MARKETING MODEL ORGANIC FOOD

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Abstract

The aim of the paper is creation of marketing model, determination of supply and demand, as well as perception of organic products’ marketing mix.

Marketing of organic products is the delivery of high-quality, certified food products that will meet consumer needs, earn profits and protect the environment.

Supply and demand for organic products have recorded a dynamic growth. Offer organic products in the world is smaller than demand. Organic production deals with producers over 1.8 million in 160 countries. Land under organic production in 2009 amounted to 37.2 million ha and a trend growth rate of 12%. The turnover of organic products in 2010 amounted 58.9 billion US dollars, resulting in a rising trend, at a rate of 10.9%.

Forecasts show that the expected sales of organic food in 2015 will worth 88.6 billion US dollars, with an annual growth rate of 8.5%.

Vegetable Turnover of 19.5 billion. $ Accounts for 33% of the total market value. Leading market segment of organic products in the world of fruits and vegetables, bread and cereals, beverages, milk and meat.

Products from organic agriculture are high-quality, safe and have higher nutritive value than conventional ones. Organic products contain more minerals, especially potassium, calcium, iron, magnesium, phosphorus, and vitamin C, less nitrates. Prices of organic products are higher and the differences are encouraged premiums. The share of traditional channels of distribution with retail chains organic food tend to increase and decrease the proportion of specialized and other distribution channels. The perspective is achieved through the development of safe certified high quality and strictly controlled in organic food production and processing, recognizable brand, the desired design for consumers in the domestic, regional and global markets.

Keywords: marketing, certified organic product, supply and demand, nutritive value, marketing mix

Introduction

Under the marketing of organic products means the placing on the market of certified organic agro food products to meet customer needs, make profits and environmental protection. Demand for organic products has influenced the development of marketing organic products.

Marketing of organic products should be viewed in terms of the benefits of organic products over conventional foods. Studies show that the demand for organic food products determined by the level of income, price, consumer perception of quality, information about products, security, range, supply, distribution channels and consumer behavior.

It is necessary to conduct consumer education and intensified promotional activities on organic products and their features and benefits. The growing demand for organic products, so
it is necessary to define the model of marketing organic products will encourage organic production, and thereby make a profit and preserve the environment.

Materials and methods

This study was conducted quantitative - qualitative research methods. Original model was defined marketing of organic products. Used as original research and studies of various researchers, research papers and statistical publications.

Results and discussion

Model of marketing organic products
Production of organic food is regulated by the law and regulations, meaning that control production and trade - from farm to fork consumers.

Table 1. Model marketing of organic products

<table>
<thead>
<tr>
<th>MARKET SUPPLY - DOMESTIC AND INTERNATIONAL</th>
<th>MARKETING research, inputs, transport, storage, quality control.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORGANIC AGRICULTURE</td>
<td>Resources, agro technology, products, transportation, storage, own consumption, direct sales, quality control, certification.</td>
</tr>
<tr>
<td>PURCHASE AND SALE OF PRODUCTS</td>
<td>Products, sale, transport, storage, quality control.</td>
</tr>
<tr>
<td>PROCESSING OF ORGANIC PRODUCTS</td>
<td>Resources, food technology, products, transportation, storage, quality control, certification.</td>
</tr>
<tr>
<td>COMMERCIALIZATION OF PRODUCTS</td>
<td>Transport, storage, transport technology, preparation of goods for sale, quality control.</td>
</tr>
</tbody>
</table>

| CHANNELS OF DISTRIBUTION AND MARKETING ORGANIC PRODUCTS | Direct channels: selling the farm, durable orders, sales on markets, trade show sales, stores organic products and farming households.  
Indirect channels: wholesale and retail trade.  
Wholesale: buying products, transportation, warehousing, wholesale, tourism and hospitality, large consumers, retail sales, quality control.  
Retail: Sales of organic products in super and hypermarkets, supermarkets, organic food stores, organic food organic product discounts, sales, health food stores, shops organic teas, spices and herbs, eco dairy, butchers, bakers' shops, quality control.  
Special channels: supply hotels, restaurants, cafes, canteens, schools, kindergartens, hospitals, military, ecotourism, quality control.  
Exports and Imports: products, transportation, storage, transport, buyers, quality control. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKET SALES -CUSTOMER (CONSUMER)-</td>
<td>Delivery of Consumer Satisfaction</td>
</tr>
</tbody>
</table>

On the supply of organic products affect the micro and macro economic factors. In microeconomic factors, including zoning organic production, suppliers of inputs for organic production and processing, distribution channels, financing, economics and the effects of supplemental organic versus conventional production and processing. The macroeconomic factors, including legislative regulations, subsidies, professional services, inspection, certification of products and consumer awareness about the benefits of organic food consumption (Sudarević, 2010).
Marketing of organic food products

Organic production in the world was organized in 2009 year in 160 countries, an area of 37.2 million hectares, including land acquisition, and rising at a rate of 12%. Producers of organic food in the world in 2010 year generated sales of $58.9 billion. Traffic is increased the range of over 2006 year at a rate of 10.9%. Vegetables with revenue of $19.5 billion, accounts for 33% of the total turnover of organic products. Projections show that the 2015th expected sales of organic food worth $88.6 billion with an annual growth rate of 8.5%. Leading market segments of organic products on the world market are fruits and vegetables, bread and cereals, beverages, milk and meat. The growth of traffic shows that there is demand for organic products.


Products from organic farming are good quality, health, safe and more nutritive value. Studies in Germany have shown that organic produce contains more minerals, especially K, Fe, Mg, P, and vitamin C. The U.S. has found that organic products have over 63% K, 73% Fe, 125% more calcium and 60% more Zn quantity of products of conventional production (Mirecki, N., 2008).

<table>
<thead>
<tr>
<th>Product</th>
<th>Ka</th>
<th>Ca</th>
<th>P</th>
<th>Mg</th>
<th>Fe</th>
<th>Na</th>
<th>Vit.C mg</th>
</tr>
</thead>
<tbody>
<tr>
<td>snap beans</td>
<td>+58</td>
<td>+63</td>
<td>+6</td>
<td>+0.2</td>
<td>+63</td>
<td>+25</td>
<td></td>
</tr>
<tr>
<td>cabbage</td>
<td>+11</td>
<td>+36</td>
<td>+4</td>
<td>+0.2</td>
<td>+48</td>
<td>+43</td>
<td>+43</td>
</tr>
<tr>
<td>lettuce</td>
<td>+168</td>
<td>+31</td>
<td>+17</td>
<td>+0.2</td>
<td>+57</td>
<td>+55</td>
<td>+17</td>
</tr>
<tr>
<td>tomato</td>
<td>+67</td>
<td>+33</td>
<td>+8</td>
<td>+0.2</td>
<td>+53</td>
<td>+19</td>
<td></td>
</tr>
<tr>
<td>spinach</td>
<td>+116</td>
<td>+76</td>
<td>+16</td>
<td>+0.2</td>
<td>+57</td>
<td>+49</td>
<td>+52</td>
</tr>
<tr>
<td>in total</td>
<td>+420</td>
<td>+239</td>
<td>+51</td>
<td>+1.0</td>
<td>+253</td>
<td>+191</td>
<td>+112</td>
</tr>
</tbody>
</table>


Organic products contain more minerals (1155 ppm) and vitamin C (112 mg) than conventional products. Mineral content of organic products increased by 7 times compared to conventional products.

Aesthetics organic products affects the growth of demand. Aesthetic packaging emotional, technical and marketing attracts customers. Design is an important factor in the sale. Brand and brand is a trademark of the manufacturer, organic product, region and state. They raise the confidence of the customer to the product. Packaging is an important factor in product recognition.

Price is an important component of the sale and export of organic products. It must be acceptable to both producers and consumers. Wherein, the consumer has to pay for quality organic product at a higher price.

<table>
<thead>
<tr>
<th>Product</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Median</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Org.</td>
<td>3.22</td>
<td>4.18</td>
<td>4.26</td>
<td>4.42</td>
<td>4.02</td>
<td>196</td>
</tr>
<tr>
<td>Con.</td>
<td>1.72</td>
<td>2.05</td>
<td>2.16</td>
<td>2.28</td>
<td>2.05</td>
<td>100</td>
</tr>
<tr>
<td>Egg</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Org.</td>
<td>4.21</td>
<td>4.06</td>
<td>4.00</td>
<td>-</td>
<td>4.09</td>
<td>296</td>
</tr>
<tr>
<td>Con.</td>
<td>1.52</td>
<td>1.26</td>
<td>1.36</td>
<td>-</td>
<td>1.38</td>
<td>100</td>
</tr>
<tr>
<td>Carrot</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Org.</td>
<td>2.09</td>
<td>2.08</td>
<td>2.20</td>
<td>-</td>
<td>2.12</td>
<td>136</td>
</tr>
<tr>
<td>Con.</td>
<td>1.53</td>
<td>1.58</td>
<td>1.59</td>
<td>-</td>
<td>1.56</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: ERS Calculations using Nielsen Homescan data
Promotion is the communication between the manufacturer and the customer, in order to build an attitude toward the product and dynamic sales. It creates an image of the manufacturer and contributes to its popularity and informs consumers and products. Logo signifies an organic product, and implies continuity of quality products from organic production.

Distribution implies that the real stuff is found at the right time in the right place. Distribution should be done through specialized sales channels and special places on the shelves of retail and wholesale, but also on the doorstep. Organic food products are available to consumers in health food stores, hypermarkets, direct sales, internet shops and restaurants. In the U.S. There is an increase of the traditional distribution channels, and reduce the proportion of organic food sold in health food stores and direct sales (Dimitri, 2009., OTA, 2011b). According Václavík (2009) in the European Union, the share of traditional channels of distribution of organic food has a tendency to increase the dynamic and reduces the share of specialized and other distribution channels.

Offer organic food in the world is less than demand. In Serbia, the organic produce sold in stores "health food" shops and supermarket, farmers’ markets, as well as through home sales. Organic products are exported in small quantities, and there are all the conditions for a substantial increase in both production and exports. The economics of production and government incentives are important factors to develop faster production and processing of organic products. It is essential that producers and processors connected in business organizations and associations.

How to identify organic products?

Given that in our country there is still no specialized retail locations for this type of product, we recommend that no matter whether you are buying in large supermarkets or health food stores, pay attention to whether there is a sign on the packaging "organic product" and a sign that logo certification company that is responsible to monitor the entire production process. In Serbia, the Ministry of Agriculture is the guarantee that every product that bears this sign is produced according to the principles of organic agriculture.

On the market there is the symbol for products that have not been given the status of an organic product because of the production in the conversion. Such products are not fully organic, but they are on the road to organic and marked "Product of the conversion period."

Law on organic production and organic products in Serbia in 2010. was prescribed by the rules of production, processing, storage, transportation, transport, labeling of organic products and other issues in this area, and was elected to the national character that can mark the certified products. On the basis of prescribed rules on methods of organic crop, livestock production and processing, graphic symbol and a national character, the conditions and the way of traffic, keeping records, packaging, storage and transportation, the duties of the legal entity, certification, legitimizing the inspectors’ proposal and Regulation incentive resources . Founded the National Association for the development of organic farming, "Organika Serbia."

**Conclusion**

Marketing of organic products need to be viewed in terms of the benefits of organic products compared to conventional food products. Organic products are better quality, health, are safer and their production does not threaten the environment. Model of organic products defining actions to be implemented to make this production was not economically viable.

Demand for organic food products is steadily developing trend. It is necessary to invest in organic production and processing, to develop a variety of quality improvement of safe range of certified organic products, financial and advertising to encourage the production
and shape of organic products in order to realize profits, satisfy desires and needs of consumers and the preservation of the environment.

Products from organic production must be certified, labeled, packaged in appropriate containers, distributed with proper type of transport and accompanying documentation (Declarations, certificates, quality control) with adequate storage and marketing channels of traffic.

Perspective is in the production of quality certified organic food, recognizable brand, the broader range of products, the desired design for consumers in the domestic, regional and global markets.

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