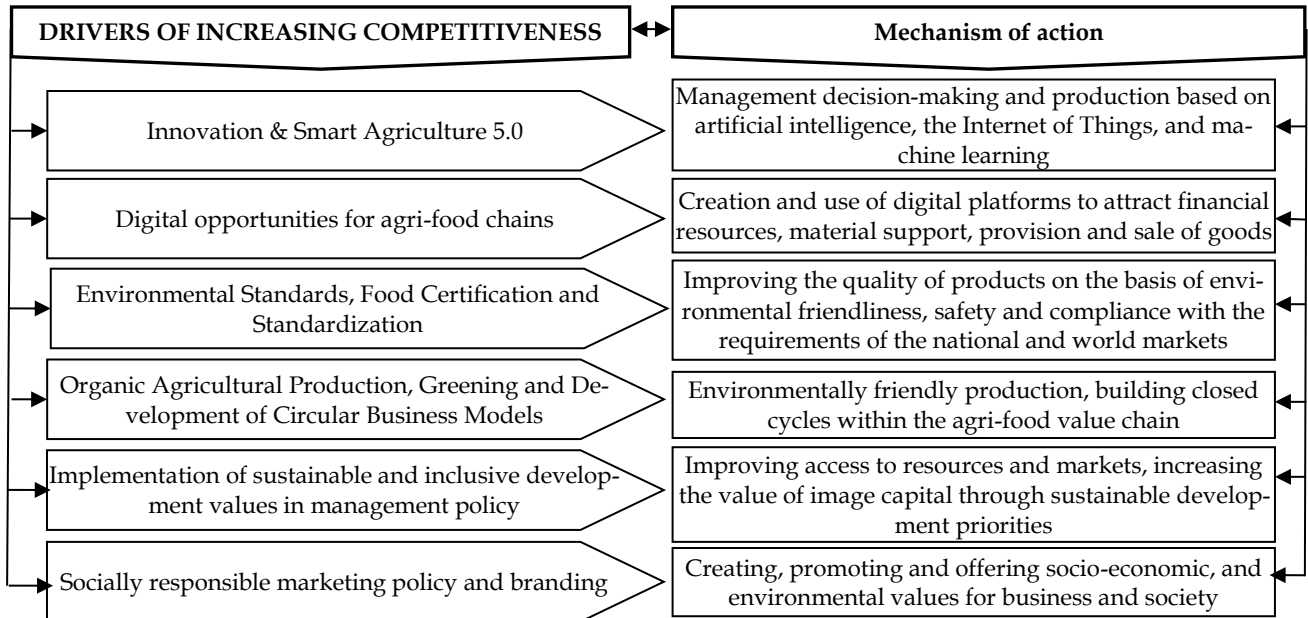


Fig. 2. Drivers for increasing the competitiveness of business entities in the agri-food chain

Source: author's development.

Production innovations (innovations in existing business models), which form the basis for increasing the competitiveness of agri-food production soon, should ensure the modernization of the material and technical base of enterprises, considering the priorities of organic agricultural production, environmental friendliness, circularity, which are the basis to produce high-quality, safe, unique and valuable food products for society. As a supplement to the system of production innovations, it is necessary to innovate of an organizational and managerial nature, which will provide comprehensive support for implementing production innovations. Such organizational and managerial innovations can improve the philosophy of the existence of agri-food enterprises based on sustainability and inclusiveness of development, deep perception and corporate dissemination of sustainable business values, adjustment of business strategies and mechanisms for their implementation, search for new financial mechanisms for access to resources, retraining of company personnel, appropriate improvement of the organizational and production structure of business management. Such production and management innovations will increase

production capacity, increase the production volume of competitive products, and create market competitive advantages.

At the same time, the full realization of competitive advantages, which are formed in production based on the use of production, organizational, and managerial innovations, is possible only in the system with the use of marketing innovations, which today are problematic for a significant number of subjects of the agri-food complex. Marketing (market) innovations form resource advantages for enterprises through the search for new ideas and ways to obtain market information, optimization of commodity and pricing policy, creation of new sales channels, organization of stimulation of its promotion in the market, communication policy, branding policy, etc.

Marketing innovations provide an active influence of the management system on objective and subjective factors of competitiveness through the operational restructuring of the product range, distribution policy, and customer service, considering the improvement of communication tools and image reputation of the company. Marketing factors and tools are becoming increasingly important in the context of

transformational changes in the food market and global and national concepts that have already been identified as a strategic priority for developing the agri-food sector of Ukraine and the EU.

A set of such factors, which will determine the strategic guidelines of competitiveness and the innovations necessary to achieve them in the future, is presented in Fig. 3.

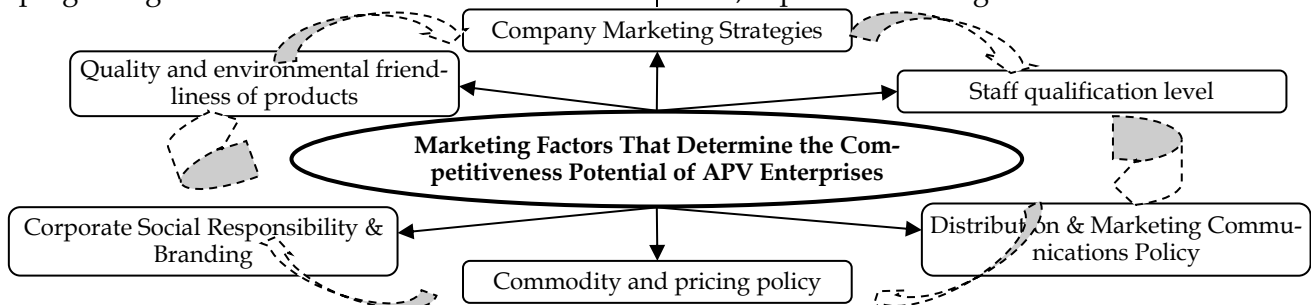


Fig. 3. A set of marketing factors that determine the competitiveness of enterprises in the agri-food sector

Source: author's development.

The active development of digitalization processes in public life, particularly in the economy, forms new requirements and trends for marketing strategies for the competitiveness of companies. The global Covid pandemic has created powerful incentives for the digitalization of marketing processes and contributed to the emergence of new methods and tools to intensify the marketing policy of sales-oriented businesses. Under modern conditions, the space and marketing channels for business are actively changing, which will allow agri-food enterprises to maintain competitive positions in the market

in the constant struggle for buyers and consumers of their own products and brands. Studies of the marketing environment of agri-food companies allowed us to determine the proposed complement to the existing tools of communication policy and sales promotion policy at the expense of promising digital tools (Fig. 4).

By the nature of their use, they are means of mass communication, are affordable in terms of price factor for both businesses and consumers and have a high potential for productivity in the formation and use of information and analytical flows of marketing information.

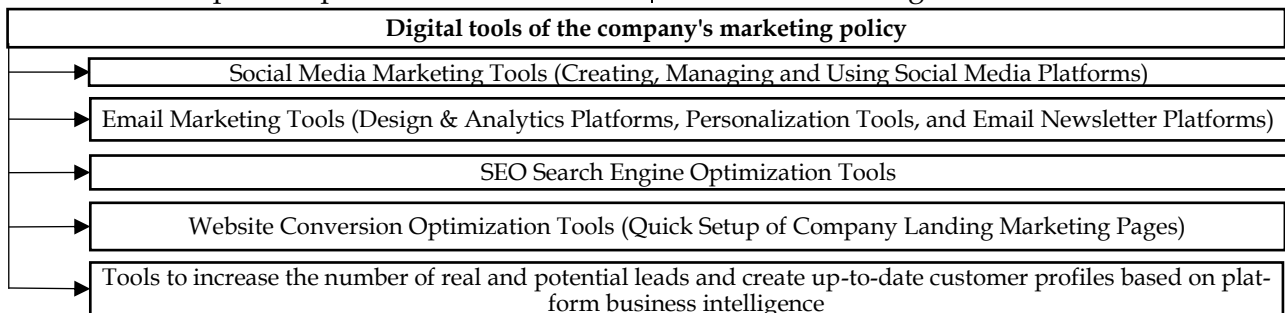


Fig. 4. Recommended digital tools for improving the marketing policy of agri-food enterprises

Source: author's development.

Conclusions. The competitiveness of an enterprise is an opportunity for effective activity in the field of economy and profitable practical implementation of this activity in a competitive

market environment. With the help of all the components available to the enterprise, marketing factors, and digital tools, the enterprise's high level of competitiveness is ensured.

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Abstract

Гохе Цінь, Копійковський Ю. Умови підвищення конкурентоспроможності підприємств агропродовольчої сфери.

Підвищення рівня конкурентоспроможності підприємств агропродовольчого сектору у стратегічній перспективі нерозривно пов'язане з питаннями забезпечення сталого розвитку та здобуття довгострокових конкурентних переваг на засадах сталих цінностей і пріоритетів. Це передбачає необхідність урахування у політиці управління діяльністю бізнес-суб'єктів сталих та екологічно нейтральних способів виробництва, результатом яких мають стати нові конкурентоспроможні товари, оригінальні за своїми якісними параметрами. Конкуренентоспроможність передбачає високу ефективність діяльності підприємств і здатність їхньої адаптації до умов навколишнього середовища, що постійно змінюються. Рівень конкурентоспроможності формується не лише на рівні окремих виробників, а й на рівні агропродовольчого ланцюга вартості загалом і завдяки ефекту масштабності і синергії створює додаткові інклюзивні можливості покращення конкурентних позицій виробників на ринку. Світовий досвід показав, що вирішення цих завдань можливе шляхом формування грамотної конкурентної стратегії, яка має відповідати таким критеріям: наявність чіткої сформульованих релевантних цілей, наявність прогнозу розвитку ситуації та сценаріїв досягнення мети, наявність системи управління та контролю основних бізнес-процесів. Одночасно нова політика забезпечення конкурентоспроможності має бути спрямована на зміцнення зв'язків між агропродовольчими ланцюгами і ринком, споживачами, суспільством з урахуванням інтересів усіх сторін. Пріоритетами досягнення цілей підвищення конкурентоспроможності суб'єктів господарювання разом з комерційними цінностями мають стати: нарощування доданої вартості сфери агропромислового виробництва; забезпечення сталих доходів усіх учасників агропродовольчого ланцюга; покращення використання ресурсів і поступовий перехід на циркулярні моделі бізнесу; формування відповідальної поведінки споживачів і максимальне задоволення споживчого попиту. Висока мінливість зовнішнього середовища, складнощі виявлення численних і тісно взаємодіючих факторів, ризиків і небезпек, ентропія зв'язків і відносин ставлять перед бізнесом актуальні завдання з формування конкурентоспроможності як системи стратегій, заходів і технологій утримання ринкової частки, фінансової стабільності.

Ключові слова: конкурентоспроможність, середовище, аграрне підприємство, агропромислова сфера, фактори, драйвери.

Стаття надійшла до редакції 22.03.2023 р.

Бібліографічний опис статті:

Гохе Цінь, Копійковський Ю. Conditions for increasing the competitiveness of agro-food enterprises. *Actual problems of innovative economy and law*. 2023. No. 1-2, pp. 89-93.

Гохе Цінь, Копійковський Ю. Умови підвищення конкурентоспроможності підприємств агропродовольчої сфери. *Актуальні проблеми інноваційної економіки та права*. 2023. № 1-2. С. 89-93.