CREATION OF A "GREEN" PRODUCT BRAND FOR PROMOTION OF SUSTAINABLE CATERING SERVICES IN ZEMGALE REGION

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Abstract. Nowadays, healthy lifestyle and healthy nutrition aspects are essential prerequisites for the development of any nation as it is the basics of human existence and capacity for work. Sustainable Development Strategy of Latvia until 2030 foresees to advance healthy catering services by promoting organic agriculture and sustainable way of life. To position Zemgale region as "the greenest" region in Latvia, and possibly in the entire EU, the society and catering service providers need to be aware of and have understanding of sustainability essentials. To promote sustainable eating habits in society, it is necessary to develop such a brand strategy of Zemgale region that would position this region as a green and sustainable catering service provider. In authors' opinion, Zemgale region has a potential to successfully develop its "green" product brand since Zemgale comprises more productive utilised agricultural land areas compared with the other regions of Latvia.

The aim of the research was to develop proposals for a "green" product brand foundation in Zemgale region for promotion of sustainable catering services. The research employed monographic, statistical analysis, descriptive and sociological research (questionnaire) methods. The results of the research showed that the residents of Zemgale are interested in a "green" product brand development and there are various alternatives how to position it in the market.

Key words: brand, sustainable development, catering services, promotion, Zemgale region.
JEL code: M31, R1

Introduction

Today, sustainable development is related not only to sustainable production issues, but also to a sustainable consumption. (Oslo Roundtable on Sustainable, 1994). However, often the solutions to economic development problems are associated with the need to produce and consume more, thus unsustainable use of the resources alongside with the population growth in the world leads to the depletion of the resources. The basic idea of sustainable development invites to satisfy the needs of the present generation, balancing public welfare and environmental and economic development interests and concurrently ensuring the observation of the environmental requirements and the preservation of natural diversity in order to avoid the reduction of possibilities to satisfy the needs of future generations. The planning document "Sustainable Development Strategy of Latvia until 2030" (Sustainable Development of…, 2010) includes the work of experts and various social groups. Among many other objectives determined by this document, special emphasis has been put on the enhancement of ecologically certified and healthy products, thus creating the image of Latvia as a "green" country by promotion of sustainable eating habits.

Compared with the other regions of Latvia, Zemgale has the largest areas of utilized agricultural areas - 39 % or 414.3 thou ha, forests - 42 %, swamps - 3 %, land under water - 3 %, while the remaining land (roads, scrubs, farmyards, land occupied by buildings, etc.) - 13 % (Zemgale planning region. .., 2015). According to the data of the Central Statistical Bureau of Latvia, alongside with trade and accommodation industries agriculture, forestry fisheries, food processing are the industry groups that employ most of Zemgale population. Owing to old farming and cultural traditions in Zemgale, this region has a sound potential to develop its own branding strategy for promotion of local food by positioning it as green and healthy.

In order to position Zemgale region as "the greenest" region of Latvia and even possibly of the whole EU, it is necessary to strengthen the understanding of both businesspersons and consumers about sustainability essentials.

The aim of the present research is to develop proposals for creation of a "green" product brand in Zemgale region to promote sustainable public catering services. To reach the aim, the following

research tasks were set: 1) to explore the theoretical basis for sustainable development of Zemgale region; 2) to substantiate the need to create a product brand for promotion of sustainable catering services in Zemgale; 3) to conduct a sociological survey and in-depth expert interviews for further ideas how to develop the brand identity of the "green" product brand for sustainable catering services in Zemgale.

In the scope of the research, the authors used monographic, logical construction, graphic methods as well as sociological research methods - a survey (questionnaire) of residents and in-depth expert interviews. Statistical analysis as well as analysis and synthesis were employed to process the research data.

For secondary data analysis, the authors have used scientific publications as well as other research data available on Internet, books, the data of the Central Statistical Bureau of Latvia as well as strategic development and planning documents of Latvia.

1. Sustainable development opportunities of Zemgale region

"Sustainable Development Strategy of Latvia until 2030" or "Latvia 2030" is the main national long-term development plan that determines seven principles for the selection of further national level priorities: development of culture space; investments in human capital; change of paradigm in education; innovative and eco-efficient economy; nature as future capital; perspective of spatial development; innovative government and participation of the society. Whereas the sustainable development of Zemgale region is determined by "Zemgale Planning Region Sustainable Development Strategy 2015-2030", which is an overarching long-term planning document. The vision of this planning document is "Zemgale in 2030 - a competitive, green area in the centre of Latvia with qualitative and accessible living environment" (Zemgale planning region ..., 2015).

In assessing the sustainable development strategy, the authors recognize as important the fact that the strategy developers understand and appreciate the role of agriculture in Zemgale and agricultural land in the context of both Latvia and the EU, thus emphasizing it as a priority direction and are aspiring to develop organic farming and food industry diversification in this region.

The priority axes of the Action Plan of Zemgale Planning Region Development Programme provide a number of activities:

- to support socially responsible business development in the region by promoting the benefits and best practices;
- to coordinate joint marketing activities of small and medium-sized enterprises;
- to develop a bio-Zemgale development strategy that focuses on food security, sustainable agriculture, forestry etc. sectors;
- to promote opportunities of organically produced agricultural products' sales by enhancing co-operation among farmers;
- to implement public education measures on disease prevention and a healthy lifestyle;
- to promote the development of health services, healthy lifestyle and physical activities;
- to promote the region's gastronomic tourism development and competitiveness (Ricibas plans…, 2015).

The indicative total funding for the above named activities is EUR 3 555 000. "Zemgale Planning Region" administration budget; "The Strategic Investment Fund" (ESIF), the EU financial instrument for the programme "LIFE" and entrepreneurs are mentioned as the main sources of finance.
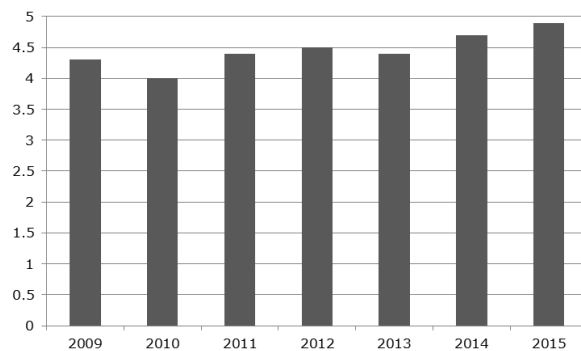
2. Creation of a "green" product brand identity and positioning for the promotion of healthy catering services

Food consumption is unique and differs from the consumption of other goods owing to both the physiological need for food and its antiquity, evolving along with the society and becoming an

integral component of culture and identity. The 2008 Latvian financial crisis, which stemmed from the global financial crisis of 2008–2009, was a major economic and political crisis in Latvia. The crisis was generated when an easy credit market burst, resulting in an unemployment crisis, along with the bankruptcy of many companies. In 2008, after years of booming economic success, the economy of Latvia took one of the sharpest downturns in the world, picking up pace in the last quarter in which GDP contracted by 10.5 %. The following years' economic downturn had a negative impact on household consumption habits and one of the positions that had most dramatic decrease was expenditure on public catering services and hotels. However, as revealed in Figure 1, today household expenditures on catering services are slowly increasing alongside with economy recovery and during the last two years have exceeded the crisis level expenditure. However, unbalanced and irresponsible consumption of food negatively affects both the health of consumers themselves and the social, economic, and ecological environments. Therefore, to avoid these problems, it is very urgent to research and promote sustainable food consumption (Handbook of research…, 2014).

The European Union has recognised that it is important to change the economy and lifestyle according to the sustainability principles; therefore, in July 2008 the European Commission submitted the Action Plan for Sustainable Consumption and Production and Sustainable Industry Policy to the European Parliament. The Action Plan aims at improving the environmental performance of products during their entire lifecycle, promoting and stimulating the demand for better products and production technologies, and to assisting consumers in making environmentally friendly decisions. The Action Plan also reviews the possibilities for popularising sustainable production and consumption in the world. The EU's support measures for sustainable production and consumption are based on four key objectives: to improve the quality of products; to better inform consumers; to increase the efficiency of production and reduce pollution; and to support global efforts (European Commission, 2008).

Source: Household consumption expenditure, Central Statistical Bureau of Latvia, 2016

Fig. 1. **Household consumption expenditure on catering services and hotels during 2009-2015, %**

The actions that people take and choices they make – to consume certain products and services, or to live in certain ways rather than others – all have direct and indirect impacts on the environment, as well as on personal (and collective) well-being (Jackson T., 2005). Sustainable food is a food that is traceable at all stages of the food chain, is produced and processed by efficiently exploiting local resources of production, by taking care of the environment, biodiversity, and animal welfare, and by ensuring fair and adequate incomes for employees engaged in the food chain, as well as is healthy and safe to consumers (Dzene S., 2013). These activities are closely related with the "green" product brand foundation in Zemgale for promotion of sustainable local food services, because such products' brand development is based on boosting the demand for local organic produce, thus contributing to sustainable development of the region. No doubt, 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. Important aspect is also the

strengthening of local economy, thus providing work for small farmers, creating or saving workplaces, preserving small shops and securing food. Schenk (Schenk G.W., 2016) 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 Zemgale, the users of this "green" local brand would be socially responsible small and medium-sized enterprises that care about public health and the promotion of healthy lifestyles, thus promoting gastronomic tourism development in Zemgale. However, last but not the least aspect is the demand in the market for this "green" product – consumers' trust and loyalty for such brand, which needs to be strategically enhanced by target-oriented marketing activities.

During the 1980s, with a growing understanding of social and environmental problems, the idea of green consumer emerged. Green consumers represented a potential market for any business that could identify those consumers who were particularly concerned about environmental issues, and who could be convinced to purchase products and brands that successfully differentiated themselves on social and environmental performance. (Belz F.M., Peattie K., 2013; Kotler P., Lee N.R., 2011).
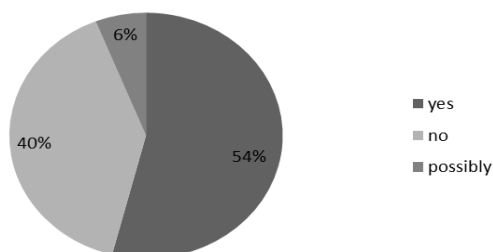
However, today the abundance of different product labels can easily bewilder an average shopper – "fast" or "convenience" food (takeaways, pre-prepared meals), "green" food, "clean" food (organic, preservative free, all-natural, free of genetic modification) and

"functional" food (having some beneficial effect beyond normal nutrition) often are supplemented by markings recognizable in domestic market – "Natural product", "Green spoon", "Latvian product" etc. Another problem is the complexity of product information, which 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, 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." According to Storey, healthy and sustainable food choices will be made only in an environment where such food is accessible and affordable (Storey R., 2008). To help the consumer make the right choice in favour of one or the other product or service, it is important that consumers can distinguish them from each other. A brand is a name, a term, a symbol, or any other unique element of a product that identifies one firm's product(s) and sets it apart from the competition. Branding provides the recognition factor products need to succeed in regional, national, and international markets. When it comes to graphics for a brand symbol, name, or logo, the rule is that it must be recognizable and memorable. Moreover, it should have a visual impact (Solomon M. R., Marshall G.W., Stuart E.W., 2008). Brand identity basically consists of three elements: the brand name, logo and slogan or motto (Keller K.L., 1993; Kohli C. et al., 2007; Fayrene C.YL., Lee G.C., 2011; Kotler P., 2008). Consequently, the creation of a "green" product brand should start with appropriate building of its brand identity.

In the further study, the authors conducted a research to find out what qualities should be highlighted in the "green" product brand's image to distinguish sustainable food service providers

from the conventional or traditional food service providers. To find out the public opinion on the "green" product brand creation in Zemgale for promotion of catering services, the authors conducted a population survey. In the random sample survey, 124 residents of Zemgale biggest cities (Jelgava, Jekabpils, Bauska, Dobele) as well as of smaller towns and rural areas participated. Of all survey respondents, the majority or 78 % (97 respondents) were women and 22 % (27 respondents) - men. The average age of the respondents was 35.8 years.

The questionnaire consisted of 12 questions. Firstly, respondents had to rate their opinion on their daily eating habits within a 5-point scale (1-unhealthy; 5-very healthy), in which they most often had rated their daily eating habits with 3 points. However, 88 % (109 respondents) of the respondents expressed a desire to eat healthier. Consequently, people are aware that on a daily basis it would be necessary to choose healthier foods. On the question "What is your association with organic food?" 28 % (81 respondents) noted that it is of better quality, 24 % (70 respondents) said that it is more expensive, and only 3 % (9 respondents) claimed that it does not differ from ordinary food. The respondents' answers reveal that organic food quality perception of consumers is more important than its price, although the difference is not large, and both of these criteria are equally important for this kind of food choices.
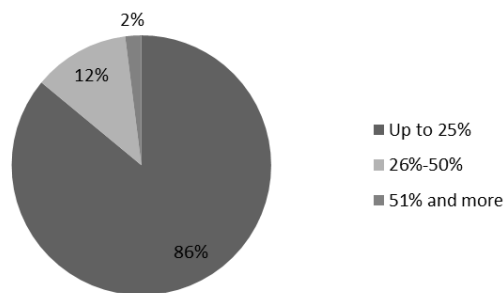
Fig. 2. **Respondents' views on the preference of catering services that use certified organic and locally sourced food**

Regarding the choice of catering service provider, the majority of respondents, or 54 % would prefer catering services that use organically certified food products. However, a large proportion of respondents (40 %) answered that they would most probably select organic food catering services, yet they were not convinced of it.

Negative answers to this question were given only by 6 % of respondents. In response to the question of whether respondents would be willing to pay extra for a meal prepared from organic products, the answers were ambiguous - the majority or 46 % would be willing to pay extra; 21 % - would not be willing to pay extra; and 33 % did not have a clear answer.
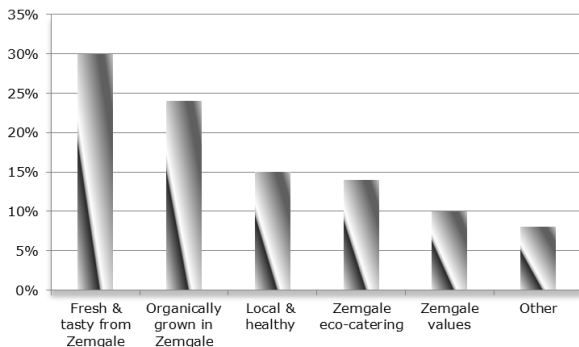
Fig. 3. **Respondents' readiness to pay extra for a meal prepared from organic products**

Specifying the respondents' willingness to pay extra for a meal prepared from organic products, the majority or 86 % claimed readiness to pay extra up to 25 % of a standard meal prices, but proportion of respondents who would be willing to pay extra more than 25 % for conventional food meal was 14 %. According to the results, it is clear that a meal of organic products in Zemgale should not cost more than 25 %.

The most often respondents' association with healthy meals related to naturalness - 24 %; quality - 24 %; and purity - 11 %. Besides the already given answers, respondents mentioned healthiness, ease, simplicity etc. answers.

The main reasons why respondents buy organic food is to improve the health and well-being - 17 %; to adopt healthy lifestyles - 13 % ;

and to support local entrepreneurs - 13 %. To sum it up, the most important aspects for the respondents are health and a healthy lifestyle; however, important factor is also the support to local businesses, which shows that the respondents are quite patriotic. The least significant factor was protection of the environment, which was supported only by 7 % of the respondents.

Source: author's calculations based on the survey data, 2016

Fig. 4. **Respondents' suggestions for the most appropriate brand name for promotion of healthy food catering services in Zemgale, %**

In respondents' opinion, the best formulations for a "green" product brand name could be "Fresh & tasty from Zemgale" – 30 % and "Organically grown in Zemgale" – 24 %. Alongside with the authors' suggested brand names (Figure 4), the respondents also mentioned "Zemgale Bio", "Bioteka", "Biotasty", "Natural from Zemgale" and "The taste of Zemgale nature". The suggested brand names give evidence that for the respondents local origin food is very important since in the majority of brand name ideas the word "Zemgale" dominated together with adjectives "fresh", "tasty" and "organic". Asked about the colour or colours with which the respondents associate healthy food logo, in most cases (62 %) the respondents associate it with traditional colour of eco products – green; 14 % - with white and 13 % with yellow 13 %. All the respondents suggested avoiding of black, purple and grey colours mentioning them as inappropriate for the given brand image. Regarding the symbols that the brand image could contain, for most respondents (62 %) healthy food service providers associate with vegetable symbols (leaves, grass, cereals, flowers etc.) while 19 % of the respondents suggested to use the symbols of nature (forests, fields, sky, rivers etc.). Several respondents thought that a "green" product brand image should reflect a human's interaction with nature.

Finally, the last question was an open question - the respondents gave their proposals on what could be the most appropriate message or slogan to describe the "green" brand a healthy catering services. There were a number of options suggested, of which the authors chose the ones with similar ideas.

- "Delicious and clean, free of chemicals!"
- "Zemgale eat green!"
- "Delicious and healthy=beautiful and happy!"
- "Gentle nature - safe for food!"
- "Eat green, live green!"
- "To your health, Zemgalietis!"
- "Healthy meals from Latvian plains."

The authors also conducted slogan analysis, which showed most frequent words in the messages of the respondents. The most commonly used words such were "fit" and "healthy" (47 times); words associated with food and eating (44 times) the words associated with "green"; (32 times), the word "Zemgale", (26 times); the words "live", "life", "alive" (18 times) and the words related to "organic" (7 times).

The next part of the research employed in-depth interviews with seven experts who are either marketing area professionals or are involved in public catering business (as owners of cafes/restaurants and/or their employees) and local food producers in Zemgale region who run their business according to sustainability principles. After extensive discussions with the experts, the authors concluded that in fact there were two different approaches, thus the "green" product brand developers should consider which of the two slightly different positioning strategies could be more appropriate.

According to the first strategy, this brand identity, the symbolic meaning tells about simplicity, naturalness, modernity, possibly by using the symbol of green apple and green leaves symbolizing fertility, purity, and health.

Whereas according to the second strategy, brand image would emphasize the belonging to a particular place or region, and would indicate where the products came from. This brand name would manifest: "Grew up in Zemgale!" and would carry the idea of a sustainable life-cycle within the eternity and infinity.

Nevertheless, the authors would like to emphasize that the establishment of a "green" product brand's positioning strategies due to the limitations of the paper volume are currently offered as a rough forerun and general drafting how this brand might look like and what aspects of its image could be further elaborated by brand developers. For further studies, it would be advisable to clarify and develop this "green" product brand idea by involving more marketing specialists and experts as well as potential partners interested in collaboration.

Conclusions, proposals, recommendations

1) Since "Sustainable Development Strategy of Latvia until 2030" and "Zemgale Planning Region Sustainable Development Strategy 2015-2030" intend to develop a "green" country and a "green" region image, the establishment of a "green" product brand for sustainable catering services in Zemgale and its further branding strategy is topical.

2) The survey of Zemgale population revealed that 55 % of respondents would choose local sustainable caterers that use organically certified and locally sourced food products, and 86 % of respondents would be willing to pay extra 25 % for a meal made from organic products, which strongly justify the idea of developing a "green" product catering services' brand in Zemgale.

3) The survey results show that Zemgale respondents are quite patriotic, proud of their place of residence and local origin food is very important to them. Consequently, the majority of the suggested brand names, slogans and brand image symbols were associated with the word "Zemgale". However, the most often suggested colours for the trademark were green, white and yellow colours, which do not fully comply with the colours dominated in Zemgale logo, which contains blue and white colour. In authors' opinion the influence of green, yellow and white colours could be connected with the strong influence of the Union of Greens and Farmers, which is an agrarian political alliance in Latvia with particularly strong position in Zemgale region.

4) After the in-depth interviews with seven experts, the authors summarized that the "green" product brand for sustainable catering services in Zemgale could on the one hand carry the ideas of simplicity, naturalness, modernity, but on the other hand - sustainable life cycle within the eternity and infinity. The positioning approach should be clarified in further feasibility studies of this "green" product brand idea by involving more specialists and experts as well as potential partners interested in collaboration.

5) In authors' opinion, the most serious obstacles for the "green" product brand development in Zemgale would be its competition with the existing national significance quality brands such as "Zala karotite", "Latvijas ekoprodukts", "Vertigs products", which needs to be further assessed by the developers of this brand.

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