MARKETING AS A TOOL FOR SOCIAL AND ECONOMIC RURAL AREAS DEVELOPMENT

Lyudmyla Tarasovych\(^1\), Vilma Tamuliene\(^2\)

\(^1\) Ph.D. Assoc. Prof. Zhytomyr National Agroecological University, 7 Staryi Blvd., Zhytomyr, Ukraine. Tel. 0977487165. E-mail luda2310@i.ua

\(^2\) Ph.D, Assoc. Prof. Aleksandras Stulginskis University, Studentų str. 11, Academia, Lithuania. Tel. +370 60736010. E-mail vilma.tamuliene@gmail.com

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Seeking for the quality of life, attraction of investors, maintenance of existent residents, attraction of new residents or visitors, a great responsibility falls on public organizations in the certain territory, which have interest in the boosting of the territorial attraction and solve the issues of social and economic growth and this is specifically significant in rural areas. The problem of the scientific article – how to increase/boost local social and economic attractiveness in a rural area, following the toolsments, applied in marketing. The purpose of this article – to create a theoretical model for the social and economic rural areas development. The article provides conceptual understanding substantiate by critical theoretical review. The main result of this article is formatted the model of social and economic growth of rural areas.

Key words: rural areas, rural economy, marketing, development of rural areas and economy.

JEL Codes: Q1, O3.

1. Introduction: from practice to scientific problem

The actuality of the scientific problem of the article – how to increase/boost the social and economic attractiveness in a rural area, following the tools, applied in marketing, emerges due to the phenomena, present in practice and scientific research, carried out by scholars, related to rural areas development under marketing tools.

The phenomena, taking place in practice, involve the aspects of the European Union Policy under the issues of rural areas development. The “Europe 2020” Strategy, which was designed in order to create the right conditions for sustainable and inclusive growth, presupposes balanced and multidirectional economic development of rural areas, focusing on substantiated long-term strategic objectives, each of which involves the accomplishment of clear tasks with the implementation of specific proposals (Europe ..., 2016).

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That is, the European context of favouring the development of rural areas and economy implies the harmony of agrarian policy and rural development policy. The single steps that are being taken today in this direction in Ukraine are generally characterized by inconsistency and frequently failure to conduct legal, organizational, research, financial and other measures declared in the relevant documents, as well as noncompliance with the norms that are in force in European countries.

Another phenomenon that takes place in practice is rural depopulation, the decline in the level and quality of life of the rural population and forced labour migration. For example, of the 2.5 million Ukrainian migrants who left abroad during 2014–2016, rural residents account for 40%. Over the past 25 years, rural areas have lost 3.5 million people, and more than 600 villages have disappeared from the map of Ukraine. Under such conditions, the demographic situation in Ukraine is closer to the European indicator – 5% of the rural population (according to the EU standard) (EU during ..., 2014). Responding to a similar situation, the EU began implementing the philosophy of sustainable development of rural areas and multifunctional agriculture in the 1990s. Only for 2014–2020 EUR 95.6 billion is planned for the measures of rural development in the EU, which is 23.4% of the budget of the Common Agricultural Policy (EU during ..., 2014).

It is obvious that today it is necessary to review the priorities of developing rural areas and mechanisms of their management taking into account the advantages and challenges of globalization. The attention should gradually shift from the well-established emphasis on the need for increasing agricultural production and developing rural infrastructure to the desire and ability of the population to actively participate in the development of rural areas and to ensure its viability. This is possible through the use of marketing tools in order to position and effectively use local assets of rural areas, which will promote the reproduction of rural lifestyles on a modern European basis.

The logical consequence of this is the further aggravation of the social and economic problems of the Ukrainian village, first of all, the reduction of its productive potential, the decline of social infrastructure, unemployment, rural depopulation, the decline in the level and quality of life of the rural population and forced labour migration, lack of motivation from peasants to expand the scope of labour, their alienation from the rural lifestyle, not always favorable attitude to the place of residence – the preservation of landscapes and biodiversity.

Scientific research discloses the actuality of the issue and its significance is revealed by scholars’ scientific research, related to rural areas development. The theoretical and methodological basis of the development of rural areas is formed by such famous economists and agrarians as O. Zaitseva (2015), I. Kravchuk (2014), O. Pavlov (2009), O. Popova and I. Prokopa (Policy, 2015), V. Prushkivskyi (2014), L. Shepotko and V. Yurchyshyn (, 2013), V. Yakubiv (2011) and many others. The scientists put the main emphasis in the researches of this nature on substantiating the essence of rural territories, their characteristics from the standpoint of defining the indicators of their social and economic status, comparative evaluation of state support
and development of territories in the context of Ukraine and countries of the EU. The inclusive approach to the study of social and economic problems of rural areas is rather thoroughly disclosed in the works of O. Borodina (Policy ..., 2015), A. Bazyluk (2015), O. Zhulyn (2015), T. Zinchuk and N. Kutsms (Zinchuk, 2016), O. Kovalchuk (2017). The scientific research of these authors is primarily aimed at highlighting the peculiarities of the formation and development of an inclusive approach to the creation of strategic directions for the development of rural areas. The necessity to use marketing tools for the development of rural areas is emphasized in the works of A. Bazyluk (2015), T. Vakar (2016), I. Kravtsiv (2016), T. Lepioshkina (2016), L. Mykhailova (2016). Noting the value of the work of these researchers and modern scientific developments for the theory and praxis of rural development, it should be noted that individual aspects of the stated problem need further research. First of all, it concerns the need to determine the role, priority and opportunities of using marketing tools to create strategic imperatives for rural development, and build a strategy for the inclusive growth of rural areas.

Today, the scientific interest of foreign scientists in researching the marketing problems of rural development is steadily increasing. In particular, these questions are quite thoroughly disclosed in the works of P. Rumpel and T. Sivek (2006), D. Nabirasool and D. Prabhakar (2012) and many other researchers. The following Ukrainian scientists emphasize the need to use marketing tools for the development of rural areas A. Bazyluk (2015), T. Vakar (2016), I. Kravtsiv (2016), T. Lepioshkina (2016), L. Mykhailova (2016), O. Moroz (2015). The writings of these researchers attempted to reveal the features and prospects of marketing of rural areas in the context of implementing the policy of rural development in Ukraine. The need to study the issues of rural marketing is connected, first of all, to the fact that it is an effective factor in their social and economic growth; secondly, it is an incentive to improve the efficiency of the functioning and development of the institutional framework, which directly affects the identification of the competitive advantages of rural areas at the local and national levels. It should also be emphasized that the relevance of the study of these problems grew rapidly after the signing of the Association Agreement between Ukraine and the European Union. This is due to the fact that the formation of the Free Trade Zone will increase the competitive struggle between domestic entities in the agricultural market, which in its turn will become an effective locomotive for the activation of entrepreneurship in all spheres of the rural economy.

The above outlined objectively points to the severity of the raised problem and determines the topicality of this study. First of all, this concerns the need to priority and opportunities of using marketing tools to create the necessary conditions and take measures for the establishment of rural entrepreneurship, self-sufficiency of rural areas and their inclusive development.

The purpose of this article – to create a theoretical model for the social and economic rural areas development under marketing tools.
Particular attention is paid to identifying the place and role of marketing in an arsenal of modern management tools for implementing rural development policy. Marketing is a determinant of endogenous models of developing rural economy; these models demonstrate the strategic perspective of the balanced development of the village.

2. Research methodology

The theoretical and methodological basis of the research is systematic and synergistic scientific approaches, the use of which in the research of rural development is conditioned by the orientation to the basic values and the fundamental foundations of the market economy system and the course on the construction of a democratic society. In the article there were applied the methods of scientific literature analysis, abstract-logical, induction and deduction, analogy and comparison, operationalization of concepts and graphic methods. These methods were used for systematization and theoretical generalization of the scientific vision of the formation of marketing principles of social and economic growth of rural territories and economy. First of all, the role, priority and opportunities of using marketing tools to formulate strategic imperatives for development of rural territories, as well as building the strategy of their inclusive growth.

In the territory of marketing, the key provision is to meet consumer needs in order to achieve the business aim that is related to the gaining of profit in commercial organizations. Meanwhile, gaining of profit is not the key aim in the running of the territory and as a result, there is applied non-commercial marketing that involves non-commercial principles and territory participants, whose aim is to meet the needs of the certain groups in the rural area, seeking for the general welfare (service, ideas, etc.) in order to maximize social and economic effect – to meet general interests. Thus, there is to be followed the key provision that under rural marketing it is sought to meet consumer needs for the general social and economic welfare in a rural area.

The study of the essence of the concepts “rural areas”, “development of rural areas”, “inclusive development”, “marketing of rural areas and economy” was conducted on the basis of a thorough analysis of scientific publications on this topic. Marketing in rural areas is – the coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging territory offerings that have the certain value for the rural community at large. Place marketing is thus a customer-oriented approach, which aims at integrating all the existing and potential “customers” of a given place. The advantage of this article is the author's approach to the study of the raised problem, proving its topicality and timeliness, which involves the configuration of marketing and system approaches in the formation of an inclusive model of social and economic growth of rural areas and the economy. The methodological platform for further research in this direction is working out the adaptation models of developing rural areas and econo-
my with the outline of the implementation tools under the conditions of Ukrainian realities.

3. Research results

The theoretical and methodological platform of researching rural areas as concepts is characterized by interdisciplinary content, taking into account the verification of its essential features from the standpoint of supporters of various scientific approaches. The generalized systematization of the scientific views of the leading domestic scientists who study the rural areas, suggests the existence of five generalizing approaches to their interpretation – territorial, structural, spatial, systemic and multi-criteria approach.

Representatives of the territorial approach tend to consider rural areas as certain territorial units, geographic formations, separate areas that are located outside cities and have corresponding resources and administrating authorities. Within this approach, the position regarding the development of traditional types of economic activity in rural areas is traced; these types include agricultural production, forestry, fishing, mining industry, etc. However, the results of the study indicate that the current conditions transform the established approaches to the development of the sectoral structure in rural areas. This, above all, is explained by the fact that in Ukraine, taking into account the convergence of rural development policy to European principles, norms and standards, the Consistent Complex Strategy of Developing Agriculture and Rural Areas for 2015–2020 provides assistance in solving three key positions, namely: support of small producers of agricultural products; increasing standards of quality of life and diversification of economic activity in rural areas; rural development on the basis of communities (Consistent..., 2015). In the view of this, rural areas should not be associated exclusively with agriculture as a production sector.

The supporters of the spatial approach view rural areas as a certain space, for example, geographical, terrestrial, economic, and social, etc., which is characterized by the presence of the population and the resource base for production. The sectoral component is also often dominant.

The supporters of the structural approach respectively consider rural areas as a structure, formation, element, aggregate through the prism of the configuration of various functional components, in particular resource, economic, organizational, environmental, and social ones. O. Zaitseva’s (2015) research, which indicates that each of the elements of the structure of rural areas belongs to a certain component: social, economic and environmental, is quite successful from a scientific point of view. However, as the scientist expediently notes, individual universal constituents often belong to different components, for example, the land as an element of the production process belongs to the economic component and as a component of the natural environment – to the ecological one. The population as an obvious component of society belongs to the social component and as an element of the production process – to the
economic one. The idea regarding the extension of the list of components of rural areas in the context of separating the institutional component, which is disclosed through institutions and institutes: formal (laws, norms, rules, standards) and informal (mentality, value orientations) is also reasonable (Prushkivskyi, 2014).

Representatives of the system approach consider rural areas as a system, a key common feature of which most researchers see as its multi-functionality. The theoretical and methodological content of the system approach is considered to be the most acceptable under the present conditions of developing rural areas, since it enables consideration of all components in the relationship and mutual determination with components of other systems. This, in turn, allows one to identify a number of important properties of rural areas such as integrity, stability, structural properties, autonomy, hierarchy, emergence, etc. (Prushkivskyi, 2014). It should be noted that rural areas, in their essence, correspond to all the features of their consideration as a system, namely: a set of naturally connected elements that form a certain integrity, unity; a certain order in the location of the connection of individual elements; form of spatial organization; a set of principles that are the basis of development of the system; a set of separate entities, united in one whole; a set of components (elements) that perform a general function (Novyi, 2008).

The supporters of the multi-criteria approach combine several scientific approaches discussed above.

Thus, on the basis of the in-depth study and systematization of the considered scientific approaches to explaining the essence of rural areas, a proper understanding of this concept is formed in the context of its interpretation from the point of view of system and marketing approaches (fig. 1). Marketing of rural areas in this case is considered in connection with the peculiarities of their inclusive development. It should be noted that marketing is one of the tools that is actively used in the praxis of managing rural areas in developed countries. The challenges of domestic realities point to the urgency of using the marketing approach to managing the development of rural areas in order to promote their interests among potential investors, to create a positive image, including abroad.
Inclusive development envisages the achievement of such type of economic growth, which covers all spheres of life of society and the population and allows to get tangible results for each person. According to T. Zinchuk (2016), this is a unique opportunity to achieve internal equilibrium, increase the viability of rural areas and the population by investing in the main spheres of the rural economy: social and eco-
nomic, educational, health, energy and food security, eradication of poverty and, thus, the transition to a progressive, civilized European model of rural development. From the standpoint of the needs of an individual economic entity, inclusive growth aims to create maximum possible conditions for human development and provide social guarantees and opportunities for their participation in all spheres of life. That is, “inclusiveness” is evaluated as an indicator of human civilization and progress (Zinchuk, 2016). According to O. Kovalchuk (2017), the inclusive model of economic development of rural areas involves the creation of maximum opportunities for the development of an individual, participation in all spheres of life of the country, employment and equal access to the results of labour. The priority of inclusive development is the improvement of the quality of life of the population by means of the formation of economy with high-employment and society with its minimal stratification.

In the context of this study, the theoretical content of the development of rural areas in the context of marketing involves the substantiation of this process through the prism of the formation of an inclusive model of their development. Marketing tools for managing rural areas and building their capacity include: formation and implementation of a strategy, marketing research, branding, product and price policy, PR and advertising, etc. At the same time, activating the attraction of marketing technologies will favour the attraction of the rural population to creating the necessary conditions and measures for the establishment of rural entrepreneurship, ensuring the self-sufficiency of rural areas, their inclusive development, as well as the departure from the established stereotype that only economic growth can ensure the sustainable development of the Ukrainian village. The above-mentioned clearly emphasizes the need to coordinate marketing objectives and priorities of rural development in general (Fig. 2).

Therefore, the functional orientation of marketing (informational, analytical, selling, management) is based on the development of marketing products that shape the image of a certain rural area. According to T. Vakar (2016), the prospects for the development of rural areas are determined by the consideration and interpretation of non-economic factors through the transformation of institutional assets (unique territorial features of local communities) in the market. In this context, the marketing objectives are clearly traced: marketing segmentation of the target market, the identification of the competitive advantages of a rural area; identification of potential investors (domestic and foreign) and positioning of the territory; branding of rural areas and forming their image; development of investment proposals of the territory and various projects with a detailed business plan for their implementation; the formation of demand and stimulation of selling goods and services produced by the rural economy, etc.
It should be noted that marketing is one of the tools that is actively used in the praxis of managing rural areas in developed countries. In particular, D. Nabirasool and D. Prabhakar (2012) state that by making efforts to improve the rural marketing system and marketing of rural areas, it is necessary to take into account the globalization conditions affecting market forces. According to Czech researchers R. Rumpel and T. Sivek, effective development of rural areas is provided by effective marketing. At the same time, the use of the principles of territorial marketing cannot be accidental or intuitive, because awareness of their complexity and possible constraints.
shapes success (Rumpel, 2006). A. Webb et al. (2012) in their research emphasize that effective marketing does not mean spending thousands on advertising campaigns; this means the effective use of all available carriers to shape the image of rural areas. In general, the scientific discourse among foreign scientists is characterized by the domination of the statement about the sharp necessity and effectiveness of the use of marketing technologies in creating the strategies of rural development.

In the context of Ukraine, “marketing of rural areas” is not a new concept; however, the current practice of its use is limited to some extent and has not yet become widely used. It should be noted that the role of marketing in the development of rural areas should be viewed from the standpoint of a systematic approach that takes into account: the characteristics of traditional marketing; signs of territorial marketing; marketing foundations for the formation and implementation of strategies for rural development. Marketing of rural areas configures and at the same time is characterized by signs of agrarian marketing, marketing of producing goods and services made by the rural economy and directly by marketing of the territory. Therefore, when formulating the definition of marketing of rural areas, it is necessary to take into account the three mentioned scientific approaches.

The topicality of marketing initiatives is harmoniously combined with decentralization, which today greatly enhances the opportunities for the development of rural communities. Decentralization is a management system in which part of the functions of the central government goes to local self-government authorities (Novyi, 2008). Decentralization of power authority in Ukraine determines independence in making managerial decisions on the prospects for implementing modern endogenous models of rural development. It should be noted that the individual elements of marketing of rural areas are more and more actively being introduced into the practice of local self-government. This concerns both the formation of strategic plans for the development of territorial communities, taking into account their branding and positioning in international markets, and holding exhibitions and fairs, as well as marketing research regarding the opportunities for attracting investors and stimulating the sale of goods and services produced by the rural economy (Kravtsiv, 2016; Lepioshkina, 2016). The activation of the actions of local self-government conditions the necessity of the proper application of marketing tools in order to position and shape the image of their own territory, the skill to “sell” and manage this social and economic system. Marketing of the image of rural areas can be a factor in their integrated development (Pavlov, 2014).

Taking into consideration the presence of various types of resources in rural areas and predominantly their inappropriate use, reserves of developing rural economy lie not so much in the additional attraction of resources or external investment, as in identifying and positioning the unique advantages of individual rural areas or communities (Tarasovych, 2016). Under current conditions, improving the efficiency of managing rural development requires the development and implementation of a comprehensive system of measures by local self-government authorities in partnership with business representatives, population, non-governmental organizations, investors, educational institutions, other institutions and community organizations. These
measures include working out a development strategy; identification of local advantages and unique territorial features; creation of effective marketing strategy; development of local infrastructure; distribution of educational programmes; creation of organizational structures dealing with marketing; formation of partnerships; creation of an effective information and communication network, etc. (Lepioshkina, 2016). In addition, according to I. Kravtsiv, rural marketing not only has a significant impact on their own economic development, but at the same time stimulates an increase in the efficiency of the functioning of a number of institutions that ensure the competitiveness of regions in the context of increasing global competition for human and natural resources (Kravtsiv, 2016).

Taken into account the above-mentioned, the prospects for the development of rural areas involve the development and implementation of a mechanism for managing this process, which takes into account the specialization of individual rural areas, peculiarities of their attractions, unique resource, production, natural, spatial, human, demographic, settlement, historical, and cultural potential. The components of such a mechanism should be the integration, investment and innovation constituents, the configuration of which will ensure the successful implementation of the mechanism, taking into account the course of European integration of Ukraine.

4. Conclusions

1. The current policy of developing rural areas in Ukraine is being implemented under the conditions of constant economic and institutional transformations. On the one hand, at the state and regional levels, management measures are carried out to create and introduce effective tools for development and implementation of this policy. On the other hand, the final result does not meet the expectations and the situation remains difficult. It has become a widespread practice in Ukraine that there is the lack of consistency and integrity in the implementation of agrarian transformations, and that government institutions ignore the urgent need for the use of modern innovative approaches to the management of rural areas.

2. Marketing is a modern management tool aimed at preserving and improving the efficiency of using the human and natural resource potential of rural areas. The efficient development of rural areas and economy is possible due to the activization of marketing mechanisms, in particular, the development and introduction of marketing business projects, the implementation of which will ensure the development of priority sectors of the rural economy in order to form the image of rural areas in general. The implementation of marketing in the common management activity of local self-government bodies of territorial communities will contribute to the economic growth of rural areas under the European course of our country.

3. The role of marketing in the development of rural areas and economy is intensified in the context of implementation of an inclusive model of their social and economic growth. This is possible through the inclusion of rural society and the hu-
manization of economic processes by means of the formation of value orientations and the departure from the established stereotype that only economic growth can ensure the efficient development of rural areas. Marketing is not only a topical requirement of the present time and a real application for the participation in various programmes (grants) of the European Union, but also an indicator of strategic prediction of social and economic growth of rural areas and economy.

References


MARKETINGAS KAIP ĮRANKIS SOCIALINIO IR EKONOMINIO KAIMO VIETOVIŲ VYSTYMU

Liudmila Tarasovič1, Vilma Tamulienė2
1 Dr., doc. Nacionalinis Žitomirio agroekonomikos universitetas
2 Dr., doc. Aleksandro Stulginsko universitetas

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Siekiant gyvenimo kokybės, pritraukti investuotojus, išlaikyti esamus gyventojus, pritraukti naujus gyventojus, ar lankytojus didelė atsakomybė tenka tam tikros teritorijos viešosioms organizacijoms, kurios yra suinteresuotos teritorijos patrauklumo didinimu ir sprendžia socialinio ir ekonominio augimo klausimus, ypatingai tai aktualu kaimo vietovėse. Straipsnio mokslinė problema – kaip padidinti kaimo vietovės socialinį ir ekonominį patrauklumą vadovaujantis marketinge naudojamas instrumentais? Straipsnio tikslas – sukurti teorinį socialinio-ekonominio augimo kaimo vietovės vystymo modelį. Šiam straipsnyje iššūkia kaimo vietovės valdymui vadybinio instrumen- to nebuvo praktikoje problematika, analizuoti įvairių kaimo vietovės požiūrių kaitą empirinio tyrimo instrumento parinkimo galimybę, tirta marketingo vieta ir rolę kaip modernus vadybinis instrumentas įgyvendinant kaimo vietovės vystymo politiką. Pagrindinis šio straipsnio rezultatas – sukurtas teorinis socialinio ir ekonominio augimo kaimo vietovės vystymo modelis. Šis modelis bus pritaikytas tolimiausių autorių tyrimuose Ukrainos ir kitų kaimo vietovių atvejais.

Raktiniai žodžiai: kaimiškos vietovės, kaimo ekonomika, marketingas, vystymas.

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