LEVEL AND IMPORTANCE OF CONSUMER ORIENTATION IN ORGANIC FOOD PRODUCTION

Dusko JOVANOVIC1*, Snezana MILICEVIC2

1Business Economics Academy, Cacak, Serbia
2University of Kragujevac, Faculty of Hotel Management and Tourism, Vrnjacka Banja
(Corresponding author: dule.jovanovic.kg@gmail.com)

Abstract

Organic production implies the harmonization of the development with the market needs and the preservation of the environment, but also reduction of the quantity of food at the expense of quality. In view of massive development of organic production it is necessary to have the participation of the state institutions, in terms of determining the strategy and the necessary measures for the promotion of organic production. The market of organic food is still not sufficiently developed. The results indicate that there is still not developed and built the awareness of consumers about organic food. It is necessary to expand the range of products from organic agriculture and food industry, to have a continuous supply and to develop an appropriate marketing. With proper consumer informing and education the production can be elevated to a higher level.

Key words: organic food, consumer orientation, marketing, agriculture

Introduction

The main goal of organic agriculture is the production of high quality food, or food with high nutritional value, but also the development of sustainable agriculture and the preservation of the ecosystem and maintaining and increasing of soil fertility. Organic agriculture is a production management system which promotes the healing of ecosystems, including biodiversity, biological cycles and emphasizes the use of methods that largely exclude the use of inputs outside the farm. That means maximum utilization of renewable sources of energy, reduction of all forms of pollution, preservation of the environment, but also creation of the conditions for meeting the basic needs of agricultural producers and acquiring adequate profit. Organic production is based on natural processes and the use of organic and natural materials1. In contrast, the growing demand for food has led to the situation where agricultural production primarily relies on the use of chemicals, with the aim of achieving the highest possible yields and profits. However, uncontrollable, excessive and unprofessional use of such funds (various pesticides, fertilizers) leads to a reduction in quality and soil fertility. This leads to a series of questions such as the issue of food quality, food safety, environmental protection, conservation of agro ecosystems, etc. It is believed that the organic production is the solution, that organic production puts the spotlight on human health and respects the natural balance and avoids various kinds of pollutants.2

Self-sustaining, organic agriculture is an attempt to identify the methods that should enable the production of organic food while reducing the negative impacts of intensive

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1 Lazić, B., Lazić, S., (2008), Organska poljoprivreda, Tom I, Institut za ratarstvo i povrtarstvo Novi Sad
agriculture on the ecosystem. In order to achieve the highest possible profit, ignoring the
basic biological principles without much hesitation, human population for centuries with their
activities affects the complex structure of the ecosystem. The development of industry and
supporting infrastructure affected the global living world leading to major changes in the
biosphere. Although the intensification of agricultural production brought many benefits to
human society, mankind has realized the negative effects only when in the 20th century faced
with problems such as reduced natural populations and production problems that have arisen
as a result of agricultural practices, especially reclamation, chemical contamination, and
uncontrolled use of modern pharmaceuticals in order to increase the monoculture production.

The main negative effects that accompany conventional intensive agricultural production are
reflected in erosion of soil and biodiversity, animal products made from animals that are
grown under conditions of chronic stress, the presence of the residues of antibiotics and
chemical plant protection products. According to the definition given by the FAO organic
agriculture means the process of sustainable development of rural regions in line with
available resources, tradition, biodegradable potential of habitats and represents a
comprehensive and holistic farm agricultural and livestock production, which includes also
the preservation and restoration of natural resources as well as the return to traditional values
and knowledge.

It is believed that the production of organic food is potentially one of the most
profitable businesses in the world. Although Serbia has a good potential for organic
agriculture, it is not fully used and farmers are not motivated for this kind of production.
Serbia has so far developed a small and fragmented organic food production and research in
this field provide the indications that this type of production has significant opportunities for
growth, but have identified some very important weaknesses and limitations. This form of
food production is still in its initial phase of development, making it difficult to define the
developmental trends with a high degree of probability. During the past few years, certified
area has significantly increased and it is very difficult to get reliable data on the income of the
sector because in Serbia official records of organic production still have not been kept.

The law on organic production in Serbia regulates the label for organic foods. This
sign is promoted and there are indications that consumers recognize the sign and understand
its meaning. Advertising is not a continuous activity and it is developed and applied only
when there is a financial support of donors. In any case, advertising is not sophisticated and
the main message is related to healthy food, which confuses the consumers and limits proper
separation of the organic food market. Low marketing knowledge and skills related to sales
promotion are and will be an important limiting factor for the future development of the
sector. Interested individuals in this sector are highly successful in promoting the sector
indirectly through various special TV and radio programs, etc. In supermarkets there is a lack
of trained dealers who would respond to direct questions about the characteristics of organic
products.

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3 Cvijanović, D., Savremeni marketing u funkciji ekologije, Proizvodnja bezbedne hrane ekonomsko-ekološki
aspekt, Institut za ekonomiku poljoprivrede Beograd, Novi Sad, monografija, str.103-112
stočarstva u brdskom području sa posebnim osvrtom na sjeničko peštersku visoravan. Sjenica.
5 Cvijanović, D., Cvijanović, G., Puškarić, A., (2011), Marketing i ekološka poljoprivreda, Monografija
organskoj poljoprivredi (IV), zbornik radova, Selenča.
Agroekonomik, 17(3-4), 185-191.
Materials and methods

In order to obtain the results the method that was used in the research is a questionnaire. The survey was conducted on a random sample of four hundred subjects, with the personal communication technique. In marketing research, the main goal of each sample is to ensure the reliability of the information that is required at minimum cost and to maximize the degree of reliability of the information obtained at a given cost. The study sample was defined in accordance with the specific research problem and the research objectives. Although we are aware of the fact that this is a relatively small sample size for the full representation, we believe that the obtained responses are indicative enough and that they can demonstrate basic indicators related to consumer orientation in relation to organic food products. The survey is based on so-called "field research", with the application of standard statistical-mathematical methods. The first part of the questionnaire consisted of general questions about age, education level, family members number and monthly income of the respondents. The second part of the questionnaire relates to the questions that have helped to explore consumer preferences, attitudes, and motives of respondents when purchasing organic food products.

Results and discussion

1. Questionnaire of research

<table>
<thead>
<tr>
<th>Question</th>
<th>a)</th>
<th>b)</th>
<th>c)</th>
<th>d)</th>
<th>e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How do you to distinguish conventional and organic products?</td>
<td>By price</td>
<td>By the sign the organic foods have</td>
<td>By certificates</td>
<td>By taste</td>
<td>By their apperance</td>
</tr>
<tr>
<td>2. Where you encountered the term &quot;organic food&quot;?</td>
<td>In the media</td>
<td>In stores</td>
<td>Throught friends</td>
<td>Trought the Internet</td>
<td>Do not know</td>
</tr>
<tr>
<td>3. “Organic” stands for ..?</td>
<td>Natural</td>
<td>Healthy</td>
<td>High quality</td>
<td>Do not know</td>
<td></td>
</tr>
<tr>
<td>4. Are you ready to pay more for organic products and how much more?</td>
<td>I`m not redy</td>
<td>Up to 10% more</td>
<td>From 10 to 30%</td>
<td>Do not know</td>
<td></td>
</tr>
<tr>
<td>5. When buying organic food, I pay attention to:</td>
<td>Quality</td>
<td>Price</td>
<td>Health</td>
<td>Do not know</td>
<td></td>
</tr>
<tr>
<td>6. Do you prefer domestic or imported organic products?</td>
<td>Domestic products</td>
<td>Imported products</td>
<td>There in no difference</td>
<td>Do not know</td>
<td></td>
</tr>
<tr>
<td>7. Why do you buy organic produce?</td>
<td>For their price</td>
<td>For the taste</td>
<td>The way they are displayed</td>
<td>For their packaging</td>
<td>Do not know</td>
</tr>
<tr>
<td>8. Organic products are healthier?</td>
<td>Yes</td>
<td>Basically no</td>
<td>Do not know</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Where do you buy organic food?</td>
<td>At the market</td>
<td>In the suovermarket</td>
<td>In the hypermarket</td>
<td>In specialized stores</td>
<td>Do not know</td>
</tr>
<tr>
<td>10. How easy it is to find organic products in stores?</td>
<td>Not easy</td>
<td>It is easy</td>
<td>Do not know</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Are the organic products sufficiently represented in advertisements and in the media?</td>
<td>No</td>
<td>They are represented enough</td>
<td>Catalogs &amp; Brochures</td>
<td>Do not know</td>
<td></td>
</tr>
<tr>
<td>12. How should consumers be advised to the benefits of organic food?</td>
<td>Television</td>
<td>Promotions in the stores</td>
<td>Catalogs &amp; Brochures</td>
<td>Do not know</td>
<td></td>
</tr>
</tbody>
</table>

8 Jovanović, D. (2011), Nivo i značaj potrošačke orijentacije u hotelijerstvu u Srbiji, Magistarska teza, Privredna akademija Novi Sad
When it comes to knowing the difference between conventional and organic food products, the majority of respondents declared that they see the difference between the organic compared to conventional products basing on the price (30%) and the organic food label (30%). The certificate is a sign of recognition for 19%, the taste for 13% and appearance for 8% of the respondents. Organic products in the market are identified by legally defined label. Consumers by purchase the products with the label "organic" can be sure that at least 95% of the ingredients of this product has organic origin, that the product is in line with the inspection regulations which these products undergo, it is packed in biodegradable packaging, and the agency that performed the inspection. Certified organic products must be marked with "organic product". We can conclude that organic products are not clearly differentiated from the conventional ones.

With the term "organic" food a little more than half of respondents (52%) have been informed through the media, followed by the responses in the shop (19%), 14% by friends, while 10% of respondents get informed via the internet. The opinion of the respondents that the organic products are "natural" is present in a third of respondents, that it is "healthy" food considers 30%, while 13% think it is distinguished by the high quality of products. More than half of the respondents are willing to pay more for organic products, while 21% are not ready for additional financial allocations. This is important from the point of view of future demand for these products. The largest number of respondents (43%) are willing to pay 10% more for organic products, 27% are prepared to allocate 10-30% more for the same purchase. This indicates that nearly three quarters (70%) of respondents are ready to allocate up to 30% more to buy organic food.

Analyzing the factors that are most important when purchasing organic foods, the results show that more than a third of the respondents are focused on the quality of the product (35%). The financial impact is marked as dominant in quarter of the respondents, while health is a decisive factor in 16% of respondents. The biggest part of the respondents (40%) prefers organic agricultural products from local producers. Nearly a quarter of respondents prefer foreign organic products. At the same time 10% of respondents stated that there is no difference between organic products of domestic and foreign origin. Analyzing motives for buying it is evident that most of the respondents, or more than a third (36%), opted for the price as the most important factor when purchasing. The next motive is the taste that is dominant in a third of the respondents, followed by the exposure and visibility at the point of sale with 15%, while the packaging is the most important for 13% of respondents. With the statement that organic products are "healthy for nutrition" entirely agreed almost two-thirds (60%) of the respondents and mostly 22%. So, about 85% of the respondents agreed that organic products are good for the health of consumers.

Respondents mostly buy organic food in street markets (40%), followed by supermarkets where buy 28% and hypermarkets with 21%. In specialized shops buys relatively small percentage, only 8% of the respondents. It can be seen that there are changes in the supply structure of consumers. This suggests that organic food "moves" more to the classic retail stores, so in addition to buying conventional food consumers can be supplied with organic products. However, the positioning of organic products in supermarkets is very weak because it is not separated and appropriately differentiated from conventional products. When it comes to the market supply of organic products, nearly half of respondents agree that they are hard to find in stores, and on the other hand, one third of respondents believe that it is not difficult to find these products in stores.

The research results show that there is a clear need for intensifying promotional activities, which was declared by 61% of respondents, in order to increase the demand for organic products, while 10% of respondents have the opposite view. Therefore, the promotional activities of business entities need to come more to the fore in order to increase...
the influence of the consumer's decision to purchase. When it comes to the most appropriate way to inform potential consumers about organic products, the respondents largely (52%) opted for television. The promotion at the point of sale is of utmost importance for 29%, and various catalogs and brochures for 17% of the respondents. Answers to this question should indicate in what direction promotional activities should be conceived, and to point out the best and most effective tool in the promotional activities.

2. Table – results of research

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer a</th>
<th>Answer b</th>
<th>Answer c</th>
<th>Answer d</th>
<th>Answer e</th>
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<td>116</td>
<td>68</td>
<td>8</td>
<td>/</td>
<td>400</td>
</tr>
</tbody>
</table>

3. Graphical presentation of results

When analyzing answers from the survey, we used basic mathematical and statistical methods, survey and counting, as well as empirical and analytical evaluation of responses received.

Conclusion

The consumers of organic agricultural products are the main drivers of everything that is done in this sector. Their needs and desires are the main motive in the conduct of all the marketing activities involving what is to be done, from the choice of what to produce, how to recycle, how to inform consumers to how and where and at what price to sell the final product, with a permanent collection of information to what extent they are satisfied with the
existing products. The starting point in all this is the research of opinion and consumer attitudes. Advertising is not a continuous activity and it is developed and applied only when there is a financial support of donors. In any case, advertising is not sophisticated and the main message is related to healthy food, which confuses the consumers and limits proper separation of the organic food market. Low marketing knowledge and skills related to sales promotion are and will be an important limiting factor for the future development of the sector. The promotional activities of business entities need to come more to the fore in order to increase the influence of the consumer's decision to purchase. Organic products market is still not developed enough. In order to achieve this, the consumption of organic food is elevated on a higher level, it is needed to:

- Expand the range of products of organic agriculture and food industry;
- Have a continuous supply;
- Develop appropriate marketing;
- Make sure that costumers are well informed;
- Organize proper consumer education.

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