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## **ENVIRONMENTAL BUSINESS AS A PART OF ECONOMIC DEVELOPMENT**

### **Summary**

*An attention is focused on the development of ecological business, its advantages, and problems. The priority directions of environmental business are indicated. The analysis of ecological marketing, as a component of the development of ecological business, is carried out. Possible directions of development of ecological marketing are given. Environmental advertising acts as a driver for the environmental business development. Its kinds and species, the main goal and functions are described. It is noted that the going through the certification process for the presence of clearly established eco-labelling is a confirmation of the environmental friendliness of the product.*

### **Introduction**

The modern integrated approach to environmental problems is characterized as a reverse one. Ecologically directed changes in the production process are usually carried out by reducing the consumption of materials and energy per unit of output and are accompanied by cost savings, which in turn, in addition to economies, allows being more competitive in environmentally sensitive markets (Ovechkina O.A., 2013).

An ecological business is economically interested in introducing environmental taxes, the rigidity of environmental standards and requirements, and raising fees for negative environmental impacts. The share of ecological business in the

industrial activity of developed countries is steadily growing. It includes: energy saving, waste treatment and waste-free technologies, wastewater treatment plants, organic fertilizer sales, environmentally friendly building materials, landscaping, ecological tourism, recreation, ecological insurance and more than 200 types of goods and services. Every year Germany supplies \$22 billion in environmental equipment. In the US, the domestic market for environmental goods and services is \$37 billion. In Japan, this figure is \$30 billion, Germany – \$20 billion, France – \$10 billion. The global eco-business market in 2000 reached \$600 billion. The annual growth of the industry is -5%, in the Baltic countries – up to 8% per annum, in Canada – at 10%. The existing market for environmental goods and services in Eastern Europe, including the CIS, is estimated at about 20 billion. In the first half of the 21st century, it is projected that up to 40% of world production will be products and technologies related to the environment and energy. The analysis conducted by the US leadership shows that the environmental friendliness of commercial products is becoming a leading factor in sales, and the return of the environmental complex in it may grow threefold. In the United States, the private sector's pollution control expenditures have now reached 65% of the total environmental costs. Due to the proliferation of environmental business projects, the annual turnover of environmental national funds in such small countries as the Czech Republic, Hungary, Bulgaria, Slovakia exceeds \$600 million, in Poland – \$1 billion. According to US estimates, \$1, invested in the waste processing industry, gives \$30 (Litvak SM, 2005).

### **Part 1. The general concept of ecological business and its problems**

Solving environmental problems can often objectively contribute to the emergence of new opportunities and the acquisition of new benefits by enterprises:

1. The companies open up additional opportunities for the development of business activity, which ultimately increases their competitive advantage. Firms and countries that have invested in other environmentally clean technologies have become leaders in the global market. Technological superiority, as opposed to joining the new technologies, in the way they are, provides more added value and a monopoly position in the business world. For example, Germany, where the most rigorous environmental standards are in place, has increased the share of exports of environmental goods with the weakening of the position in the industrial market as a whole. This country accounted for 43% of environmental patents for products that received international recognition. Leadership among automakers in recent years is largely determined by the ability to solve environmental problems and to adhere to environmental regulations that are increasing. The winners are companies that find new alternative fuels, create economical, environmentally friendly engines, including hybrid: electric and diesel, diesel and gas, and develop light materials for the production of car parts.

2. Competitors, unable to withstand high environmental standards, leave the market. There are examples in practice of developed countries, where the largest

companies initiated the adoption of certain laws and standards, in particular, for the burial of wastes in the United States in the early 90s.

3. The advanced, environmentally-oriented business is protected from foreign competition. For example, the prohibition of using imported disposable drink containers under the pretext of restricting garbage in Denmark has led to the elimination of foreign competitors, which are difficult and expensive to transport products in glass packaging with a relatively small volume of the market. The recycling of bottles and other glass containers in Denmark is 99.6% (Litvak S.M., 2005).

In recent years, in the Opole region (Poland), we can see the positive dynamics of environmental improvements as a result of the gradual use of more environmentally friendly technologies (Lisova N.O., 2014). A successful example is the operation of the Wodociągi i Kanalizacja w Opolu Sp. z o.o. (WIK Opole), which is designed to improve the quality and protection of the environment, whose strategy is related to the development and improvement of existing technologies (Figure 1).

In order to continuously improve the quality of services and reduce the impact on the environment, this system has developed and implemented a quality management system that meets the requirements of the international standard ISO 9001: 2000 and the environmental management system that meets the requirements of ISO 14001: 2004.

This complex has been functioning since 2002, and it occupies two areas with an area of 8 hectares. Here is a mechanical and biological treatment of sewage drains in the city of Opole. Before getting into the Oder River, purified sewage is checked every four days for nitrogen, phosphorus, acidity, suspended particles. The cleaning facilities have been designed for 225,000 RLM (Równoważna Liczba Mieszkańców), but plans are to increase capacity to 290000 RLM. In 2014, the European Union funded 10 million Euros into the development of the dryer. After mechanical and biological treatment, wastes that contain 2% of the dry matter remain, after drying process, dry dehydrated precipitate, which has 94% dry matter, which is taken out as fertilizer on the fields.

By-products during the cleaning are the generation of biogas, which is used as fuel for treatment facilities, and sulphur, which is sold.

A slogan under which the WIK Opole works – “Być niezawodnym dostawcą wody i odbiorcą ścieków stosującym nowoczesne, chroniące środowisko technologie.”

Ukrainian business needs to be prepared for the firm rules of the world trade, one of which is compliance with environmental norms and requirements. Ukrainian companies that care about their image, who are eager to export products, have already realized (some have implemented) the urgent need for the certification under the ISO 9000 series quality management system. Also in all countries, the International Environmental Management System ISO 14000 series is recognized. ISO 14000 standards – developed in 1993 by the International Organization for Standardization in Geneva, a series of documents, regulating the procedure, as well as the content of works and documents in the field of

environmental management and audit based on two systems of standards: a) the British Standard of Environmental Management (EMS) BS and b) the European Community's international system of quality management standards ISO 9000. In particular, the ISO 14000 regulates: 1) the principles of environmental management; 2) environmental monitoring and evaluation tools; 3) standards of product requirements. Officially, these standards are voluntary. They do not replace the legislative requirements and serve firms as a benchmark for self-commitments in the field of nature-friendly. However, for European companies that set themselves the task of a high level, these standards become mandatory. For example, leading banks in Switzerland and Germany do not allocate loans for projects without environmental justification based on this series of standards. The EU announced its intention to admit to its markets only ISO-certified companies (Semenov V.F., 2006).



Fig. 1. Complex of Wodociągi i Kanalizacja w Opolu Sp. z o.o. (WIK Opole)



ISO 9000 standards – the international system of quality management standards in the European Community, provides the so-called “Total Quality Management System” (“Total Quality Management” – TQM). It provides for quality control of products and services throughout the life cycle of products – from receipt of raw materials to residual waste disposal. The international standards of the ISO 9000 series, developed by the International Organization for Standardization, are accepted by European countries as national ones (Litvak S.M., 2005).

In June 1997, international standards for environmental management (EMS as State Standards of Ukraine (DSTU)) were approved in Ukraine. Direct application of them as voluntary for organizations, bodies, enterprises, regardless of the type of activity and form of ownership has been introduced since 1.01.1998. Implementation of the system Environmental management (EMS) is usually required after the introduction of QMS. For enterprises that are just starting to implement a quality management system, it is advisable to develop and implement in parallel a management system for managing the environment.

Based on the analysis of the distribution of investments in recent years, priority areas (segments) for the further development of the national environmental market were and in the foreseeable future will be: 1. Protection of water resources (approximately 62% of total investments); 2. Protection of atmospheric air (16%); 3. Subsoil conservation and rational use of mineral resources, lands, conservation of natural reserve fund (12%); 4. Rational utilization and recycling of wastes (10%) (Litvak S.M., 2005).

For the development of small and medium-sized ecological business and improvement of its environment, the state needs: special financial and credit leverage to stimulate the production of environmental goods and the development of environmental services; to stimulate an effective demand for ecological products and services first of all by the policy of state purchases; to provide easier access for enterprises that produce environmental products to services provided by government agencies; to directly participate in the marketing and demonstration of samples of environmental technologies; to encourage the “greening” of banks (for example, to implement programs for assessing the impact of projects on the environment by the banks or accounting for the need for investment in environmental protection); issue a periodic newsletter containing constantly updated information on opportunities for projects, development of environmental legislation, as well as a national catalogue that includes a list of environmental enterprises and their products and services, to open an appropriate page on the Internet. It is noteworthy that such information from other countries, in particular, the Czech Republic, Hungary, Poland, Slovakia, can be obtained from the Regional Environmental Centre “Environmental Business Directory” for the countries of Central and Eastern Europe. Also, to create joint environmental enterprises with Western companies and improve export opportunities: local companies are better acquainted with the conditions and rules of local markets, while foreign ones are more experienced in marketing and management, have more access to financial resources and modern technologies. To create additional trust

funds for investing in the ecological industry, which would contribute to the provision of start-up capital and financing them at the early stages of development, or to allocate for this part already existing government funds, such as enterprise development funds, to finance suppliers of environmental goods and services (Semenov V.F., 2006).

There are different views on the notion of “environmental entrepreneurship” in the literature. For example, environmental business is an independent, carried out at your own risk of production, research, credit, financial, and other activities aimed at systematically obtaining profit from the use of property, the production and sale of goods, the execution of works and the provision of services by persons registered in this quality, is in accordance with the law and aims at preservation, restoration of the natural environment and its biological diversity, reduction of negative (harmful) influence of technogenic and natural factors on the environment and assessing their impact on the environment and environmental safety (Ovyechkina O.A., 2013).

The following areas of environmental business are allocated:

- production of special ecological equipment, devices, gadgets, and apparatuses for the monitoring of the environment and cleaning of discharges, emissions, wastes from polluting components;
- expanded use of secondary resources and ecological reproduction;
- creation of resource-saving technologies;
- ecological education and upbringing;
- implementation of specialized environmental services.

A separate direction of eco-business is also the production of environmentally friendly goods.

Within each of these areas of activity, there is an independent market environment – ideas, patents, resources, goods, services, labour, and capital.

Nowadays, the main areas of environmental business in developed countries are as follows:

- production of a wide range of equipment for cleaning the air, gases, and water, for collecting, processing, and utilization of wastes, for controlling the pollution of the environment;
- purification of contaminated soil, reservoirs, and underground waters, planting of greenery and afforestation, restoration of terrestrial and aquatic ecosystems, work on the collection, sorting, and processing of waste from production and consumption;
- development and introduction of environmentally friendly technologies in all branches of industrial production, production of equipment for resource saving;
- ecological consulting, ecological audit, ecological insurance, certification, passportisation;
- production of natural food, environmentally friendly furniture, engines for cars, household chemicals, safe paints (Ovechkina O.A., 2013).

The following directions are possible in Ukraine. This is a production of treatment equipment, installation of which is provided for the project

documentation for new enterprises and the construction of environmental objects. Secondly, the implementation of resource-saving, non-waste technologies that are self-sufficient, the use of renewable energy sources receive the development of water and land clearing, including the residential construction or recreation. However, it is difficult to rely on the development of environmental business without serious state support. Support should create an economic interest in the field of ecology and be carried out on the basis of the relevant regulatory and legal framework.

One of the key opportunities for today's eco-business is the formation of a market for environmentally friendly products, which actually covers all areas of production of goods and services. In general, environmental entrepreneurship should facilitate the change in the range of productive opportunities for society and the full use of available resources (Ovechkina O.A., 2013).

In 2010, Professor Daniel Eisenberg of Babson College published an article in the Harvard Business Review, which helped raise awareness of the concept of the "business ecosystem" (Figure 2). The following diagram shows nine key elements that are considered important for the formation of a business ecosystem. The focus is on the state policy. The important components are regulatory base and infrastructure, financing, culture, mentors, advisers, support, universities as catalysts, education and training, human capital and labour resources, local and global markets.



**Fig. 2. Entrepreneurial Ecosystem (Tim Mazzarol, 2014)**

## Part 2. Ecological marketing and its problems

The functioning of the ecological business is inextricably linked with the development of environmental marketing. Achieving a sustainable balance involves the need to implement a policy based on the principle of caution, the interconnection of business and environmental protection measures that could prevent environmental degradation. Business can be at the expense of more economical spending of natural resources, the transition to more environmentally friendly technologies and products to reduce environmental load. The state, at the expense of different regulatory instruments, can prevent the actions of entrepreneurs who pollute the environment. An agreement between the state and businessmen can be mutually beneficial. Encouraging the introduction of capital in the environmental business prompts entrepreneurs to seek new sources of resources, develop resource-saving technologies, resulting in entrepreneurs gaining competitive advantage in the market (Litvak S.M., 2005). The concept of environmental marketing is built on this idea (Figure 3).



**Fig. 3. Green Marketing Concept (Sarah Hudson, 2011)**

Ecological marketing is a kind of human activity aimed at satisfying ecological needs. As a scientific branch and type of practical activity, environmental marketing was formed in the process of evolution of marketing concepts. Scientists have collected, analysed, and systematised a large number of diverse facts and regularities regarding consumer behaviour, product properties, relationships with partners and clients, the experience of leading companies in all sectors of the world

economy, trends in the external and internal environment of enterprises, etc. (Eriashvili N.D., 2005). Analysing available information, Zinovchuk N.V. has identified the following stages of marketing development and relevant marketing concepts: I stage “product orientation”, which corresponds to production and product concepts; the second stage of “sales orientation” is a sales concept; III stage “market orientation” – the concept of traditional marketing; IV stage of “marketing management” – the concept of marketing relations, individual, socio-aesthetic, environmental marketing.

The subjects of economic activity are consumers, producers, states and the world community.

Each of these actors can and must contribute to the development of the market for environmental goods and technologies, namely:

- consumers consciously choosing environmentally friendly goods;
- manufacturers, introducing advanced environmental technologies and, thereby, reducing pollution of the environment;
- state bodies punishing careless producers and encouraging both consumers who choose environmentally friendly goods and producers who care about the conservation of nature (Litvak S.M., 2005).

Ecological marketing can be represented as an economic process that: 1) is aimed at satisfying the ecological needs of consumers; 2) provides certain benefits to economic entities, in particular, to increase the profit of enterprises; 3) satisfies the requirements for environmental protection; 4) promotes the formation of social, ecological, and economic effects.

There are three possible directions for the development of environmental marketing:

1. If environmental products do not cause ecological harmful effects on the environment and provide consumers with no less than substitute products, the efficiency of consumption, then environmental benefits become competitive.

There is the notion of “profitable ecology”. This trend of ecologization of the processes of economic development has become widespread in economically developed countries of the world. It means reducing the environmentally harmful impact on the environment, along with the improvement of the economic indicators of the manufacturer of environmental products. Examples of such products include small-sized automatic gas-filling compressor stations, scarce products and energy from solid household or plant waste disposal.

2. When goods have socially significant benefits that are acceptable to the society from the point of view of the environment and, at the same time, at a price cheaper or less expensive than substitute goods. They are easily perceived by the market (for example, garbage wrappers, made of used plastic products). To do this, just hold the appropriate advertisement. Eco-friendly products, which are more expensive than ordinary foods, such as food, are in difficulty when pushed into the market. Such products should be targeted at groups of consumers who agree to pay extra money for environmental friendliness. An effective means of promoting the market of environmental goods is their subsidization. Thus, in the USA, with the

help of subsidy mechanisms, a market for energy saving household appliances is formed purposefully.

3. If environmental goods are more expensive than their usual analogues and do not have individual preferences, then they will not be perceived by the market. Without measures of state or regional regulation, it is practically impossible to do. Thus, environmental fines force entrepreneurs to install expensive cleaning equipment, which is expensive (Litvak S.M., 2005).

Ecological needs are met by ecological products, which are divided into ecologically neutral and environmentally oriented.

Ecologically neutral – the goods, production and consumption of which does not destroy the environment: a wrap, which is decomposed after use in an environmentally safe way on harmless minerals, etc.

Environmentally focused – goods, which production and use bring positive changes in the environment, equipment and technology of synthetic superhard materials instead of extracting mineral resources from that avoid abuse of natural landscapes, environment pollution of the environment by the rock.

The formation of the market for environmental goods is a complex process, which involves reconciling the interests of all its entities, in particular, producers, consumers, societies (general national interests).

Products that are in the interests of only one market entity are virtually unacceptable since they are exposed to active opposition from other actors. Consequently, it is necessary to select the environmental products that are most consistent with the interests of all actors involved in the formation of the market. This allows you to do without unnecessary costs and hope for the duration of the life cycle of a particular product.

With a regard to environmental goods, the following groups of consumers can be distinguished: 1. Consumers who do not want to buy such a product. For example, vegetarians when calculating the demand for environmentally friendly meat products; people who do not drink alcohol when calculating the demand for vodka products with environmentally friendly ingredients. 2. Consumers who cannot use this product. For example, people whose state of their health does not allow the use of environmental products with certain ingredients (so, a person with diabetes will not use an environmentally friendly yogurt with high sugar content) or the size of which does not allow the use of environmentally friendly furniture; enterprises that cannot afford to use a certain purification equipment. 3. Consumers who are not determined in the preferences of the goods. 4. Consumers who are ready to purchase goods of a particular employment at a certain price with certain consumer qualities (Litvak S.M., 2005).

Regarding the company's profit, it should be emphasized that with the help of ecological marketing, new markets are formed, resources are saved, there is an opportunity to get a premium (additional) price, attract attention and loyalty of consumers, become competitive. Advantages (the properties of the product itself, its impact on man or the environment during operation, the production process, etc.), which will be obtained by the consumer when buying products of the

enterprise, have the highest value for him, in comparison with the products of competitors. The profitability of an enterprise and increasing the competitiveness of the business is achieved due to its environmentally conscious activity, due to the conviction of customers in the highest consumer value of environmentally safe products and support for the company's positive image (Zinovchuk N.V., 2015).

### **Part 3. Ecological advertising and eco-labelling**

In order to achieve the success of environmentally-oriented products, it is important to follow a certain sequence of measures to create demand and stimulate sales. The strategy of attraction – focuses on advertising for the end consumer, which motivates the merchant to be interested in the product, and look for it in a wholesaler or manufacturer. Environmental advertising is:

- advertising of products and services that are more environmentally friendly than their counterparts, such as environmentally friendly goods;
- a special direction of social advertising, which promotes the ideas and projects of the environment, nature, and animals;
- advertising of companies with a clear focus on their environmental policy and environmental care (Armstrong G., 2001).

Advertising the environmentally friendly products (as well as the usual “grey”) is an impersonal form of communication, which is carried out through paid means of disseminating information (Table 1).

Table 1

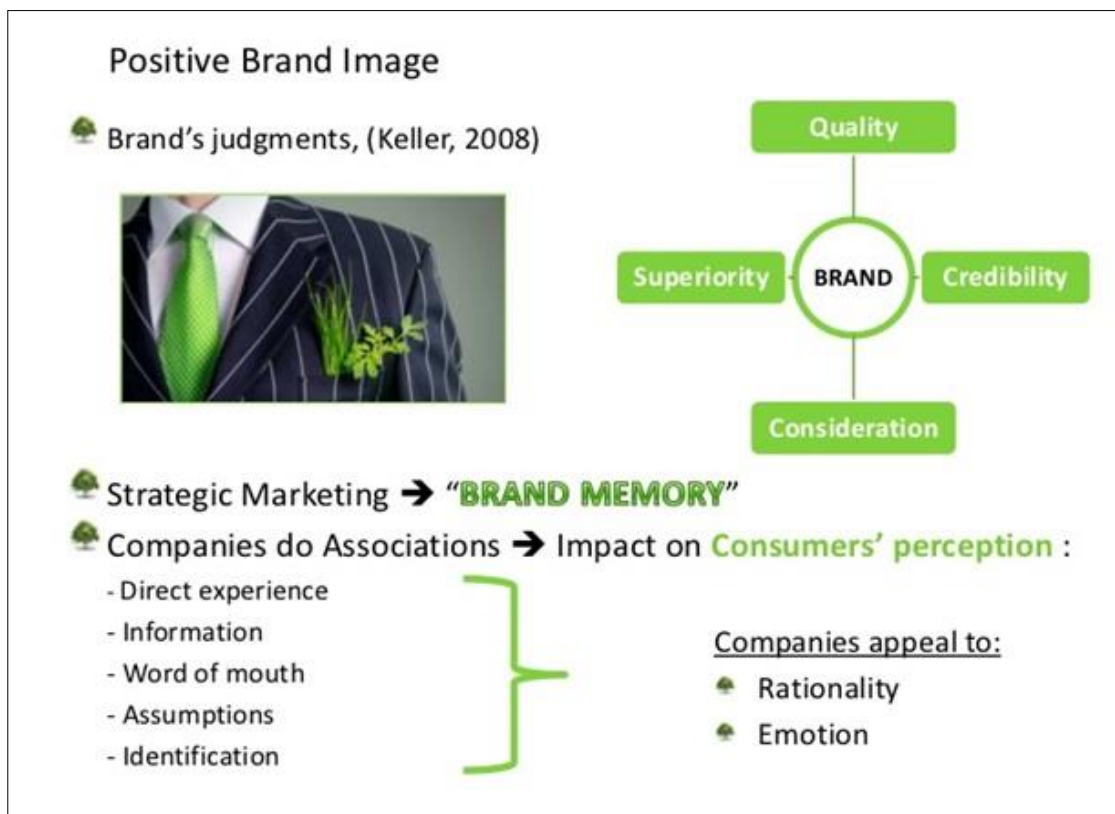
**The main types of distribution of advertising (G. Armstrong, 2001)**

<b>Types of advertising</b>	<b>Popularization</b>
Direct	By mail, personally transmitted with promotional materials, newsletters, etc.
Post-office	Newspapers, magazines, newsletters, directories, telephone books.
Printed	Prospectuses, booklets, leaflets, cards, calendars.
Screen	Cinema, TV, slides, poly screen, e-mail, Internet.
Exterior	Posters, panels with movable and stationary inscriptions, showcases with the goods.
Advertising on transport	Inscriptions on transport, printed advertisements in salons.
Advertising on the place of sale	Storefronts, signboards, eco-labels, eco-labelling, packaging.

Advertising differs in a huge variety of forms. It serves different purposes, influencing the economy, ideology, culture, social climate, education, attitude to

environmental problems and other aspects of modern reality. However, its main traditional purpose – the provision of sales of goods and profit to the advertiser.

By creating demand and stimulating sales, prompting consumers to buy environmentally safe goods and accelerating the process of sales, environmental advertising performs economic and environmental functions in the market. Using its possibilities of purposeful influence on the environmentally concerned consumer, advertising serves as demand management. The control function becomes the main feature of modern environmental advertising, as it is an integral part of the environmental marketing system. The practice of foreign firms shows that, at the consumer level, almost any state of consumer demand can be altered by means of marketing actions involving targeted advertising measures, so that the level of consumer requirements corresponds to the actual production capabilities of the firm or its marketing policy (Armstrong G., 2001). Advertising creates a positive brand image (Figure 4). This contributes to the growth of sales of its products (Figure 5).

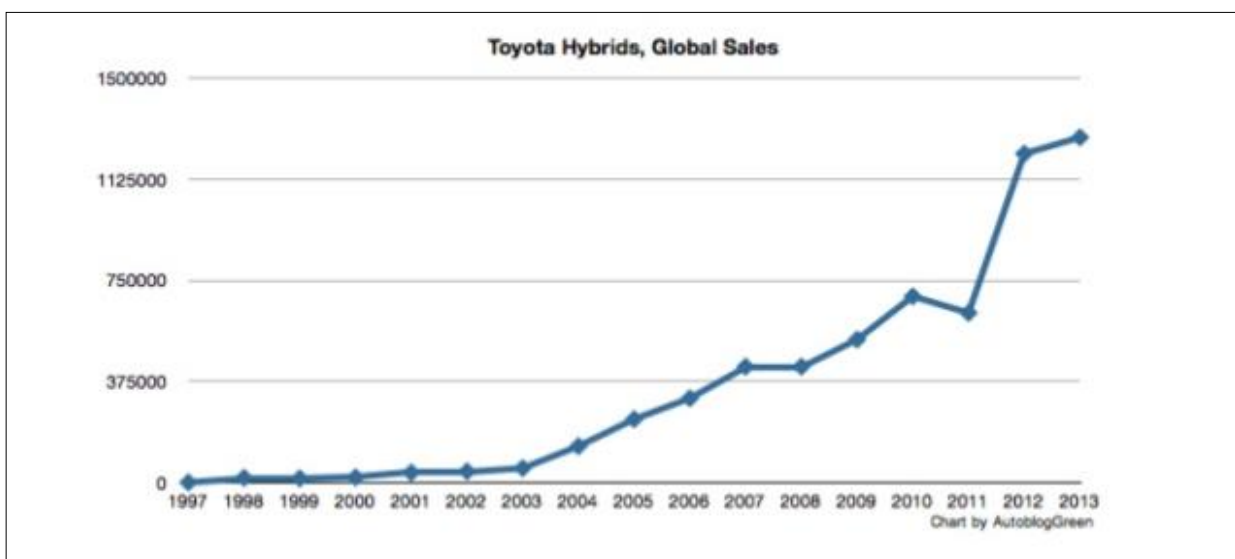


**Fig. 4. Positive brand image (Keller, 2008)**

Advertising, including environmental, will achieve the goal only if its creation takes into account the features of the human psyche. The generally accepted model of advertising perception is considered to be the AIDMA model, which forms the following chain: ATTENTION – INTEREST – DESIRE – MOTIVE – ACTION (Armstrong G., 2001).



A particular attention should be paid to how advertising media with environmental motivation are used in the press, how objective information is presented, and so on. According to experts, “consumer demand, especially in developed countries, is rapidly responding to the proposal of “green”, “organic”, “biological” and “environmentally friendly” goods, generating the rapid development of the business. However, not only consumers but sometimes professionals do not have a clear idea of the benefits of such goods. The latter may have, for example, a hygienic certificate in Ukraine, but not yet labelled “ecologically pure”, “organic” or “biological”. Thus, demand has outpaced the emergence of appropriate legislative support and the development of environmental infrastructure” (Vicevich AM, 2003).



**Fig. 5. Dynamics of Toyota Prius sales (Owais Javed, 2014)**

In the press you can find many examples of advertising, in which the usual product is attributed to unusual qualities, including and the ecological subtext: “In the beautiful Carpathian land, among the centuries-old beeches and fir-trees (where there are no factory pipes), among mountain peaks covered with pristine snow (and not the heaps of dead, acid-lethal soils), among the mountains where grass and air flutter, beer with the aroma of flowers (and not asphalt, where smog and toxic dust), the Beer appears on the light. It is welded in an extremely ecologically clean zone, which does not know the dead or operating reactors and other technogenic horrors.” This description is taken from the advertising of the Carpathian Brewery, printed by the Kyiv newspaper “Metro” (Belyakov O., 2005).

The authors of the text used a lot of hyperbole, having succeeded in not always justified exaggerations. The publication uses the contrast of the “ecologically clean zone” and “dead or active reactors and other technogenic horrors.” The first thing that comes to mind is the Chernobyl Zone. But there breweries do not work. Also, other breweries located in cities are unlikely to be near the “heaps of dead, poisonous with acid soils of the soil.” Ukrainian legislation allows comparative

advertising. However, the above text cannot be a good example of its use. Today, more and more information is available on products that are supposedly “environmentally friendly”, “ecologically friendly” (Belyakov O., 2005). However, the manufacturer should not refer to the environmental friendliness of his products without passing the corresponding certification for the presence of clearly established eco-labelling (Figure 6).



**Fig. 6. Signs of environmental labelling in different countries of the world (G. Armstrong, 2001)**

Strictly adhering to the Consumer Protection Act and the Advertising Act, you can treat such statements in the advertisement of products as attempts to mislead the consumer. In particular, the Law on Consumer Protection guarantees: “Damages caused to consumers by goods (works, services) acquired as a result of unfair advertising, shall be fully refunded by the guilty person.” The seller is not exempted from liability in the event that he does not receive the relevant information about the product from the manufacturer (importer). When considering the consumer’s claims for damages caused by inaccurate or incomplete information about goods (works, services) or unfair advertising, it is necessary to proceed from the assumption that the consumer does not have special knowledge about the properties and characteristics of the goods (works, services) that he acquires (Belyakov O., 2005).

The introduction of eco-labelling will promote the development of environmental education of consumers, significant changes in the formation of the principles of choice of goods and services. There is a need to introduce a single all-Ukrainian sign of environmental products, “public relations” and an advertising

campaign for this process. It is quite a right opinion of experts who believe that we need “targeted state programs for the development of environmental markets and environmental business” (Shevchuk V.Ya., 2001).

### **Conclusions**

The share of ecological business in the industrial activity of developed countries is growing steadily. Before companies open up additional opportunities for the development of business activity, which ultimately raises their competitive advantages. Ukrainian enterprises that care about their image and seek to export products have already recognized the need for certification under the ISO 9000 quality management system, as well as the ISO 14000 International Management System recognized in all countries.

Business can be at the expense of more economical spending of natural resources, the transition to more environmentally friendly technologies and products to reduce environmental load. The state, at the expense of different regulatory instruments, can prevent the actions of entrepreneurs who pollute the environment. An agreement between the state and businessmen can be mutually beneficial. Encouraging the introduction of capital in the environmental business prompts entrepreneurs to seek new sources of resources, develop resource-saving technologies, which will enable entrepreneurs to gain the competitive advantage in the market.

Ecological marketing is a kind of human activity aimed at satisfying ecological needs and needs. Under eco-marketing, it is understood a set of measures of a market nature, carried out by producers, consumers, state bodies, and the world community, aimed at reducing the destructive impact of mankind on the environment.

Environmental advertising is a driver for environmental business development. It informs potential consumers about products and services that are more environmentally friendly than their counterparts. Eco-advertising can be a special area of social advertising, which promotes ideas and projects on the environment, nature, and animals; advertising companies with a clear focus on their environmental policies and environmental concerns. Advertising differs in a huge variety of forms. It serves different purposes, influencing the economy, ideology, culture, social climate, education, attitude to environmental problems and other aspects of modern reality. However, its main, traditional purpose – the provision of sales of goods and profit advertiser. The manufacturer should not refer to the environmental friendliness of his products without passing the relevant certification for the presence of clearly established eco-labelling.

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## **ESTIMATION OF THE FOOD MARKET SITUATION IN UKRAINE**

### ***Summary***

*The importance of trade as the leading sector of the economy is considered in the article. There are considered the areas of food trade analysis, namely the analysis of the entities number operating in the food market; performance of retailers; competitiveness of entities that sell food products; the image of the company (including interior and exterior); the logistical support, i.e. the use of innovative equipment, modern approaches to customer services; a range of products; additional services providing; staff.*

*It is investigated a network of retailers in the regions. According to calculations, the general tendency is reducing the number of stores throughout Ukraine.*

*It is proved that markets play a significant role in the retail food trade development. There are more markets in Dnipropetrovsk, Odesa, Kharkiv, Lviv, Khmelnytskyi, Donetsk, Kyiv, Ivano-Frankivsk regions, and the city of Kyiv.*