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V. I. Blagoev¹, E. P. Shustova², I. V. Mishchenko³¹Varna University of Management, Bulgaria, Sofia²Kazakh Humanitarian Law Innovative University Semey, Republic of Kazakhstan³Altai State University, Barnaul, Russian Federation

The Influence of marketing instruments on the bayer behavior in case of organic products

Abstract. As result of the coronavirus pandemia we can expect that the role of health-related businesses, such as organic agriculture, in the development of the regional and national economies will increase significantly. According to the World Bank the market of organic products is today one of the most dynamic developing in the world. The growth of organic consumption is twice the growth rate of the food market as a whole. According to experts, by 2025 the volume of the market of organic products can amount to 3-5 % of the world market of agricultural products. The largest demand for bio products is found in developed countries, where there is already considerable experience in the production and promotion of them. This way, the main leaders in the volume of the organic products market are the USA (45 %), Germany (14 %) and France (8 %) At the same time, demand for this type of products is growing all over the world. For example, in Russia, demand for organic products is growing faster than the global average - by 23 % per year. Despite this rate, organic products in Russia still account for only 0.1 % of the country's total food market. This is also related to the fact that organic products are quite a young concept on the territory of the countries of the Eurasian Union. Today the consumer does not have a clear idea of what organic products are, what requirements are placed on them. To solve this problem and gain bigger market share, companies must apply modern marketing strategies, as well as use the experience of advanced countries in this field. In our research we compare the effectiveness of marketing instruments on the buyer behaviour in case of organic products in Bulgaria, Altay region in the Russian Federation and East Kazakhstan. These three regions have potential to develop as big producers and exporters of organic agricultural products.

Keywords: marketing instruments, bayer behavior, organic products, food market.

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The goal of this research is to study the effectiveness of different marketing communication instruments on the consumer's attitude and buyers' behavior in the case of organic (bio) agricultural products. The three regions are:

- Sofia and Varna regions in Bulgaria;
- Barnaul area in Central Siberia;
- Semey area in East Kazakhstan.

The focus on the effect of the marketing stimuli on consumer attitude towards organic agricultural products is based on the understanding, that the development of organic food production depends on the demand for such products, which obviously depends on the marketing communication effectiveness to stimulate such demand. There will be a ground for development of organic food only if significant in size and buying power segment/s will recognize bio

food as a strong drive to visit these destinations. This research aims to clear on comparative basis how the respondents in the three analyzed regions get influenced by the most often used marketing instruments. We believe that the organic food, if successfully developing, will depend to high extent on the effectiveness of marketing stimuli used. Any specifics of the marketing impact can be used in the development of relevant and successful marketing communication strategies to develop and maintain sustainable production and consumption of organic food.

Research approach. Inductive approach has been applied, which relies on gathering and analysis of quantitative data, which should provide statistical validity to the results (Bryman & Bell, 2015; Kothari, 2005; Eriksson & Kovalainen, 2008).

Data collection. The data collection included both primary and secondary research (Saunders, Lewis, Thornhill, 2016; Bryman & Bell, 2015; Bryman, 2008). The secondary research was used to study the previous research on the topic, done by other scholars. The primary research was used for collecting data for the analysis directly from the respondents.

Research method for the primary research. Survey was used as primary research method. The research population (Cooper, Schindler, 2014; Wilson, 2014) included people above the age of 18, both men and women, living in the studied regions - Bulgaria, Altay region of the Russian Federation and East Kazakhstan. We used Google Drive platform for disseminating the special questionnaire to the target people, all of them belonging to the research population. The sampling frame was formed by academics, students and alumni of Varna University of Management (VUM), Bulgaria, Altay State University (ASU), Barnaul, The Russian federation, and Kazakh Humanitarian Law Innovative University (KazHLIU), Semey, The Republic of Kazakhstan.

Sampling method. A convenience non-probability sampling method was applied (Saunders, Lewis, Thornhill, 2016). The sizes of the three samples are as following: Bulgaria - 129 respondents, Altay region - 125, and Eastern Kazakhstan - 122.

Research validity and reliability. The research validity depends upon the quality of the sample and the sample size (Saunders, Lewis, Thornhill, 2016; Bryman & Bell, 2015; Cooper, Schindler, 2014; Wilson, 2014). All respondents belong to the research population, which was guaranteed by emailing the link to the questionnaire in Google Drive directly to the people from the sampling frame. No other participants could participate. The sample size of the three samples exceed the minimal size for valid results. Although not too big, the samples from three regions are enough good to meet the statistical requirements.

We believe that the use of the sampling method guarantees the reliability. We have unbiased and statistically representative samples.

Findings and discussion. The survey was carried out simultaneously in the three regions: Bulgaria (Sofia and Varna), Altay region of the Russian Federation (Barnaul); East Kazakhstan (Semey). The three samples included as following: Bulgaria - 129 respondents, Altay region - 125 respondents,

Eastern Kazakhstan - 122. (For shortness and simplicity, in the charts Altay and Kazakhstan will be used instead of Altay region, and East Kazakhstan.) The following charts present the findings about the effect of the particular marketing communication instruments on the respondents. The sums of the percentages do not round to 100, as those who did not answer the particular question are not presented on the charts.

Fig. 1 to Fig. 5 show the effect of advertising in traditional classic marketing communication channels. As we see, the advertising in the newspapers has quite limited effect on the customers in the three studied regions. About 20-27 % of the respondents, one fifth only, might sometimes be considering information coming as an add in newspapers.

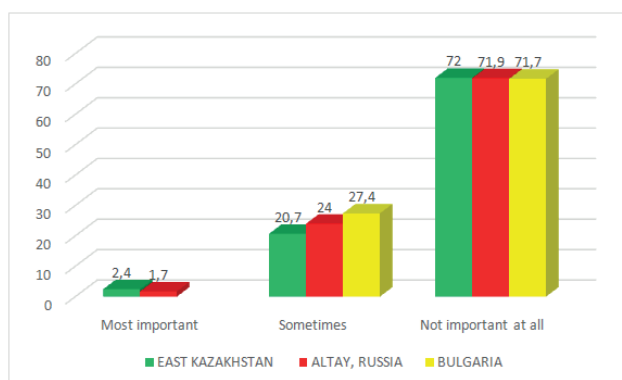


Fig. 1. To what extent does advertising in NEWSPAPERS influences you as buyer of organic food

Advertising with commercials on the TV (Fig. 2) has a bigger impact. About 10 % of the respondents in Altay consider this communication channel very important. It is very expensive of course, so a comparison with the other channels is important. Interestingly, between 40 and 50 % of the respondents do not consider this source of marketing information interesting and stimulating at all.

Fig. 3 shows the results for advertising using radio spots. This marketing communication channel is important because most of the potential organic food tourists have/drive cars where they are exposed to radio spots. A very limited percentage of

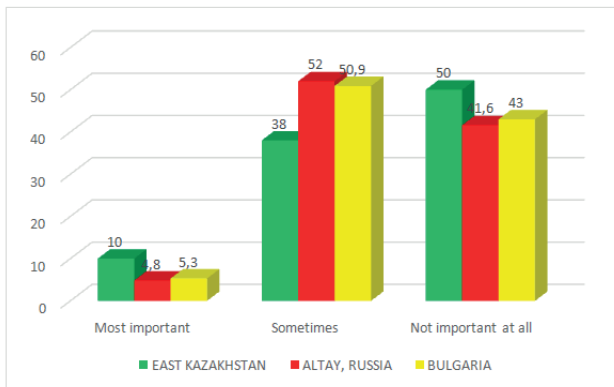


Fig. 2. To what extent does advertising on the TV influences you as buyer of organic food

respondents claims this channel as very important, and only about one fifth of them might consider the spots there as important. Still, about 40 % of the Bulgarian respondents listen to what is advertised on the radio, although from time to time.

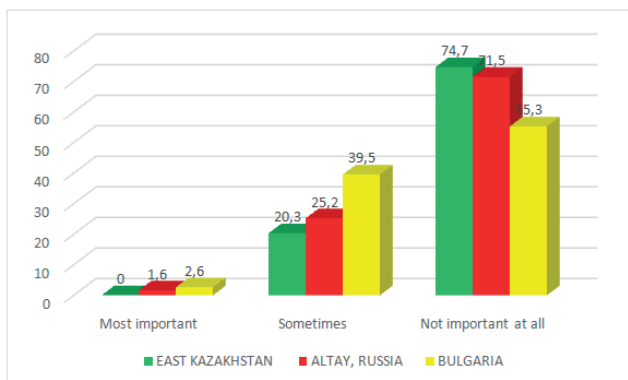


Fig. 3. To what extent do RADIO spots influence you as buyer of organic food

The billboards also do not seem to have significant effect (Fig. 4), although the drivers have the opportunity to see them at the traffic lights quite often. About 40-45 % of the respondents consider them from time to time and this percentage is relatively the same for the three regions.

Fig. 5 shows the effect of the brochures and leaflets on the respondents. This marketing communication instrument is a traditional one, as every potential tourist usually visits a tour operator agency where normally she will be given such printed materials. Between 5.3 % and 9.2 % of the respondents consider this marketing communication channel very important. The Kazakhstani respondents rely

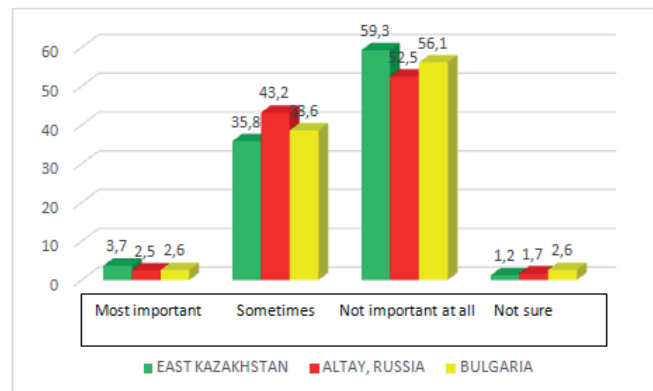


Fig. 4. To what extent do BILLBOARDS influence you as buyer of organic food

to lesser extent on such information compared to the other respondents as about 60% declare that they do not consider such printed materials at all.

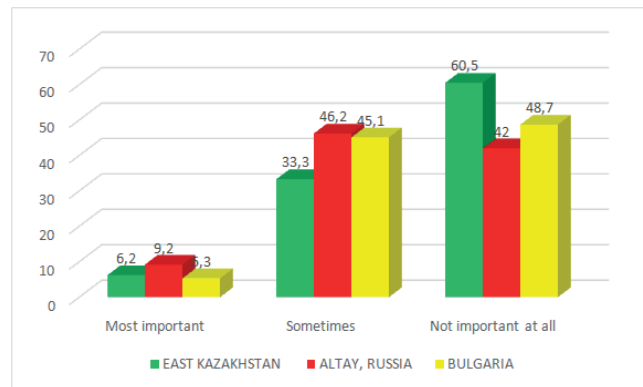


Fig. 5. To what extent do BROSHURES and LEAFLETS influence you as buyer of organic food

Fig. 6 and 7 present the new means for marketing communication which are used nowadays – the information obtained in internet, mostly through search engines, and information disseminated through the social media. These channels are much cheaper compared to the classic marketing communication channels, and if the respondents would consider them important – they would be very efficient channels.

The internet-based information, mostly search engines, influences much more the respondents compared to the classic channels (Fig. 1 to 5). Comparing the results country by country, 15.7 % of the Kazakhstani respondents consider this communication channel the most important one, and 43.4 % consider it when necessary. The Bulgarian respondents show lower percent as “most important”, but altogether with the percent using

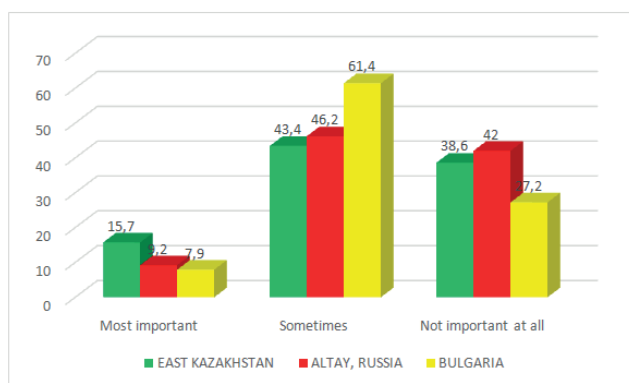


Fig. 6. To what extent does INTERNET (search engine) information influences you as buyer of organic food

it sometimes the percent goes close to 70 %. It is clear that the use of search engines as marketing communication channel is very important as it will cover about a half of the organic food prospective tourists, and in the case of Bulgaria – probably more.

Fig. 7 shows very interesting results as well. The social media are extensively used as marketing communication channel in the last decade, as they combine the effects of word-of-mouth in the modern technological environment. The PCs, laptops and smartphones provide the information environment in which the marketing information is disseminated not as advertising, but as word-of-mouth, in other words – more trusted information (Blagoev, 2014). As we see, between 7.2 % and 12 % of the respondents claim that this is their most important marketing communication channel. The same percent of Bulgarian respondents (61.4 %) use the social media from time to time, as they use the search engines. This means that these people probably double check the marketing information from the search engines with the word-of-mouth in the social media.

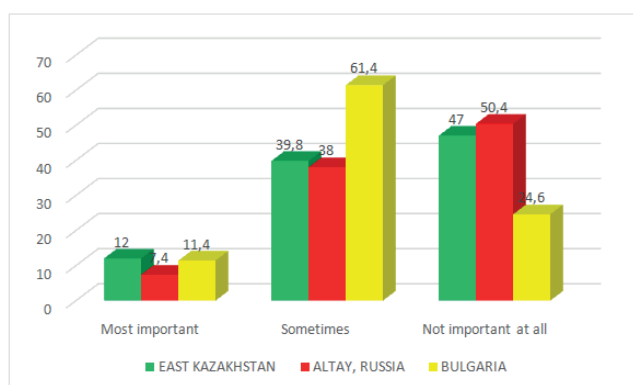


Fig. 7. To what extent do SOCIAL MEDIA influence you as buyer of organic food

The percent of respondents who never use the social media as marketing information channel differs substantially – from 24.6 % in Bulgaria, to 47 in East Kazakhstan, and 50.4 % in Altay region in the Russian Federation. Obviously, it is a must to use the social media channels in Bulgaria, where over 70 % of organic food consumptions would be approached through them. Still, the fact that about 45 % of the respondents in Altay and about 50 % in East Kazakhstan would find, or at least check the necessary information in the social media, makes them particularly important marketing communication channel.

Conclusions. As result of the coronavirus pandemia we can expect that the role of health-related businesses, such as organic agriculture, in the development of the regional and national economies will increase significantly, as the demand for such products which guarantee healthy diet may be expected to raise significantly. In the period of relatively high interest in healthy food and diet, the organic food production might really impact the national economies.

The more effective marketing communication mix might stimulate the development of organic food production, and thus have a real impact on the territorial, and national economic development. In our research we compare the effectiveness of marketing instruments on the buyer behavior in case of organic products in Bulgaria, Altay region in the Russian Federation and East Kazakhstan.

The results show significant difference between the effectiveness of the classic marketing communication channels – advertising in the newspapers, with radio spots, and on the billboards (Fig. 1, 3, 4) with the modern channels – search engines and social media (Fig. 6 and 7). The percentage of those who argue that the internet advertising and the social media are their most important source of such information or they consider them as media, is higher than that for the classic media.

The advertising with commercials on the TV (Fig. 2) remains an important channel, as most of the prospective tourist watch TV. However, considering the high price of TV advertising this marketing communication channel will rarely be used.

The brochures and leaflets (Fig. 5), which are traditional printed advertising materials provided by almost every tour operator agency, will remain

an important source, especially in Altay region, where over 50 % of the respondents expect to get information in such a format. On country by country basis the Bulgarian respondents show higher level of adoption of the internet and social media-based advertising than their colleagues in East Kazakhstan and Altay region, which means smaller budgets for advertising.

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Information about the authors

Veselin I. Blagoev

PhD, Professor, Vice-rector. Varna University of Management (149 B Tsarigradsko shose, 1784, Sofia, Bulgaria). ORCID ID: [https:// orcid.org/0000-0003-3422-7951](https://orcid.org/0000-0003-3422-7951), Scopus Author ID: 26433077600. E-mail: blagoev@vum.bg

Elena P. Shustova

PhD, Associate Professor, Vice-rector for International cooperation. Kazakh Humanitarian Law Innovative University (11 Lenina st., Semey, 071400, Republic of Kazakhstan). ORCID ID: [https:// orcid.org/0000-0003-1685-912X](https://orcid.org/0000-0003-1685-912X), Scopus Author ID: 57204011490. E-mail: shustova_yelena@mail.ru

Inna V. Mishchenko

Cand. Sc. (Econ.), Associate Professor. Altai State University (61 Lenina st., Barnaul, 656049, Russian Federation). ORCID ID: [https:// orcid.org/0000-0002-6871-6668](https://orcid.org/0000-0002-6871-6668), Scopus Author ID: 57203264257. E-mail: mis.iv@mail.ru