SOME ITEMS ON MARKETING AGRICULTURAL PRODUCTS IN THE REPUBLIC OF SERBIA¹

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Abstract

In this paper, the necessity of identifying problems of the organization of marketing of agricultural products of the Republic of Serbia is treated. The exemption comes from the fact that marketing can be presented through a process of several steps (attention, interest, desire and action), and usually starts from a marketing process of a product, service, or organization. Most of the current marketing processes of organizations relates to the task of retaining permanent clients through activities of creating relationships between consumers, improving customer service, better representing the benefits of products and services, etc.

In the given sense, marketing of agricultural products is also considered. It is believed that modern agrarian production of Serbia is unimaginable without adequate marketing approaches that involve engaged agrarian entrepreneurs, sophisticated equipment and flexible transport networks. The agrarian entrepreneur should be incorporated into a chain that includes production, processing, turnover, banking transactions and science. Such agrarian entrepreneur must also be educated and prepared for modern agribusiness. Only in this way, and in accordance with natural conditions, already abandoned agricultural land can be used again and again, but only for the production that is in the mentioned agro-industrial chain. It is understood that the ultimate goal should be not only domestic, but above all the world market. The fact is that these processes are complex and require that marketing has a certain level of development. In addition, credit, tax, educational and other systems that influence the development of agricultural products are also important.

Key words: marketing, agricultural product, Serbia.

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Introduction

Marketing can be presented through a four-step process, which begins with the research, analysis and identification of the "universe" of potential users or customers. After the first phase of the marketing process, the process of drawing attention to users that are ready for purchase, from the "universe" of the target population, follows. In the third phase, systemic influences affect potential users to become interested in and accept existing concepts or offers, which are created based on the organization's marketing activities. Finally, the success of the previous three phases should lead to the transition to potential customers into "real" customers through activities that are implemented to enable potential customers to do the desired action - buying, calling, downloading documents, subscription, membership, sales, etc.

In this regard, we deal with the analysis aimed at helping to better organize marketing in the sale and marketing of agricultural products on the market in the Republic of Serbia. The basic goals of marketing in agriculture are to explore the needs and desires of consumers, linking it to the food produced in solving and meeting its needs, as well as to ensure consumers' right to health-safe food and protecting products harmful to the life and health of consumers. The role of marketing is to initiate and raise the ecological awareness of the end consumer with the help of communication marketing instruments (event-marketing and relationship marketing). The goal of such orientation in agricultural production, involves the involvement of in participants in the process of production and transport. Here, in the first place we mean suppliers, manufacturers, distributors and exporters. This implies an active role of the state in this domain. Marketing should permanently connect ecologically conscious buyers to a business entity (Vlahović, Štrbac, 2007).

Methodology and data sources

The subject matter has a research character, and the method is also subordinate to it. Several methodological approaches were used in the research on the application of marketing in agriculture. 1) The research relied on foreign and domestic literature. This literature was important to studying the application of smart technology in agriculture today in the world. 2) Author's research in the thematic field was used. 3) At the end of the research carried out by the Institute of Agricultural Economics and associates with the previous period.

In general, the research relied primarily on foreign literature. As far as domestic sources are concerned, they are few and insufficient for a more comprehensive examination of the problem of studying some of the marketing implications of agricultural products. We believe that not only in the world but also in our country there is an interest in researching the application of marketing in the placement of agricultural products, from various modern aspects: from the aspect of sustainable development, production of healthy - environmentally sounds food, from the point of view of proper use of agrarian resources, water, natural middle in general. Foreign literature on these problems was used. That is why one of the tasks of this research was to study and present the latest insights on this issue. Internet information that is numerous and significant should also be mentioned.

Special attention is paid to periodicals (scientific journals) and to scientific consultations (chamber of works), as it is better to notice the current problems that affect the application of marketing in agricultural production.

About marketing in the production process

The presented four-step process (attention, interest, desire, action), usually refers to the beginning of a marketing process of a product, service, or organization. Most of the current marketing processes of organizations relates to the task of retaining permanent clients through activities of creating relationships to consumers, improving customer service, better representing the benefits of products and services, etc. Marketing was created to solve the problems of production and producers when the supply was higher than demand, and the ultimate goal was the realization of the produced goods and the achievement of profit for the company. Today, the essence of marketing consists in solving consumers' problems - faster and better than competition. Accordingly, it is rightly pointed out that "having a competitive advantage is the same as having a pistol in the fight over knives" (Kotler, 2003). How much marketing has changed since its inception to date is the fact that in the literature there are now two terms with the concept of marketing:

- 1. Business marketing relates to material goods, that is, products and services designed to solve some economic problem of a person or organization.
- 2. Social marketing is focused on solving some non-economic problems of society related to the quality and safety of life.
- 3. According to the same source, in addition to the above, today they are current:
 - Environmental marketing which aims to preserve the environment, and

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- then profit. It is developing in the recycling process.
- Intellectual marketing includes the creation and sale of information. It does not apply to material goods, but to new values for people and society.
- Relational marketing the central place occupies a focus on relationships of target groups, i.e. the buyer/user is indirectly introduced into the organization, through a certain value chain.

Marketing is a process whose primary importance is reflected on the establishment of a communication flow between the producer and the buyer or consumer. Marketing as an economic process takes place continuously and is an integral part of the reproduction in an enterprise. Marketing is not a promotion or an appearance of a fair or sale - it is already a process that lasts and encompasses marketing research, strategic marketing planning, and defining goals, formulating a marketing strategy, developing a marketing mix, marketing analysis, control and audit. So, it's a whole system, and every part of it is equally important and important.

Marketing Management

Marketing management is a process by which the marketing activity of a company is regulated. This is a dynamic process because the conditions both in the economy and in the company are constantly changing. Consequently, it is necessary to adapt the marketing activities as business functions of the changed conditions of the business environment and to the new business goals. In such conditions, marketing management is the process by which to initiate and direct marketing activities in order to meet the needs of citizens as consumers, businesses and companies in products and services with the achievement of profit (Milisavljević, 1999).

The previously defined marketing management activity can be analytically divided into: planning, organizing and controlling. At the planning stage, decisions are made about the goals, policies, strategies, programs and plans for marketing activities. During the organizational phase, the organizational structure is created and the immediate activity of the marketing sector is organized. Finally, at the control stage, the realization of planned decisions and the efficiency of the organization is measured and corrective actions are taken in the organization and functioning of the marketing sector of the company. The marketing management process is effective if all the management phases run continuously. Namely, certain phases of marketing management should be synchronized so as to give a

synergistic effect, to complement and stimulate each other. Thus marketing of agricultural products, as the complete logic of business-management thinking about the role of individual members of the system in the process of satisfying the needs of consumers, the growth and development of one's own resources as well as the national economy has an indispensable role in creating the increased value of products (Sudarević, 1999).

Marketing management essentially means managing the level, "timing" and the composition of demand, in a way that will help the organization achieve the goals (Kotler, Keler, 2006). The process of managing marketing activities involves analyzing market opportunities (existing or potential markets), formulating goals to be achieved on the market, defining the offer, and locating resources on selected action directions, creating an efficient organizational structure that should enable the realization of programs and plans on the market, permanent control of the achieved results of marketing activities and review of the rationality of the taken actions on the market (Milisavljević, 1999). Taking into account the aforementioned marketing management elements, it is noticeable that this process should, above all, to enable identification of market opportunities, their compliance with the company's operations and the creation of a program of actions to exploit distinctive competence in order to create a relatively lasting competitive advantage on the market (Simonović et al., 2012a).

Modern agrarian production

In the current conditions of production, agrarian production of Serbia is unthinkable without modern agrarian entrepreneurs, without modern equipment and well-organized transport networks. The agrarian entrepreneur must be in a chain that includes production, processing, traffic, banks and science. Such agrarian entrepreneur should be educated and prepared for modern agribusiness. Only in this way, and in accordance with natural conditions, already abandoned agricultural land can be used again and again, but only for the production that is in the mentioned agro-industrial chain. It is understood that the ultimate goal must be not only domestic, but above all the world market. These processes are complex and require appropriate credit, tax, educational and other support systems. The point of transition, i.e. structural changes and demographic trends, is to achieve more productive and more profitable agrarian production.

In close connection with the prominent problems of structural changes in the Serbian economy and demographic trends in agriculture, the problem of rural development in Serbia is the problem of transforming villages into modern settlements of a complete infrastructure of urban character (electricity, water, telecommunications, etc.). Spatial arrangement of rural areas and construction of road and other systems. The classical Serbian village relied exclusively on agrarian production of a natural type. Modern rural development implies the development of other non-agrarian activities if conditions for this or at least the development of processing capacities for agrarian production are at stake. It is a village as a settlement of a modern type that is not lost in space but is connected with space in all elements of today's available infrastructure.

Rural development is a part of the spatial development or spatial plan of Serbia, which implies, when it comes to agriculture, agrarian re-identification and specialization, or the use of comparative advantages for the corresponding type of production.

Factors that limit the development of agrarian regions

The limiting factors of agriculture and the agrarian sector are expressed in the form of declining demand and consumption of agrarian products on the domestic market, as well as the unfavorable relations between the realizations of the foreign trade of commodity goods trade (Simić, Stevanović, 2004). The largest decrease in production was in livestock production, while the intensity of production declines was somewhat slower in plant production.

The poor situation in the viticulture and wine sector is manifested through the reduction of grape and wine production and the loss of competitiveness of domestic wines with the increased import of wine. The movement towards fruit production had a stagnating character. Wine producers in Serbia are small do not have enough money to invest in marketing products that produce them. Investing in quality is what should be dominant, but without good marketing they cannot expect their products to be spotted on the market.

One of the main characteristics of the agro region in Serbia is their uneven development. There is a big difference in the development of the plain and mountain regions. Only 3% of the land in the mountainous region was socially owned. This means that in this region dominates the small estate divided into a dozen parcels

by farm. The natural process of concreting of the land surfaces was slow. It has started and has never been completed in an adequate way. The state should reopen and then complete this process. Production of the agrarian regions of the hilly and mountainous areas was mainly oriented towards satisfying its own needs, i.e. very little was focused on market conditions. Due to this type of circumstance, production was mostly scandalous and specialization was only in the indications. In this sense, in the hilly and mountainous areas, it was not possible to organize agricultural production on a larger scale, let alone talk about investing in some marketing. Of course, on this occasion, it should be noted that there are exceptions to which this paragraph does not apply. First of all, it is thought of as a small and medium enterprise in the agrarian sector.

There is no better situation in the equipping of hilly and mountain regions with agricultural labor. This equipment is significantly weaker than the flatland region.

About export chains of agricultural products

Considering the trends on the EU market, and bearing in mind the achieved level of production and competitiveness of domestic producers, it can be concluded that from the assumption of meeting the quality controls standards from the world market regarding the export of agrarian products, we are competitive only if we differentiate the offer, in terms of export of high quality products, with brand and / or indices of autochthonous origin.

Namely, Serbia can only build its export opportunity on the EU market using the modern concept of competitiveness, which implies creating a competitive advantage with quality and innovation, or differentiating the offer.

This strategy is partly used by Serbia in beef market, but its true dimension is this concept of strategy gained only in the products of higher level of final processing, thus exporting resources and raw materials, we are moving towards export of knowledge, technologies, innovations.

In the shortest, basic assumptions of this export strategy, or the modern concept of competitiveness, are:

- Increased investment in modernization of production,
- Harmonization of the overall legislation with WTO and EU regulations,
- Compliance with numerous standards of sanitary and veterinary control.

As the basic prerequisites for securing the modern concept of competitiveness of the domestic agrarian sector, the following can be stated:

- Increase investment in technology and innovation, or increase productivity;
- Achieving greater production, changing its structure and ensuring a stable export offer;
- Fulfilling strict quality control standards (adapting to EU standards in the field of veterinary, sanitary and photo sanitary needs, environmental protection) and harmonization of the overall legislation with the WTO and EU regulations;
- Development of marketing strategies, accentuating non-price elements of competitiveness and product branding;
- Organized performances by domestic producers and exporters; one of the
 ways of increasing the competitiveness of Serbia's economy and the agrarian sector is the development of business environment through clusters or
 "branch clusters." Clusters are groups of affiliated, export-oriented companies, with related institutions at the same location (customers, suppliers, competitors, universities, schools, marketing agencies, financial institutions, etc.).

Finally, no less important assumption of achieving competitive export of agricultural products of Serbia is also entering the WTO, which makes up about 95% of the world's total trade.

In order for WTO membership to be in the national interest, it is necessary, first of all, to increase the overall productivity of domestic agriculture and its efficiency, so that in terms of price and quality we can compete in export markets, but also in the domestic market, which to be opened by the act of lowering customs duties. This would have done most of the work in the process of EU accession, which bases most of its rules of those in the WTO. In this process, it is the most important to determine the national strategy and set priorities, in order to protect the domestic market and the most vulnerable segments of Serbia's agricultural production (Simonović et al., 2012b).

Issues related to the use of marketing in the placement of agricultural products in Serbia

In order to realize how well we know the possibilities of marketing in agricultural production of domestic producers of agricultural production, we did a survey. We asked some of our farmers for several questions. The first question concerns

the informing of agricultural producers about the possibilities of using marketing in the placement of agricultural products. As Table 1 shows, only 52,5% of the bearers claim that they know a lot about the possibilities of applying marketing in agricultural production.

Table 1. *Informing agricultural producers about the possibilities of using marketing in the placement of agricultural products*

answers of respondents	number of respondents	participation in %
quite familiar	21	52,5
medium	10	25,0
little	8	20,0
not known	1	2,5
in total n=40	40	100,0

Source: Calculation of the author based on the survey.

More than half of the respondents are familiar with the use of marketing in agricultural production. This is about the fact of how old this topic is and how many stakeholders in agricultural production know about it. The next question raised by the carriers was whether they would apply marketing in their agricultural production.

Table 2. Would you apply marketing in your production?

answers of respondents	number of respondents	participation in %
yes	33	82,5
no	2	5,0
no answer	5	12,50
in total n=40	40	100,0

Source: Calculation of the author based on the survey.

Interesting answers was obtained on this issue. Over 82.5% of surveyed stakeholders would use marketing to market their agricultural products, while only two respondents or 5% would not benefit. Based on this answer, it can be concluded that with domestic agricultural producers there is a great knowledge of the advantages that the application of marketing in the sale of agricultural products.

And from the respondents' answers to the next question, a high percentage structure of knowledge of this topic is observed. Only one (2.5%) of respondents did not even want to answer this question. While 82.5% see their interest in investing in marketing development.

Table 3. Do you know that investments in marketing development create conditions for easier placement of agricultural products?

answers of respondents	number of respondents	participation in %
yes	33	82,5
no	3	7,5
partially	3	7,5
no answer	1	2,5
in total n=40	40	100,0

Source: Calculation of the author based on the survey.

Better acquaintance of all those involved in agricultural production of this issue would certainly be useful and productive for our agricultural production. Serbia's agriculture has to respond too many of the challenges that wait on the road to the EU. It is precisely in this sense that the reformed Serbian agrarian policy should be organized, which would rely on the application of technical, technological and ecological standards in the agrarian sector. The same should enable the creation of modern models of agricultural producers and entrepreneurs, who would be equal to agrarian entrepreneurs in the EU.

Perhaps the solution to domestic agricultural producers represents their joint organization on the form of cooperatives or other associations with agricultural producers, all with the aim at making it easier to procure funds that are necessary for the application of smart agriculture. At present, cooperatives in Serbia are practical organizations. Most of the cooperatives in the modern way of doing business tend to think about fulfilling their current obligations. This way of thinking influences that the cooperative movement properly looks at the way to the future. The Cooperative Movement is today focused on pragmatic inclusion, responding to the given opportunities in order to adapt to the changes (Simonović et al., 2016).

Conclusion

Marketing as a concept emerged from the need to collect information about the market so that production aligned with the market requirements would get an economic sense, and the ultimate goal is always the placement of manufactured goods and making profits for the company. In this regard, product marketing is considered with the help of marketing instruments, whereby it is necessary to adequately manage to market as a process by which the marketing activity of company is regulated. This is a dynamic process, since conditions are constantly changing in the economy and in the company.

Accordingly, the research focus is given on contemporary agrarian production of Serbia. Without modern agrarian entrepreneurs and without modern equipment and well-organized transport networks, the same is unthinkable. The agrarian entrepreneur must be in a chain that includes production, processing, traffic, banks and science. Agrarian entrepreneurs are those who organize and implement agricultural production, and are the most responsible for the application of marketing in the placement of agricultural products.

Three agrarian regions of Serbia reveal diverse natural conditions for agrarian production. While in the plain region dominated by cereals, industrial plants and livestock breeding, fruit and vegetable and cattle production dominates in the hilly region, while mountain cattle breeding and fruit and vegetable production dominate. In the current conditions of the recession, the hilly and mountainous regions can appear in exports with berries (strawberries, raspberries, blackberries), where they have so far achieved significant results. Although the world has experienced a recession, it is known that the elasticity of food demands is small; demand is always present and must be covered by production. If we consider the affirmation of the agro-regional identity of Serbia in certain regions, we can conclude that, for example, the region of Sumadija can specialize in the production of plums and berries, the region of Sjenica for shady cheese, the region around Stara Planina for the production of the old mountain cheese, the region in the basin Jablanica rivers for the production of vegetables, etc.

There is a big disparity in economic development between the regions. The most developed are the plain region, and the least developed mountain, not only due to natural conditions, but above all because of socio - economic and historical circumstances. We believe that in the current moment, all regions have the chance to

use agrarian business or agrarian entrepreneurship in which marketing is used to start and organize production or redefine the already acquired comparative advantages in individual agricultural products.

Taking into account trends in the EU market, while respecting the achieved level of production and the competitiveness of domestic producers, it can be concluded that the domestic agrarian, assuming compliance with the quality controls standards of the world market in terms of export of agrarian products, can be competitive only if it differentiates the offer in terms of export of high quality products, with a brand or an indication of autochthonous origin.

The results of the research conducted with agricultural producers in the Republic of Serbia on the possibilities of using marketing in the placement of agricultural products, show that there is interest in agricultural producers in Serbia with the use of marketing opportunities. It can be concluded that agricultural producers should make more active and more use of marketing instruments when placing agricultural products. Engaging the agricultural producers in this direction would certainly contribute to the increase in potential buyers for the products they offer on the market.

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