

LEASECON 2021**Conference on Land Economy and Rural Studies Essentials****USE OF MARKETING COMMUNICATION TOOLS IN
PROMOTING THE PRODUCTS OF AGRICULTURAL
ENTERPRISES**

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Abstract

The article is devoted to analysis of marketing communication tools in promoting the products of agricultural enterprises. It includes development of the agro-industrial complex of the Tambov region, monitors marketing communication tools used in promotion of products by the stud collective farm named after V.I. Lenin and develops certain measures to optimize them. The study showed that the company uses the following tools in its marketing promotion policy: advertising, sales promotion, personal sales and public relations. Within the framework of such promotion as advertising, the company widely uses print advertising in the media. Sales promotion is represented by price promotion methods. Personal selling is a multi-step process starting from listing potential customers to completing transactions and establishing long-term customer contacts. Public relations activities are limited to participation in specialized regional agricultural exhibitions and fairs. Having studied the range of marketing communication tools, the authors also identified their disadvantages: narrow focus on advertising types, emphasis on price incentives as a means of sales promotion, and limited use of public relations activities. Based on the analysis, it is proposed to use a number of measures to improve an integrated marketing communications system including the followings: creation of a web-site, use of industry portals, increase participations in exhibitions and specialized conferences allowing promotion of the products of agricultural enterprises outside the region. As a stimulating effect on potential and regular consumers, it is possible to apply additional discounts for cash payments and distribution of discount coupons between loyal consumers of an agricultural enterprise.

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Keywords: Advertising, marketing communications, personal sales, public relations, sales promotion



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1. Introduction

Nowadays marketing communication tools are applied not only in "traditional" industries, but also in those where they were previously used only occasionally, such as education, health care, government services, and agriculture. The use of marketing communication tools for agricultural enterprises is relevant at the stage of selling finished products as distribution is a key factor to success of a business. Such features of agricultural products sales as seasonality, discrepancy between the places of production and consumption, and other factors lead to the necessity of using marketing communication tools.

Tambov agricultural enterprises made the region one of the leaders in the all-Russian agricultural ranking of agro-industrial complexes. The region is one of the three leaders in the Central Federal District for the production of sugar beets, grain and sunflower seeds. Within the framework of the strategy of socio-economic development of the Tambov region until 2035, the main directions for the development of the agro-industrial complex have been determined. It is planned to create an autonomous non-profit organization "Center for Export and Promotion of Products of the Tambov Region". For agricultural enterprises of the Tambov region certain services will be provided to support product export by developing individual plans and programs, consulting support in certification of Tambov enterprises to ensure their entry into foreign markets, etc. (Nemtinov, Kryuchin et al., 2019).

2. Problem Statement

Russian market is characterized by the high level of competition due to the presence of small producers, as well as a large number of substitute products. As a result, large, efficient enterprises become even more powerful, whereas small, poorly equipped ones fail and become absorbed by the larger ones. Thus, in order for an enterprise to compete successfully, it is not enough to create favorable conditions for target consumers, but also to pay special attention to promotion policy. Within the framework of the problems related to the development of the agro-industrial complex outlined in the strategy of socio-economic development of the Tambov region until 2035, a decrease in agricultural activity of personal subsidiary plots comes to the fore. One of the reasons for this problem, in our opinion, is insufficient use of marketing tools, which leads to a decrease in demand, and as a consequence, to a decrease in the volume of agricultural production. As noted in the development strategy of the Tambov region, it is necessary to pay special attention to automating the process of transferring goods from manufacturers to end consumers using interactive technologies, which currently open up wide opportunities for development of a promotion system using integrated marketing communications (Nemtinov, Zazulya et al., 2018).

3. Research Questions

The object of our research was the stud collective farm named after V.I. Lenin. The main activity of the farm is breeding of dairy cattle, production of raw milk, and such additional activities as growing grain crops, leguminous crops, oilseeds, and vegetables.

Subjects of the study:

1. Marketing communication potential of the stud collective farm named after V.I. Lenin.

2. Optimization of an integrated approach to a complex of marketing communication.

4. Purpose of the Study

We analyzed the features of using marketing communication tools in promoting the products of agricultural enterprises (by the example of the stud collective farm named after V.I. Lenin).

5. Research Methods

1. Analysis of the system of marketing communication. A semantic model "whole-part" was used, in which the system of marketing communication influence was considered from the point of view of its individual elements (advertising, sales promotion, personal sales, public relations).

2. SWOT analysis. SWOT analysis is a method in which strengths and weaknesses of the company are compared with the opportunities and threats of the external environment. The purpose of analysis is to establish priority strategic directions of marketing communication policy of the enterprise as well as possible "bottlenecks".

6. Findings

The stud collective farm named after V.I. Lenin has been operating on the market for 28 years. The organizational and legal form of this enterprise is an agricultural cooperative. Legal address: 392524, Tambov region, Tambovskiy district, Pokrovo-Prigorodnoye village, Sovetskaya street, 72a. At present, the total number of livestock is 1300, 420 of which are fodder cows. It should be noted that animal feed is also procured by the enterprise: 1000 tons of hay, 8000 tons of silage, about 1000 tons of haylage and 3000 tons of feed grain are collected annually.

One of the directions in the development strategy of the stud collective farm named after V.I. Lenin is maximal consumer orientation and using innovative technologies in agriculture. Within the framework of this direction of the development strategy, it is essential to build an integrated system of marketing communications to generate demand and improve the image of the collective farm.

Before analyzing the promotion system of the stud collective farm named after V.I. Lenin, we conducted SWOT analysis reflecting the opportunities and threats of the enterprise with an integrated approach to monitoring the strengths and weaknesses of the collective farm (Table 1).

As can be seen from the analysis, the collective farm's capabilities are aimed at expanding the market and stable relationships with customers in the presence of high-quality competitive products. At the same time, little attention is paid to the development of marketing communication potential, which is an integral element of development of the enterprise's capabilities.

Table 1. SWOT- analysis

Opportunities	Strengths
More rational use of cultivated areas	Possibilities for increasing the production scale
Entering new market segments	High level of quality of the offered products.
Formation of stable relationships with regular customers	Highly qualified personnel with experience in the field of agro-industrial complex

Threats	Weaknesses
1. Decrease in the living standards of the population	Insignificant use of the marketing approach to the problems of sales and, as a result, to the problems of promotion
2. Natural and climatic conditions	
3. High level of competition in the region	

The chief economist carries out marketing management due to the lack of such unit in the organizational structure of the enterprise.

The stud collective farm named after V.I. Lenin sells manufactured finished products in the following areas: sale to the state, sale through its own trade enterprises (more than 100 outlets) and through trade partners under a supply agreement, personal sales.

Marketing communications of the stud collective farm named after V.I. Lenin are aimed at promoting the entire range of goods, which includes the following commodity groups: milk, cereals, barley, oats, rye, wheat, vegetables, and root crops.

The main means of marketing communication are stimulation of sales which result in personal sales.

In order to stimulate consumers the stud collective farm named after V.I. Lenin applies special and progressive discounts. Special discounts are given for a specific product or to a specific consumer. Discounts for specific products take place in the most productive periods of crops gathering and at the same time by incentivizing consumers to purchase goods the farm avoids overstocking in warehouses. Price discounts are used less frequently in relation to a specific consumer and are aimed at strengthening cooperation with the clients who are of a particular interest to the collective farm. Progressive discounts are applied to a certain amount and are provided to the buyer purchasing a predetermined and increasing quantity of goods (Borzov et al., 2020).

The process of personal sales is carried out as follows:

1. Drawing up a list of potential consumers.

For this, various sources are used: data on preliminary sales, responses to advertising messages, information in the media, reports on fairs, industry directories, and data from the chamber of commerce. Further, a general list of potential consumers is drawn up and a preliminary assessment of each of them is carried out. The criteria for evaluating consumers of the stud collective farm named after V.I. Lenin are the type of purchased goods, experience of cooperation with the enterprise, the volume of purchases, a communication channel through which the response from a consumer was received (advertising media reports, trade fairs, etc.).

2. Gathering information about potential customers of interest. Before entering into direct contact with consumers of goods, the personnel of the stud collective farm named after V.I. Lenin collects information about their needs, purchasing power and personal information. The needs of potential consumers are usually determined by the type of goods planned to be ordered (for example, wheat, cereals, sunflowers, fruits and vegetables, etc.), purpose (processing to obtain other types of products - flour, oil, frozen products, public catering, subsequent resale); the scale of activity and the volume of a purchased batch (retail consumer, wholesaler). The stud collective farm named after V.I. Lenin has a database of regular customers, which greatly simplifies the search for necessary information.

3. Establishing initial contact with potential buyers. To establish contacts, the stud collective farm named after V.I. Lenin uses such means as telephone conversations, sending offers by e-mail, personal meetings of managers, and offsite events.

4. Conducting a presentation aimed at attracting and retaining attention of a potential buyer. During subsequent contacts with a potential consumer the personnel of the stud collective farm named after V.I. Lenin responsible for concluding transactions demonstrates the goods "live", provides advertising and information materials (product catalogs and price lists).

5. Elimination of disagreements and objections that arose in the process of negotiating and conducting a presentation.

6. Transaction. At this stage, the entire negotiation process is being brought to its logical conclusion. At this stage, based on consumer characteristics, experience of previous cooperation, and expected volume of an order the stud collective farm named after V.I. Lenin may offer certain price discounts or preferential delivery terms (for example, by own transport).

7. Maintenance of the transaction. The staff of the stud collective farm named after V.I. Lenin establishes contacts with consumers in order to find out if there are claims, needs, further cooperation perspectives, etc.

From the means of advertising distribution, preference is given to specialized agricultural magazines, advertisements in regional newspapers that are distributed among the general public and advertising on the radio. Thus, the stud collective farm named after V.I. Lenin regularly posts articles in the "Rural Consultant" newsletter, the "Novaya Tambovshchina" newspaper and address the issues of growing grain crops, methods of pest control, and advertising information about the products. Radio advertising includes 30-second recordings providing information about agricultural products sold by the farm broadcast on the Radio Tambov channel. They are released once a day in the morning during the ripening period of crops from June till September.

The most significant public relations tool for the stud collective farm named after V.I. Lenin is specialized agricultural exhibitions and fairs. The company participates in such exhibitions as "Gardener and Farmer", "Golden Autumn". These exhibitions are of a local and regional nature. At agricultural exhibitions, simultaneously with presenting its products at the stand, the company holds representative events (seminars, conferences), which allows one to acquaint a wide range of potential consumers with the company and its products. When establishing contacts at exhibitions and presentations, the company establishes business correspondence for successful development of new relationships.

7. Conclusion

The analysis made it possible to identify the shortcomings of the complex of marketing communications used by the stud collective farm named after V.I. Lenin (table 2) (Nemtinov et al., 2019).

Table 2. Disadvantages of the complex of marketing communications used in the stud collective farm named after V.I. Lenin

Element of a set of marketing communications	Disadvantages
Advertising	Insufficient use of advertising media, which does not provide necessary coverage of consumers
Sales promotion	Orientation to price promotion of sales in relation to consumers.
Public relations	Narrowly targeted PR activity, emphasis on exhibition and fair activities.
Personal sales	The lack of a personal sales specialist, an insufficiently developed consumer database.

The following directions of improving marketing communications of the stud collective farm named after V.I. Lenin in the agricultural market can be specified:

7.1. Advertising

As the analysis of marketing communications used in the stud collective farm named after V.I. Lenin has shown, the enterprise uses a fairly narrow range of advertising means.

Therefore, it seems necessary to recommend the following measures:

- enhancement of trade via the Internet. Creation of web-presence of the stud collective farm named after V.I. Lenin with a possibility of placing an order online will allow to significantly improve sales figures and create an image-reliable partner (Nemtinov, Nemtinova et al., 2019).

In addition, having its own Internet resource will allow the enterprise to:

1. Create a favorable image not only of the enterprise itself, but also of the goods it offers. For these purposes, the web-site can provide information about the range of products, availability of quality certificates, awards received at exhibitions and fairs of various levels, feedback from partners and customers about the company and its products.
2. Ensure information availability about the enterprise for geographically remote regions.
3. Implement the possibility of presenting visual information about the product. The site of the stud collective farm named after V.I. Lenin should contain photos of products, diplomas, awards, as well as familiarize consumers with the peculiarities of production in the form of a photo report.
4. Promptly respond to the market situation. The Internet provides the company with an option of a quick update of the price list, information on agricultural products, and of posting announcements of new products.

In addition, it seems possible to sell agricultural products through participation in electronic trading on the basis of trading platforms created in the network. It allows uniting suppliers and consumers of agricultural products in one information and trade space and provides participants with a number of services that increase the efficiency of their business.

One of the forms of product promotion via the Internet can also be registration in thematic catalogs. Registration in independent directories can raise the citation index of the site.

One of the ways to promote agricultural products on the Internet is surveys conducted by agricultural producers on the topics of particular interest to the management. Two formats for posting the links to a poll are available. Firstly, e-mail surveys conducted by sending invitations to the respondents.

The letter may contain a link to the site where the questionnaire is located. Secondly, a web survey can also be done by posting a questionnaire on the company's corporate website, and anyone who sees a link to the survey can take part in it.

Use of agricultural portals and related electronic publications. It will help raise awareness of agricultural producers outside the region and familiarize the public with the achievements in the field of agriculture. The most popular ones are the industry portals: Agro.ru, Aris.ru, Farmer.ru.

Use of electronic publications will also allow the company to increase the level of awareness by informing and reminding consumers about the company and its products. Popular industry periodicals include the following printed media. The newspaper "Plant Protection" is a free monthly all-Russian journal devoted to the problems of agribusiness, crop production, plant protection and agricultural biotechnology in Russia and abroad, scientific and practical magazine "AGRO XXI". The magazine has been established as a source of authoritative information practically on all branches of agriculture. The scientific magazine "World of Agribusiness" focuses on implementation of the national project "Development of the agro-industrial complex" and expansion of the information field of the agro-industrial complex in the regions of Russia (Nemtinov et al., 2018b).

7.2. Sales promotion

The stud collective farm named after V.I. Lenin should expand the range of tools used to stimulate product sales. Possible sales promotion tools include:

- discounts for cash payments. As another way of implementation of price discounts, we choose those offered within the agreed amount, for example, 3-5% for a cash payment when making a transaction. This measure will be aimed at stimulating sales to small wholesale consumers, since large wholesalers use other forms of payments;
- distribution of coupons among regular customers giving the right to make a subsequent deal with a discount, for example, 5%.

7.3. Public relations

Exhibitions and fairs are quite effective in promoting agricultural products. In the Tambov region, such marketing activities are carried out regularly, and lately they occur not only locally, but also at the regional scale. The main participants in exhibitions and fair activities are peasant farms, as well as large enterprises of the processing complex.

Positive production dynamics of agricultural and food products makes both Russian and regional agro-industrial complex very attractive for foreign investors.

In this regard, it is recommended to implement the following changes for the stud collective farm named after V.I. Lenin:

- Expand the degree of participation in exhibitions and fairs at both regional and all-Russian level. For example, being an agricultural producer, the enterprise can become a participant in the annual Pokrovskaya fair, which is an international event. Within the framework of this event, the stud collective farm named after V.I. Lenin will have an opportunity to hold business meetings, negotiations, "round tables", establish contacts not only with regional, but also with international participants. Another

opportunity is participation among 250 agricultural enterprises of the Tambov region in the international exhibition "Green Week" held in Berlin. This exhibition will provide an opportunity to get acquainted with the novelties of agricultural crops production and present their products on the international market;

- Provide an opportunity for potential consumers to familiarize themselves with the offered goods directly at the enterprise, on the territory of their cultivation by organizing an exhibition on the basis of the farm.

- Participation in conferences. Thus, the stud collective farm named after V.I. Lenin should establish ties with the Chamber of Commerce and Industry of the Tambov Region, on the basis of which conferences and round tables are held, touching upon various aspects of the agro-industrial complex.

In addition, an effective PR tool is publication of articles on agricultural topics in top journals. At the same time, as a rule, the heads and workers of the stud collective farm named after V.I. Lenin can act as experts in the declared area such as growing crops, using certain technologies in land cultivation, etc. And although the enterprise has such an experience, it is proposed to reach the all-Russian level and establish cooperation with such periodicals as «Agrobezopasnost», «Agrarian Russia», «New Agriculture» and others.

This tool of marketing communications will create a positive image of the stud collective farm named after V.I. Lenin in public, expand economic ties and strengthen its reputation in the market segment it occupies.

7.4. Personal sales

We identified the following measures to improve the process of personal sales:

- compile a list of potential consumers. It is proposed to use Internet sources, such as specialized directories and catalogs of enterprises engaged in processing of agricultural products, as well as government agencies and public catering enterprises;

- created a Web site to collect information about consumers with a "Guestbook" section, where a consumer can answer a few questions, leaving personal information, sharing impressions about previous purchases, express their demands. This will greatly simplify the procedure for collecting information about potential consumers of the stud collective farm named after V.I. Lenin;

- introduced a staff member whose responsibilities would include collecting information about customers, negotiating, presenting products, concluding and further support of the transaction in order to optimize and increase the efficiency of personal sales (Nemtinov et al., 2018a).

As a generalized conclusion, it can be said unequivocally that an increase in sales of agricultural products of the stud collective farm named after V.I. Lenin requires a balanced approach to development of integrated marketing communications with a well-developed strategy based on the regional development strategy. It is imperative to engage in marketing activities on a regular basis. Currently, interactive technologies are coming to the fore along with a need of an information and communication platform (the web-site of the collective farm).

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