

## ROLE OF SOCIAL MARKETING IN MAINTAINING THE BALANCE BETWEEN SATISFACTION OF IMMEDIATE AND LONG-TERM NEEDS IN THE CONTEXT OF FOOD CONSUMPTION

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**Abstract.** Alongside with the progress of civilization, the daily life complexity increasingly becomes a burden, which makes it difficult and costly for routine events, one of which is shopping for food. During the economic growth period until 2007, the state significantly supported Latvia food market incentives in the form of subsidies for locally grown product promotion. Today, it is important to find out, if currently, when economic growth has slowed and stabilized, Latvian consumers have become more farsighted and in circumstances of limited budget and abundant range of food products purposefully choose locally grown and produced food, or on the contrary – the national budget austerity has forced the population to behave more short-sighted and satisfy immediate needs instead of thinking about long-term needs of Latvia food production and consumption sustainability.

The study is based on the review of literature and publications on food consumption and production sustainability problems; secondary data analysis, and authors' performed public survey data analysis applying chi square method.

**Key words:** food, consumption, social marketing.

**JEL codes:** M14; M31; M37

### Introduction

The fact that nowadays convenience is the value is vividly demonstrated by the growing number of one-stop-shopping places, which typically alongside with all sorts of goods, e.g. building materials or stationery items, offer their customers to buy food products (most often chocolate, chips, cookies, and different fast-foods). Despite practical considerations and time economy, which is an important argument for yuppies (i.e. young urban professionals), at the same time it causes a serious social and psychological problem – the satisfaction of immediate needs buying pre-fabricated goods makes consumers start losing their connection with natural and traditional food sources. This problem is more common among young people as they, due to globalization effects resulting in taste unification, have become less resistant to tempting commercials spread by powerful franchise coffee shops and restaurants to become one of them – modern, careless, and dynamically living enjoyers of life who have nothing to do with such time consuming and boring activities like regular food shopping and cooking (peeling, washing, crushing etc.).

However, positive is the fact that young people dragged into the busy rhythm of life (especially those who live in cities), despite losing their connection with food origin, tend to take up the fashion of alternative life style. Most often, the key words of such life style are sustainability (harmony with ecosystems) and "wise choice", which find their expression also in appropriate food consumption. Such lifestyle puts pressure on "wise shopping", which provides elimination of products containing preservatives from the menu both while shopping and eating out. This alternative behaviour has found expression in different forms, e.g. "fresh eating"; participation in "buy local"

community, in which its members themselves, but not supermarket assortment policy managers, are decision-makers on the shop's assortment; "buy together" – a community supporting local small scale food producers (usually farmers), thus providing them with larger sales volume; or "buy direct" communities. Although such ideas of sustainable consumption can be regarded positively, yet not always visually appealing and fresh food products in shops, market pavilions, and farmer's cart can be regarded as "green" from nutritional aspect, which reflects the complexity of our consumer choice today. Simplifying this problem, one could suggest that overall organic farming and industrial food production can be regarded as two polarities of the same continuity (G. Grinberga-Zalite, 2012).

In nowadays, high budget corporate food manufacturers' posters seriously affect consumers' behaviour in any public place (e.g. bus stop, public gym etc.). As a result, looking at this issue marginally, food can be bought almost everywhere (e.g. in the building materials store, car service), and if it is sold everywhere, then in the modern age it can be effectively produced from everything. Therefore, the problem with our next generation is losing a link between food and its producer, weak understanding of modern farming and of what it means to be a farmer, and what the farming conditions are.

During the economic growth period until 2007, the state significantly supported Latvian food market incentives in the form of subsidies. Today, it is important to find out if currently, when economic growth has slowed and stabilized, Latvian consumers have become more farsighted and in circumstances of limited budget and abundant range of food products purposefully choose

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locally grown and produced food, or on the contrary – national budget austerity has forced the population to behave more short-sighted and satisfy immediate needs instead of thinking about long-term needs of Latvia food production and consumption sustainability.

The hypothesis of the research is: those consumers who daily use locally grown and healthy food do not buy meat in supermarkets, choose not the cheapest but the healthiest vegetables, and do not consume meat prefabricated products.

The aim of the paper is to evaluate the role of social marketing activities implemented in 2007-2012 in influencing Latvia customers' food consumption habits. In scope of the research, the authors have set the following tasks:

- 1) to analyse food promotion and consumption trends in Latvia;
- 2) to elicit the values of locally grown food;
- 3) to perform a public survey and find out, if the recent consumption habits maintain the balance between short term and long-term needs in the context of food consumption in Latvia.

The study is based on the review of literature and publications on food consumption and production sustainability problems; secondary data analysis of SKDS research centre organized national surveys on food consumption habits, and authors' performed survey analysis applying chi square method.

## Discussion and research results

The insights into the history of organic farming give evidence that organic farming has occurred in the northern part the Europe in the beginning of the 20<sup>th</sup> century as the combination of theory and practice integrating a wide range of alternative agricultural production methods. Yet, despite expression of various trends and vitality, organic farming in Europe remained underdeveloped for many years. In order to satisfy European society urgent needs for food and self-sufficiency, in the 50s of the 20<sup>th</sup> century, the main task of agriculture was a rapid increase of productivity. Under such conditions, organic farming was considered as unprofitable and disadvantageous. However, in the 60-70s, and especially in the context of environment protection problems, organic farming at last came in the forefront. The newly established associations attracted more and more producers, consumers, and other society groups interested in ecology and environmentally friendly style. These organizations gradually created their product specifications and regulations for production methods (Melece L., 2003).

Organic products differ from conventional products with the fact that the first ones are exposed to significant restrictions in use of pesticides and artificial fertilizers in crop production, use of antibiotics in cattle breeding, food additives, processing aids, and other inputs as well as prohibition to use genetically modified organisms. Every year food and veterinary services control all the accredited and certified institutions and farms, and in case of a positive accreditation, they are awarded a compliance certificate for one year. Therefore, consumers can be sure that the proper organic product label, which is "Latvijas Ekoprodukts", ensures the

compliance of the product origin with organically grown conditions.

Yet, despite the transparent organic products' production cycle, consumers are not sure if the prices of organic products in the shelves of supermarket eco product department or eco shops really correspond to the value of these products. The reason for such scepticism roots in society perceptions that have once been distorted by two false beliefs – one of them assumes that organic products are exclusive commodities, which always cost high prices, and the other one – everything that is grown or processed in Latvia is anyway natural, and it makes no sense to pay more for some products only because they are labelled with "Latvijas Ekoprodukts" label.

Recently, in Latvia food industry several kinds of labels are used. Each of them confirms the particular product's belonging to a products' group with certain properties. Apart from the previously mentioned label "Latvijas Ekoprodukts", shops offer a wide range of other labels – "Latvijas produkts" (Latvian product), "Zala karotite" (Green spoon), "Dabigs produkts" (Natural product), and many other. Among the mentioned labels, "Zala karotite" attracts special attention. The beginning of this label can be found in 2002, when Marketing Council (institution subordinated to the Ministry of Agriculture of the Republic of Latvia) was assigned 63 000 EUR for Latvian food industry support activities in international exhibitions. The envisaged support activities included collective Latvian food stands' creation in international food exhibitions unifying food producers and processors under reliable label – "Zala karotite", which would carry the message for consumers: the product contains at least 75% of inputs of the particular region and meets strict quality requirements, which are confirmed by appropriate certificates. Although "Zala kartotite" label does not mean that the product is organically grown and processed like "Latvijas Ekoprodukts", it still carries a very positive message – confirms both product quality and the fact that the product and its inputs' origin is Latvia (Alta S., 2010). At the same time, it is commonly known that "Zala karotite" labelling procedure in Latvia is expensive and bureaucratic, which significantly raises the final price of the product, thus for the most sceptical consumers causing an impression that product labelling is a kind of extortion from sentimental buyers. As a result, of the establishment of organic-certification programmes in Latvia, like in dozens of countries, food packages are covered with labels. Along with these label initiatives, however, comes the inevitable misappropriation of language by large corporate companies, which have adopted the word "organic" for marketing leverage and customer manipulation. This is the fact of green washing in the food industry. Large corporate food manufacturers have created organic lines that have illusory appearance of products from small family-operated farms; these include, e.g. Seeds of Change (M&M/Mars), Boca Foods (Philip Morris/Kraft), and Sunrise Organic (Kellogg). The label designs, the names, even the websites give no indication of an affiliation with the umbrella company that manufactures the products. It is a deceptive and worrisome situation for conscientious consumers who want to support organics and not corporations (World Changing: A User's Guide..., 2008). Another problem is the complexity of product information –

it is difficult to understand for an average shopper. Alongside with the progress of civilization, the daily life complexity increasingly becomes a burden, which makes it difficult and costly for routine events one of which is shopping (Leeb S., 2009). For the illustration of nowadays increasing life complexity, S. Leeb mentions the comparison: "The Pythagorean Theorem contains 24 words, the Lord's Prayer – 66 words but, e.g. the USA Government regulation on cabbage sales – 26 911 words." Consequently, shoppers today have to spend much longer time to detect the differences among products often using a loupe taken with them to be able to read microscopic letters of the products' content and distinguish many different patriotically sounding slogans on the product packaging. In the context of the European Union single market policy and its negative side effects, Latvian consumers' feelings are most often affected by patriotic slogans, such as "*Let's support our local producers!*" The problem is that consumers' motivation and awareness, why they should support directly local producers, often are primitive and based on false stereotypes. One of the most successful social campaigns of this kind was called "*Do not buy foreign!*" It was initiated in 2012 with the budget of 20 thousand EUR. The initial organizers of this campaign were 17 Latvia local food producers. The objective set by this campaign was that in 2014 "*do not buy foreign*" must become a way of life. Besides, an important supplementing motivator of this campaign was attempt to prevent officials from buying imported food products for public needs (e.g. kindergartens, old people's homes, representative needs at state organizations etc.), if there is a possibility to replace imported food with locally grown.

The professor L. Melece, Head of Department of Quality and Environment Protection, Latvian State Institute of Agrarian Economics, considers that nowadays there can be distinguished two directions of food production. The first is food production in middle and large-scale enterprises (industrialization and efficient production) mainly for international and regional (the EU, the former USSR countries etc.) markets. To ensure this type of production, companies need to implement the following measures: industrialization, consolidation, and modernization; increase of competitiveness and innovation; focus on regional and global markets; quality (ISO 9000, ISO 22 000) and environmental (ISO 14001, EMAS) control systems; use of food quality brands. The second direction for further development of the food sector is food production on farms, small and micro-scale enterprises that comply with principles of sustainable and environmentally friendly food chain and produce value-added food products mainly for the local market.

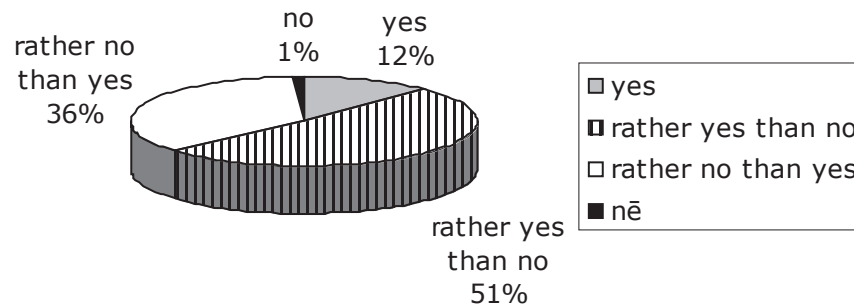
The main conditions for such food production are local and artisan (individually) produced food, including organic; organic food and market development; local food markets and distribution; culinary tourism; "*Slow Food*" movement; voluntary quality schemes. This description brings the justification – food that is both grown and sold locally skips many steps of processing, packaging, and transporting, sparing the environment and eliminating the dependency on suppliers far removed from the region. Consequently, locally grown produce is fresher, which makes it taste better and ensures that

the consumer is getting maximum nutrition for his/her buck, and after all the link between the producer and consumer is not lost. Another aspect is strengthening of local economy, providing work for small farmers, creating or saving workplaces, preserving small shops, and securing food. G. W. Schenk has emphasized the importance of "regional value adding". If someone spends 10 EUR in the supermarket, about 2 EUR remain in the regional community and 8 leave the area. If someone spends 10 EUR to buy from a regional producer, 8 EUR remain in the regional community and 2 leave the area. Buying regional products can generate 4 times more the regional community than buying supra regional. Even, if regional products would cost twice as much – comparing the supra-regional products, the regional people would gain more.

In Latvia, to educate consumers about healthy and sustainable food systems and their principles, pupils already in the primary education establishments are taught the basics of healthy and sustainable lifestyle both in biology and sport lessons. In addition, informative social marketing campaigns on products necessary for human health have been widely carried out in mass media during 2009-2012. Social marketing could be defined as the application of marketing principles and tools to the achievement of socially desirable ends. Social marketing in contrast to commercial marketing not only targets individual behaviour change, but also attempts to "go upstream" and target groups of individuals, legislative bodies, government departments, and non-profit organizations who have the power to enhance such attitude that helps to protect people's health, sustainable wellbeing and quality of life. These advertising campaigns were implemented on the EU money with the co-financing of the Ministry of Agriculture of the Republic of Latvia. The total costs of these advertising projects were approximately 750 thousand EUR. The main activities envisaged by this project were advertising campaigns on TV informing TV viewers about necessity to consume fresh vegetables, fruit, milk products, and honey.

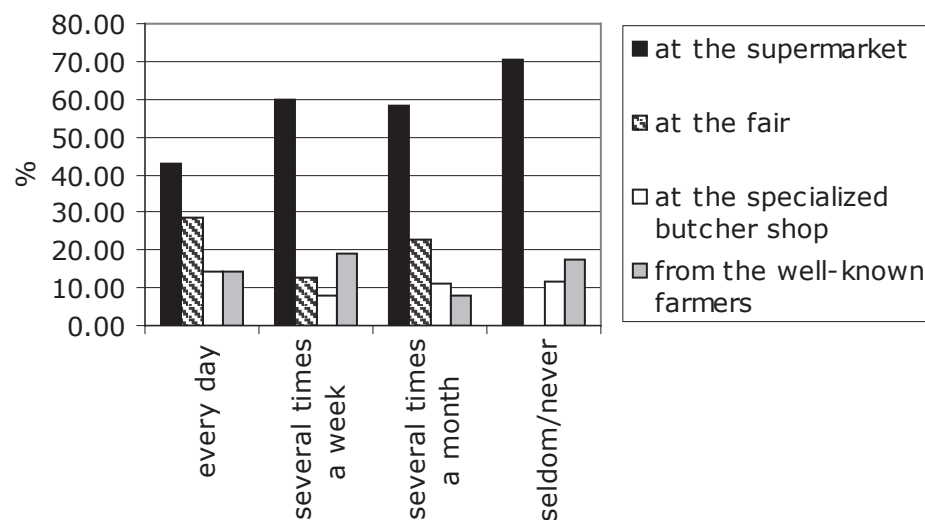
As the response to public dissatisfaction with the product prices and assortment in Latvia, the largest food retail stores lately often activate healthy eating issues. In the beginning of 2012, the results of public survey conducted by Rimi Latvia and SKDS research centre revealed that consumers' food choice in 92% of cases is affected by its price. Only 29% of respondents have admitted that it is important for them that the products are organic, and for 42% of respondents it is important that the products are of Latvia origin. The research also revealed a surprising fact – nowadays, citizens of Riga in general consume healthier food than rural residents of Latvia do. Citizens of Riga have more opportunities to buy diverse and seasonal products, such as fruit, berries, vegetables and cereals, whereas rural population consumes more bread, flour products, and meat products. In rural areas, the product supply is less diverse and the motivation to cultivate the greens even only for non-commercial purposes is often low. (Rozenbaha L., 2012). A similar pattern was found in the period of economic crisis escalation in 2008-2009, when one of the ways, how some local municipalities helped the local needy and unemployed population was garden patch assignment for vegetable cultivation. Unfortunately, needy population

## Is your daily food healthy?



Source: authors' survey, 2012

Fig. 1. Customers' evaluation of their food health degree



Source: authors' survey, 2012

Fig. 2. Fresh meat purchasing frequency

perceived this initiative as an insult, wishing to receive humanitarian aid food packages instead. Such attitude suggests that, due to worsening of economic situation, the population sacrifice food consumption long-term needs to satisfaction of immediate needs.

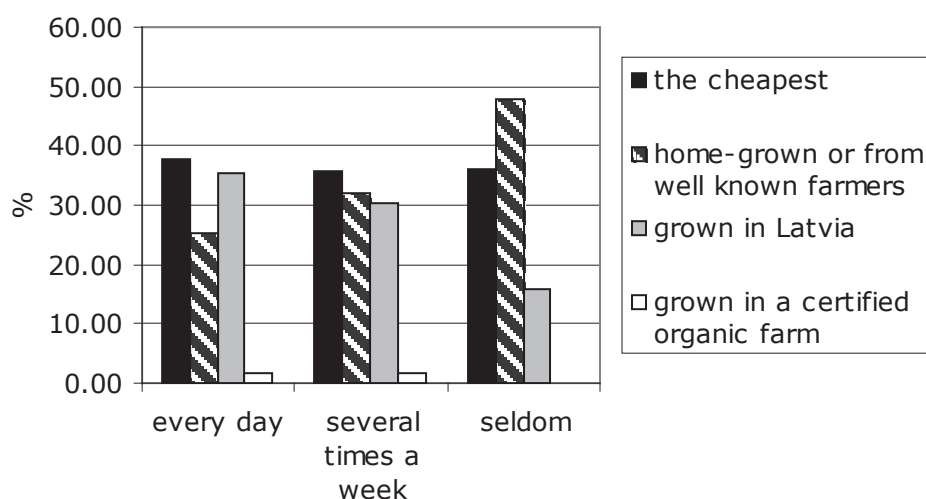
In order to find out the recent food consumption habits, the authors conducted an internet-based survey, in which 259 respondents were questioned electronically. The respondents' age distribution was as follows: 35 year old and older respondents accounted for 8.5%, the respondents in the age group 18-35 constituted 13.5%, and 19-34 year old respondents accordingly represented 78% of the sample. The gender breakdown was as follows: 64% were female, while 36% - men. The survey contained 10 questions about respondents' shopping habits for meat and vegetables and their consumption.

On the question, whether respondents evaluate their daily consumed food as healthy, Figure 1 reveals

that 32 respondents answered affirmatively, and 132 respondents chose the answer „rather yes than no”, whereas 92 respondents chose the answer „rather no than yes” and three persons answered in the negative. In general, this leads to the conclusion that 63% of the respondents are inclined to think that their daily food is healthy, whereas 37% of the respondents consider that the food they consume is not healthy. The obtained data were aggregated for further use in chi square calculations.

The data aggregated in Figure 2 indicate that all groups of consumers most often buy fresh meat from supermarkets, also those consumers who try not to use prefabricated meat products still choose the easiest method of shopping, not especially considering what producers' meat they buy.

The vegetable consumption habits, revealed in Figure 3, show that from those consumers who try to follow a healthy lifestyle almost as many



Source: authors' survey, 2012

Fig. 3. Choice of vegetables for daily consumption

Table 1

#### Aggregated respondents' answers on the survey questions

Healthy eating habits	Choose the cheapest vegetables	Very often consume prefabricated meat products	Buy meat at the supermarket	Total
yes	49	103	86	164
no	46	89	59	95
	95	192	145	259

Source: authors' survey data, 2012

respondents buy the cheapest vegetables as those who try to buy not the cheapest but locally grown vegetables.

Basing on the survey results, the authors applied  $\chi^2$  method to either approve or deny the previously formulated hypothesis – those consumers who daily use locally grown and healthy food do not buy meat in supermarkets, choose not the cheapest but the healthiest vegetables and do not consume meat prefabricated products (sausages, pates, smoked products etc.).

The authors aggregated respondents' answers on the survey questions and displayed them in Table 1.

Unfortunately, the calculations obtained using the chi square method indicated that the empirical  $\chi^2$  is 1.679093, whereas theoretical  $\chi^2$  is 5.991465, which suggests that there are no differences in eating habits among those consumers who consider that their consumed food is healthy and that they support local food producers and those consumers to whom these issues are not essential.

### Conclusions, proposals, recommendations

1. In nowadays, in the rich range of food labelling, consumers often get confused, because similar label logo colours and symbols are misleading. Consequently, in the social marketing campaigns the buyers should be consistently educated not only

about the basics of healthy eating, but also should be given practical information about food products' labels used in the food industry.

2. Despite costly advertisements and sales promotions, the link between local food producers and consumers is poor. The participants of local food system should develop more solid relationships with their consumers focusing on long-term social programmes (e.g. offering practice placement for students, organizing on field tours to farms for families with children, cooperating with schools in organization of thematic workshops etc.).
3. In future, social campaigns should concentrate on the overall long-term needs of the society, which are strengthening of local economy, providing survival for small farmers, creating or saving workplaces, preserving small shops, and securing food. Small farmers are those who still maintain Latvia rural landscape diversity with its uniqueness. Therefore, in the long-term, it is not only small farmers' concern to maintain Latvia regional diversity, but also all Latvia consumers' concern, as more and more often people are looking for possibilities how to spend their weekends thoughtfully and eat healthy.
4. The value added tax on food products should be reduced to allow not only the wealthier, but also all social backgrounds people to purchase such food products that are healthy and enable them to

support local food producers, which overall would strengthen remote regional communities, which lately are in worse social and economic situation than urban population.

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