

## MECHANISMS OF INVESTMENT MARKETING SUPPORT OF THE STATE ECONOMIC SECURITY SYSTEM

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**Abstract:** *Nowadays, in the conditions of permanent economic instability it is very important to find effective instruments of sustainability of economic security. There is awareness that economic security is based on investment attractiveness of corporate and other assets. It can explain scientific interest to the research of increasing investment attractiveness of assets with the help of marketing methods and how it will influence the level of economic security in the country. The present manuscript focuses on the research of the marketing investment marketing support in the system of economic security of the state. Initially, the data that confirm the influence of marketing mechanisms of investment activity were provided. Additionally, we introduced the ways of effective introduction of investment activity based on marketing and the system of economic security. We conclude with a discussion on where the future of marketing in investments and economic security lies.*

**Keywords:** *The economic security, the investment marketing, the country's economy, globalization, market stability*

**JEL Classification codes:** *H10, M31, O16*

## Introduction

The current stage of marketing development is due to radical changes in the global market environment. It becomes obvious transformation of the marketing object itself, its inconsistency and variability. In the context of the modernization of the economy, the parameters of increase in social reproduction are determined by multifactor productivity, which entails a change and complication of the structure of investment processes. Investments, taking the form of innovation, carry in themselves another essential content; they are not formalized at the present time, but the future needs of the reproduction process. Investment marketing is becoming one of the main signs of the presence of dynamic changes in the economy. In a broad sense, this discipline should be interpreted as a permanent management process in the field of strategic and current planning of investment processes aimed at meeting the demand for capital and maximizing profit for investors. In other words, it is a synthesis of the investor's capabilities and consumer needs in the interests of realizing the goals of both parties. The marketing potential of investment is represented in the form of the creation of new spheres of production and services, the reconstruction and renewal of old industries on the basis of successive innovations of various kinds. Marketing research provides an opportunity to qualitatively and quantitatively evaluate alternative development options, make forecasts for future periods, as a result, choose a satisfactory alternative to a management decision on investment activities.

The concept of investment marketing considers investment as the basis of economic activity in a single organization. Investment projects are considered here as a means to achieve the goal. And the goals of investment marketing can be: profit maximization, investment volume, economic security and increase in market share. The main goal of investment marketing in creating a comprehensive plan is to create a communication environment between the organization and the investor.

## Literature review

Theoretical and practical aspects of investment marketing were described in the works of such scientists as Besanko, D., Dranove, D., Shanley, M., & Schaefer, S. (2009), Bouchaud, Jean-Philippe; Potters, Aguilar (1997), Deming, W. E. (1982), Goshel J. P., Noyria N. (1993), Porter, M.E. (2008), Inkpen, A. C., Ramaswamy, K. (2006). Different aspects of economic security on macro and microlevels were reflected in the publishing's of Nykytenko, P.H. and Bulavko, V.H. (2009), Lekar', S. I. (2012), Vasyl'tsiv, T.H. (2008), Luciani G. (1988), Olvey L., Dolden J., Kelly R. (1984). There were no attempts (or very few) to combine aspects of investment marketing and its influence on the economic security of the state ( and its particular regions) in terms of how really attractive should be object of investment not only from the business (or

economic) point of view but more from the emotional one. . The study aims to deal with the problems of the effective functioning of economic security in a market economy.

### **Methodology**

The theoretical and methodological basis of the study was the works of domestic and foreign authors on the issues of motivating and managing regional investments, determining the effectiveness of investments, shaping the investment climate, investment marketing, making investment decisions.

In the course of the study, the methods of typology and classification, functional, marketing, investment and system analysis, program and target planning and management, expert analysis, dynamic programming, financial planning, and graphical interpretation were used.

The methodological basis of the research is the methods of materialistic dialectics. The studies were conducted on materials of state statistics bodies, which guarantee the necessary reliability of scientific findings and the possibility of their application. The study is based on the works of domestic and foreign scientists dealing with the problems of the effective functioning of economic security in a market economy.

In the process of processing and analyzing information, the following methods of economic research were used: monographic, balance, calculation-but-constructive, mathematical statistics.

### **Results and discussion**

#### **1. Theoretical and methodological basis of economic security of the state**

"Economic security" is a relatively new category of the economy, which entered into scientific circulation only in the first half of the 20th century, and its influence at the national level began to be considered only in the 1970s. Despite this, even at the beginning of this century, "economic security" could not become an independent discipline. The main objective of this section is to systematize the main approaches to the concept of "economic security", which have been formed within the short period of the existence of this science.

The economic security of the state is a complex and multifactor system that represents a material basis for the formation of other components of national security. Ensuring economic security is one of the main problems of the state. The security problems in the country (in Ukraine, in particular), as a rule, are due to the inability of the state to take preventive measures or not to implement them on time. Therefore, the state must ensure such a level of security that will ensure the internal and external stability necessary for normal economic

functioning, the active participation of the country in the international division of labor and competitiveness. At the same time, it will provide the basis for ensuring an adequate level of security.

There are different systems and models of national security in the world: the American one used as an example by most states is oriented to a combination of external and internal security; the Japanese model makes an emphasis on the internal social security; the Chinese system is the most concentrated expression of the security systems of the states that are building a socialist society; systems inherent in the states that have recently gained independence and are reorienting their development in depth. Modern US, UK, Germany form their economic security strategies on surplus, primarily financial resources, which allow allocating economic zones with an increased level of economic risk without compromising economic interests and economic security, providing the conditions for strategic, long-term self-sufficiency and competitiveness. It is impossible to imagine current national economic security without mentioning globalization. At the moment, practically all countries of the world, including Ukraine, are involved in this process. In the context of the globalization of the economy, the issue of ensuring the economic security of the country is particularly acute.

Globalization, like its basis, internationalization, occurs on two levels. The first level is the level of spontaneous-market flow of global processes. The second level is the level of interstate forms that compensates for the loss or limited ability of the state to regulate the spontaneous-market effects of globalization.

The main challenge of globalization in the 21st century is that two poles of the world economy are forming on the planet. At one pole, the countries- global leaders are concentrated, and on the other – the countries that depend entirely on them. The development of the economy of the leading countries determines the socio-economic situation of the countries that are subordinate to them. For countries like Ukraine which aim at combating such a globalization challenge and effectively ensuring their own economic security, it is necessary to create their own competitive products and effectively resist the economic expansion of the leading countries. That is, attracting foreign investments and capital into its own economy, Ukraine should not become dependent on foreign creditors and investors. It is necessary to involve our own investors, to encourage the domestic producers to invest in their own economy, and not to export capital abroad.

## **2. Modern aspects of investment marketing in contexts of economic security**

The main direction of economic research in the country, both at the macro level and at the macro level, is the analysis of ways to increase investment attractiveness and how marketing tools can be useful in this area. Preference is given primarily to the study of the investment attractiveness of the regions, in order to compile a positive image of them for potential investors, which will activate business activity and enhance economic potential.

Recently, a wide range of research interest programs (promotion plan), offering new management technologies and methods of development of the region, including marketing was made. The very concept of territorial marketing appeared in the second half of the 20th century.

The regional promotion program is similar to the commercial product promotion program, but the product in this case is the region itself as a complex socio-economic education, and the consumer is the numerous target groups that can be extremely heterogeneous (population, tourists, investors, entrepreneurs, government bodies, local governments) non-profit organizations, etc.).

Branding programs in the region include the creation of long-term preference for a product based on the active and emotional impact on the consumer of a trademark, including through advertising, distinguishes the product (in this case, the region) from competitors and creating its positive image (brand) and the formation of the image of the region. Marketing and branding of territories cannot be standard. In fact, the whole process of forming regional marketing is divided into two blocks: the positioning of the region and the program for its promotion.

The positioning of the region includes:

- problem definition, task setting;
- stakeholder analysis;
- determination of criteria for project success;
- market segmentation, target audience determination;
- selection / refinement of marketing strategy.

Promotion of the region includes:

- selection of marketing communication tools;
- identification of success indicators, planning for monitoring and evaluating a marketing project;
- identification of project participants, distribution of functions;
- project formation.

The main factors affecting the attractiveness of a region (Table 1), a particular territory for investors and the population are the following.

Tab. 1 The main factors affecting the attractiveness

№	Factor	Description
1	Study of the level of social development of the region	When choosing a region, both the population and investors usually take into account: the level of urbanization of a territory; migration situation, opportunities for labor and social mobility of the population; demographic situation; the functioning of the housing market; regional problems of education, health, transport infrastructure and some others.
2	Determination of the image of the	a set of emotional and rational ideas arising from the comparison of all the signs of a territory, people's own experience and rumors

	territory	affecting the creation of a certain image.
3	Reputation analysis	a dynamic characteristic of the life and activity of a territory is formed over a long period of time from a collection of reliable information about it.

Thus, industries and regions can be grouped according to the degree of attractiveness for an investor as follows:

- 1) a group of super attractive industries (regions)
- 2) a group of regions with a fairly high investment attractiveness;
- 3) the group of medium attractive regions;
- 4) a group of unattractive regions with extremely low investment attractiveness.

Regions need to study and evaluate, on the one hand, intra-regional interests and needs, and on the other, an assessment of their own capabilities to meet them. The method of development and implementation of targeted integrated regional marketing programs allows you to solve these problems.

The program of actions of regional marketing in developing a strategy for the socio-economic development of the region and its individual territorial entities includes:

- marketing audit of the region, during which it is necessary to analyze the activities proposed by various institutions, associations and individuals; to study foreign experience in solving social and economic problems on a territorial level, to position the region, that is, to identify its strengths and competitive advantages, target consumer segments, etc .;
- formulation of a general concept for the development of marketing in the region, taking into account existing priorities;
- development of a regional marketing strategy to identify the needs and possibilities of its use for the development of socio-economic processes;
- preparation of marketing programs and projects, allowing to determine its subjects, dates and sequence of events in accordance with available resources.

Also, one of the main problems in improving the efficiency of marketing of territories, strengthening their competitive advantages as well as increasing the economic potential of regions is to reduce the level of shadow economy, which is very large in countries like Ukraine today. Taking into account the experience of the countries of Western Europe (Italy, Germany), countries of South America, in which market liberal reforms were carried out to improve the investment climate (Chile, Uruguay, Peru, Panama), and Asian countries (Singapore, China, Thailand), the concept of which is represented by a sequence of actions (Table 2), the

introduction of which will reduce the level of shadowing of the regional economy and increase the investment potential.

Tab. 2 - Actions to reduce the shadow economy in the region

Stage	Action	Action characteristic
Monitoring stage	Identification and localization of shadow assets	Collection of information
	Determination of the possibility of its legalization	The definition of how these industries can be generally legalized, or is it a sphere of open criminal activity and under national and international law.
	Determining the uniqueness of the shadow segment	The definition of the shadowization of these industries is inherent in other countries and determine the uniqueness of the situation for Ukraine.
	Current and future value of shadow assets	Development of criteria for obtaining information;
	Analysis of the relationship of the shadow sector with society and legal business	Community Relations Relationship with legal business
	Identification of rules that govern shadow assets	Study of the features of the control system and decision-making system in the shadow sphere
	The cost of maintaining the shadow sector	Costs of the informal sector Costs of the legal sector
	Cost of legalization	Expenditures of public institutions
Political and legislative stage	Responsibility for the process of providing compensation to unprotected people	- direct material assistance - help in retraining - assistance in the form of benefits
	Involving all state institutions to speed up the process	Coordination with the national and local authorities on the wheel and the sequence of actions to de-unify the economy.
	Eliminating administrative and legal barriers	Analysis of the need for permits at all levels Estimation of the total cost of these permits.

	Elimination of legal deficiencies between the legal and shadow sectors	Ensuring the equal rights of only legalized assets and existing ones and the prevention of infringement of one of the parties Elimination of informal property rights
	The introduction of procedures to reduce the ownership of legal assets	Expanding the range of possible evidence of property rights
	Reducing risks to private sector investments	Rationalization of mechanisms to verify ownership and payment of public services
Marketing stage	Selection and training of qualified personnel	Identify team leaders for preparing information policy
	Communication strategy to attract media	Conducting media work with communities, where there will be an explanation of the need to eliminate economic processes
	Reforming electronic property relations databases	Simplification of the procedure for registration of information about legal and legal assets
Infrastructure stage	Implementation of business service mechanisms	Obligatory payments; Information Services insurance services; National identification system Banking services;

The study of the problems and patterns of development of the investment potential of the region is quite relevant. The main goal of the regional policy is to achieve a high level of development of investment potential, at which the region can achieve high competitiveness indicators, with the help of balanced and interrelated goals and objectives of investment in the implementation of specific projects in the field of innovation. At the same time, the main condition for the development of the innovation component is the combination of the innovation and investment functions under the unified management of the regional government.

Thus, increasing the investment attractiveness of the region and the marketing of territories is a necessary condition for its sustainable economic growth, increased competitiveness, improved quality of life of the population and the development of all spheres of social and economic life. At the same time, the achievement of the set goals is possible only by attracting investments in the real sector of the economy. The growth rate and the volume of investment in fixed assets are the main indicators of the attractiveness of the region for potential investors.



## Conclusion

Thus, it can be noted that the concept of investment marketing considers investments as the basis of economic activity of the state as a whole and of a single territory. Investment projects are in this case the means to achieve the goal. The use of investment marketing will stabilize and regulate the investment mechanism, will give impetus to increase activity, efficiency, improve the outcomes of enterprises in the investment market, and will contribute to better quality organizational communication between market actors. This is due to the fact that investment marketing, based on strategies and principles, provides for a deep analysis of the enterprise's production activities, opportunities for its expansion or modernization, threats and their avoidance, competition from potential competitors, searching for promising investment projects, studying the situation at the macro level, analyzing influential dynamic processes.

Given the above information, it can be argued that the use of investment marketing will stabilize and regulate the investment mechanism, will give impetus to increase activity, efficiency, improve the outcomes of enterprises in the investment market, and will contribute to better interorganizational links between market and state.

A flexible, effective management system, based on marketing principles, gives you the opportunity to gain competitive advantages, make rational use of resources, create investment attractiveness, the optimal structure of actions. Knowledge of investment marketing focuses on a high level of use of investment communications, which require an appropriate critical analysis of information. Without marketing reinforcement, it is very difficult to provide investors with relevant, relevant information on implementation, performance, expediency of investment proposals and projects. Therefore, investment marketing is the prospect of further scientific research in this area on the product-market strategies of enterprises and states, taking into account the specifics of the investment market.

An assessment of competition, analysis of the driving forces in the relationship between investor and seller, the role of marketing infrastructure, the creation and dissemination of effective messages and images.

Achieving this involves increasing the investment attractiveness of the state (region, city, etc.) by performing the following activities:

- development of a market-oriented strategic planning process;
- market view of their products and customers;
- identifying the impact of quality in programs and services on competitiveness;
- definition of knowledge and skills for effective advertising and promotion of their competitive advantages;
- diversification of its economic base and development of mechanisms for adapting to changing conditions;

- the need to promote the development and support of business environment;
- focus on the private sector in the implementation of their tasks;
- development of its own unique process of implementing changes depending on the characteristics of the local culture, policies and leadership processes;
- development of organizational and country and procedural mechanisms to maintain its sustainable development and maintain the momentum gained.

Implementing these aspects will enable state officials to attract more national and foreign investors on national and local levels that will lead to increase economic security on all stage of it.

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