THE INFLUENCE OF DIRECTLY OBSERVABLE FACTORS ON THE BEHAVIOR OF THE ORGANIC AGRO-FOOD PRODUCTS CONSUMER

Oana DURALIA [1]

"Lucian Blaga" University of Sibiu, Romania

Abstract

It is no longer a novelty that the whole activity of an organization is aimed at best satisfying the requirements of consumers. Only in this context is it possible to discuss obtaining of a profit that will provide the organization with the necessary resources for the continuation and, as the case may be, the extension of activity. However, what is emerging as an extremely interesting marketing phenomenon that has been analyzed in the past 10-15 years is the orientation of the demand of an increasing segment of consumers towards organic products, and especially towards organic agro-food products aimed at satisfying the existential needs of the individual as a consumer.

Thus, the present paper targetsthe highlight of a customized analysis of the factors with a direct observable influence on the behavior of the consumer of organic agro-food products, made comprehensive by the presentation of statistical data from secondary data sources regarding the behavior of the European consumer of organic products.

Keywords: consumer behavior, directly observable influence factors, purchase decision, organic agro-food products.

1. Introduction

Over time, studying consumer behavior has been a concern for many specialists, and the multidisciplinarity of the field made possible approaches from the sphere of sociology, psychology, anthropology, micro and macroeconomics, and last but not least from the field of marketing, the latter being considered the reference point in the investigation of the consumer as a

[1] *Associate professor PhD., Faculty of Economic Sciences / Department of Management, Marketing, Business Administration, , Romania, oanaalexa@yahoo.com*

central element in guiding the marketing activity of an organization (Solomon, 2004).

Since the 1970s, the problem of studying consumer behavior has represented a distinct field of marketing science, the concepts of marketing as a science at that time being those of production, product and sales, while marketing aimed attransforming the consumer's wishes and needs in a real demand that manifests on the market at a certain time, and for the satisfaction of which a whole marketing toolbox, known as marketing mix,is used (Schiffman & Kanuk, 2007).

Philip Kotler (1969) is the author who has attempted to explain consumer behavior through a systemic approach according to which the consumer's manifested behavior is the "exit" of the system, the result of the manner in which the individual receives, processes and interprets "inputs", i.e. all the psychological processes interposed between inputs and outputs at the level of the "black box", the human brain respectively.

In the opinion of authors of Loudon & Bitta (1979), consumer behavior is "the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services".

In another approach of the reputed specialists Engel, Blackwell and Miniard (1986), consumer behavior is defined by "those actions of individuals directly involved in the process of obtaining and using goods and services, including the decision-making process that precedes and determines these acts".

Synthesizing, "consumer behavior can be defined, in a specific approach, as a multidimensional concept, viewed as a specific result of a system of dynamic relationships between perceptions, information, attitude, motivation and actual manifestation that characterizes the integration of the individual or of the group in the space described by all the consumer goods and services existing in society at a given moment, by individual or group decision-making acts"(Cătoiu & Teodorescu, 2004).

2. Customization of directly observable (situational) influence factors on the behavior of the consumer of organic agro-food products

One of the main marketing concerns in studying consumer behavior is understanding how consumers make purchasing decisions, a process that allows marketers to analyze the factors of influence on consumer behavior and to come up with effective marketing strategies that enable them to target the

specific consumer segments in an economic context characterized by globalization, on the one hand, and by the need to adapt the marketing approach to the peculiarities of consumer behavior, on the other (global strategy). Ignoring the action of the influence factors on the consumer's manifested behavior can make the difference between the success and the failure of a business.

Understanding human behavior in general, and purchasing and consumption behavior,in particular, has always been a major challenge. So far, there is no model of consumer behavior that synthesizes the complexity and diversity of the action variables on the individual in his capacity of buyer, decision maker, financier and / or consumer of products, services, ideas or experiences.

As Philip Kotler (1997) appreciates, "though the needs are few, a man's wishes are very different and constantly shaped by social forces and institutions such as the church, school, family, and large corporations".

In general, a number of factors influence the behavior of the consumer, either directly observable (demographic factors, economic factors, marketing mix factors, situational factors), or deduced, including endogenous and exogenous factors (Cătoiu & Teodorescu, 2004).

As mentioned above, the purpose of this paper is to identify the directly observable factors of influence on the consumer's behavior of organic agro-food products.

From the perspective of the consumer, the benefits of organic agro-food consumption can be summarized as follows (OECD, Pedersen, 2016):

- Benefits closely related to the protection of the environment. In recent years, the accelerated increase in the consumption of goods and services has generated a negative impact on natural resources and implicitly on the environment, which has led to the appearance of greenhouse effect, increased pollution, and major flora and fauna imbalances. In this context, the development of the organic farming sector comes to support the adoption of an agricultural production system that is able to protect the soil and water resources from the action of pesticides, by encouraging biodiversity and social development in rural areas.
- Ethical and moral benefits. Although the differences between conventional and organic farming systems are very well defined, they are not reflected in easy-to-quantify differences in finished products,

so the consumer of organic products bases their decisions on the existence of ethical and moral standards applicable in the field.

- Benefits related to health. The consumers of organic agro-food products are informed about the health impact of the nitrites used in the processing of conventional products and genetically modified organisms, and therefore they pay particular attention to the source of food and the way in which it is processed.

Although considerable efforts have been made over time to identify individual variables (perception, motivation, personality, attitude) that determine and guide consumer behavior, ignoring or minimizing the role of situational factors as determinants of sustainable purchasing behavior is considered to be an error in assessing consumer behavior (Kostadinova, 2016).

Therefore, the analysis of directly observable factors of the behavior of organic agro-food consumer revealed the following:

- In the attempt to typify the influences of the *demographic and economic factors* on the behavior of the consumer of organic agro-food products, it can be appreciated that it is characteristic especially to females with a high level of education, predominantly residents of urban environments, with high personal and family incomes, taking into account the fact that the prices of organic products are higher than those of conventional products. However, what is highlighted in terms of economic factors is that there is no direct proportionality between income and sustainable consumption, since the reduction in consumer incomes does not affect the consumption of organic agro-food products, which makes the consumer much more vulnerable, pragmatic and more careful to the hierarchy of needs (Yankelovich, 2009).
- In the case of agro-food products in general, and ecological products in particular, *the quality and attributes of the product* interfere with the influence of the consumer's behavior. All five sensory receptors (vision, hearing, smell, taste and tactile sensitivity) are influential in the eating behavior. A very enjoyable sight will trigger appetite only if it coincides with a pleasant smell or taste according to previous experiences. In the case of some products, such as vegetables and fruits, the analysis of the exterior appearance, i.e. color, shape, different stains, and small incisions in the pulp, can offer the buyer

very serious arguments about the quality of the product (Manole, 2003).

- Particularly important in the consumer'sevaluations about organic food products is the information on the packaging of the product, such as the *eco-label and the information related to the certification of organic agro-food products.* If the consumer does not trust the institution and the certification method, the role of the eco-label is minimized in determining the consumer's purchasing behavior.
- Another aspect of the product that can influence the decision to purchase organic food products is *the image of the brand*. Considered as the totality of cognitive, emotional, and social representations of the brand in consumer memory, coupled with concerns about the purchase of environmentally friendly products, the brand of eco-products is an important criterion guiding purchasing decisions (Joshi & Rahman, 2015).
- In general, in the case of organic agro-food products, their *price* is higher than that of conventional products. In this context, the price variable appears as one of the criteria (but not necessarily the determinant) in the decision-making process of buying this kind of product. However, much emphasis is placed on the role of price as an indicator of the quality of organic products; a level that is 5% level higher than the price of conventional products can negatively affect the buying behavior (Vermeir & Verbeke, 2006).
- *The low availability* of organic agro-food products in groceries and supermarkets can be seen as a barrier to the manifestation of organic purchasing behavior and intention (Joshi & Rahman, 2015).
  At the national level, there are several distributors of organic agro-food products, of which Sano Vita, Solaris, Biofarmland etc., are the most noteworthy, supplemented by a number of brand producers who have tried to intensify their efforts towards this sector (e.g. LaDORNA, Napolact, which manufacture and distribute "bio" dairy products that can be found in the major supermarket and hypermarket networks). They are also joined by a number of small local producers and distributors which offer organic agro-food products through small specialized stores or through direct orders to exporters.
- The *physicalcomponents of the environment*, i.e.*the way of organizing the sales area*, constitute another major factor influencing the

purchasing decision of organic agro-food products. Temperatures, decorations, aromas, sounds, lighting, and various presentation patterns of goods or promotional offers can significantly influence the decision to purchase organic products (Cătoiu & Teodorescu, 2004).

- *The legislative context,* i.e. *regulations and standards currently in place* on the market, may encourage or hinder the consumption of agro-food products, and the government has a key role in promoting sustainable consumption (Kostadinova, 2016).

  In 2017, after almost 20 years of application of the old regulations on organic agro-food products, the European Union adopted a new set of regulations able to unify the production aspects and quality standards of organic product so that, irrespective of the country of origin or import, the consumer is sure of the same quality standards (www.ec.europa.eu)

Regardless of the manner of classificationand analysis of the influencing factors that act on the behavior of the consumer of organic agro-food products, it is essential to pursue research to deepen them in order to understand the processes taking place at the level of the consumer's "black box" and to empower those who encourage the consumer to orientate consumption towards environmental-friendly products, a gain for both the contemporary society and for future generations, resulting from the conservation of the resources the Planet needs for the survival of the human species.

3. The impact of the expansion of the organic agro-food market on the direction of the purchasing decision for European consumers

The research of consumer behavior for organic agro-food products is considered an extremely interesting but also particularly difficult approach in terms of the following aspects (Lockeretz, 2003):

- Organic farming has recorded an upward trend over the last 60 years, a period of spectacular changes in consumer-producer relations, and especially consumer-market relations, appealing to more and more complex and more explicit communication methods with target consumer segments, sustained changes and a legislative framework that has regarded organic farming as a priority objective in recent years (e.g. eco-label, organic certification standards etc.);
- The term "organic" is still unknown to many consumers and producers, and there are also manyunidentifiedconcepts in terms of the

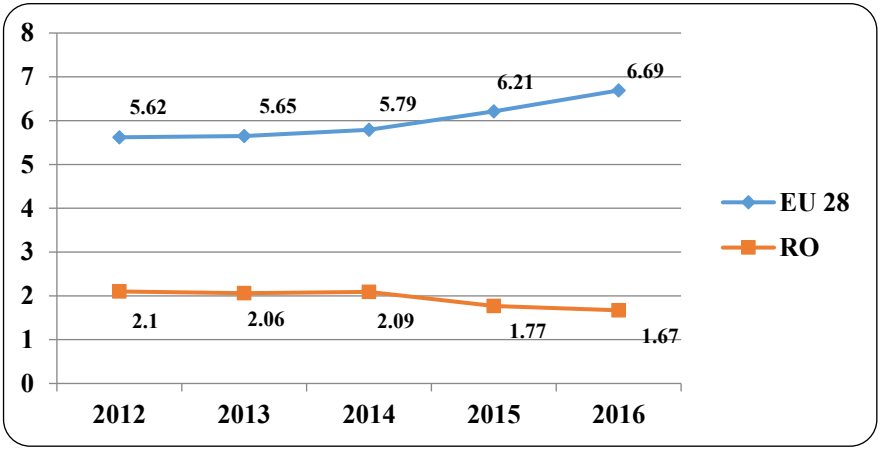
difference between organic and conventional products, namely organic products and those present on the market under the name of natural products;

- The consumption of organic agro-food products benefits not only the consumer, but also the producer, the environment, and the citizen, not necessarily in his or her capacity as a consumer, but as a member of the society as a whole;
- In spite of the fact that the consumer's attention is directed to the benefits of organic products consumption, organic production is mainly focused on how organic products are obtained, and therefore the body components of the product, i.e. the merciological properties of the product (e.g. nutritional value, aspect etc.) are viewed as secondary.

As mentioned above, there are many influential factors that act on the behavior of consumers of organic agro-food products. The present analysis of secondary data sources identifies only some of the factors that are directly observable.

Therefore, a first aspect deals with the emphasis placed in 2016 on the weight of the area for organic crops as compared to the total agricultural area, i.e. the production of organic vegetal products registered at the level of EU28 and the Member States, knowing that the existing market offer at one point it is an indicator that characterizes the organic agro-food market (Fig1 and Fig2).

Fig1. The share of organic food agricultural areas as compared to the total agricultural areas



Source: http://ec.europa.eu/eurostat, last update: 28,11,2017

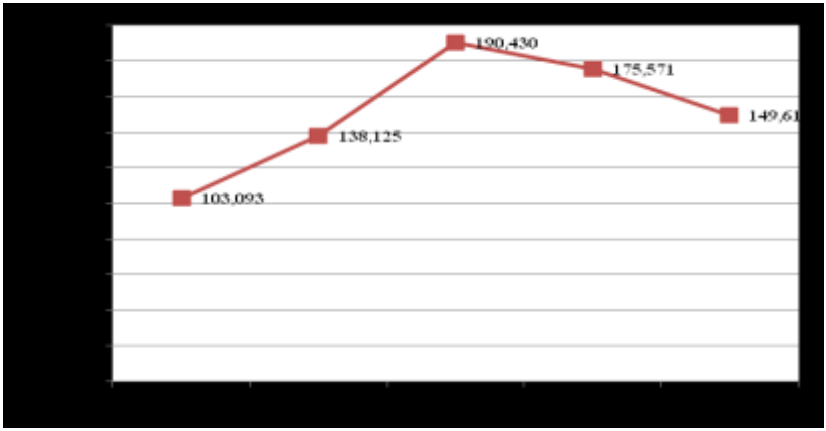
As noticed, the trend of the data for the EU28 between 2012-2016 shows an increasing trend of the ecologically cultivated agricultural lands, the highest increases occurring between 2015 and 2016 respectively.

For Romania, at the level of 2014, the highest values were recorded for both the total ecologically cultivated area and for the areas for organic crops, the last two years, 2015 and 2016, showing downward trends for both analyzed variables.

From the analysis of the data published by the European Commission in the report entitled "Facts and Figures on Organic Agriculture in the European Union" (www.europa.eu), it can be observed that at the end of 2015, at the level of the European Union, the most of the area cultivated ecologically in the total agricultural area belongs to Austria (with 19%), Sweden (15.4%) and Estonia (13.3%).

Regarding the destination of the ecologically cultivated areas at level of EU28, the same report mentioned above reveals that at the level of 2015, the highest share belongs to permanent pasture (58.4%), cereals (19.2%), permanent crops (15%) (3%) and vegetal crops (3.1%) (www.ec.europa.eu)

Fig2. The evolution of the area for ecological crops (ha) for Romania, between 2012-2016



Source: http://ec.europa.eu/eurostat, last update: 28,11,2017

Although at the level of the European Union there is an ascending trend regarding the areas for ecological crops, in Romania, in the last two years analyzed by the reports, namely 2015 and 2016, there is a noticeably decreasing trend, which is also confirmed by the decreasingnumber incertified organic farmers. In 2016 their number was 10,562, compared to 15,544 certified organic farmers in 2014. (www.madr.ro)

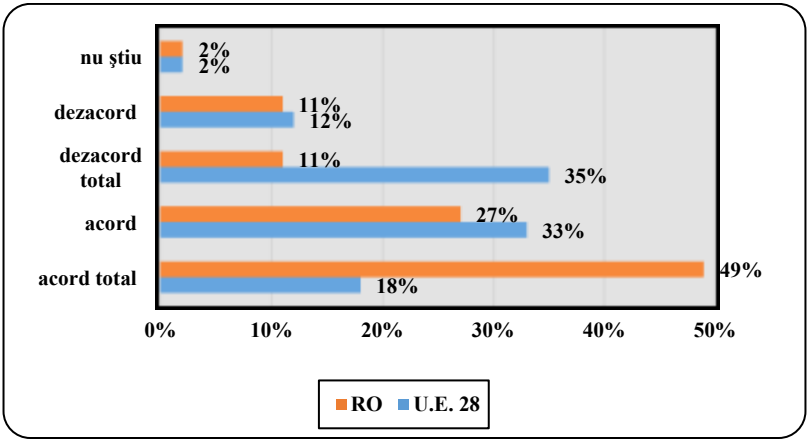
A possible explanation for this phenomenon could be the lack of consistent financial incentives to motivate agricultural producers to bear the costs of conversion of organic crops, on the one hand, financial costs (due to lower productivity), and, on the other hand, time costs (converting crops takes many years, during which products cannot be certified as organic).

An extremely important aspect to be pursued in the analysis of factors with a direct observable influence on the behavior of the organic consumer is the fact that consumers are aware of the presence of organic products in stores, easily identifying them due to the placement mode used in retail stores (Fig. 3).

As observed, 51% of the European consumers are of the opinion that organic products can be easily differentiated from conventional products due to the way in which the sales space is organized, the share of those who

believe that there is no differentiation in the placement of the two product categories being 47%.

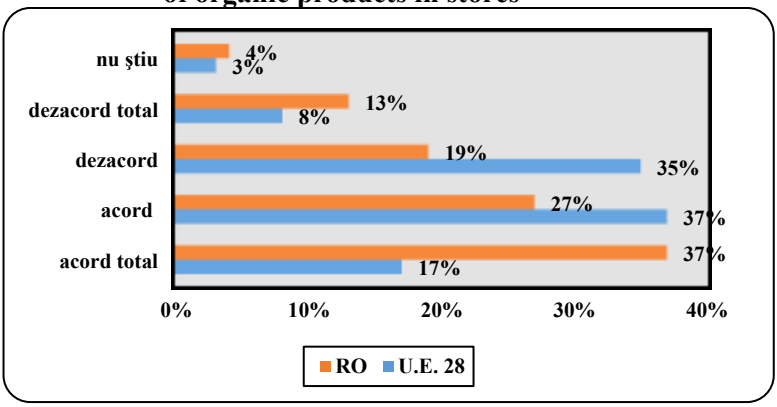
Fig.3 The opinion of European consumers regarding the differentiated placement of organic products in stores



Source: European Commission, FlashEurobarometer no. 367, Building a unique market for organic products, p. 34, 2013, www.ec.europa.eu

Another factor with a directly observable influence on the behavior of the consumer of organic products is their availability in the networks of stores, the degree to which these products are found in the offer of the shops influencing favorably or unfavorably the purchasing behavior of the European consumer (Fig.4)

Fig.4 The opinion of European consumers regarding the high availability of organic products in stores



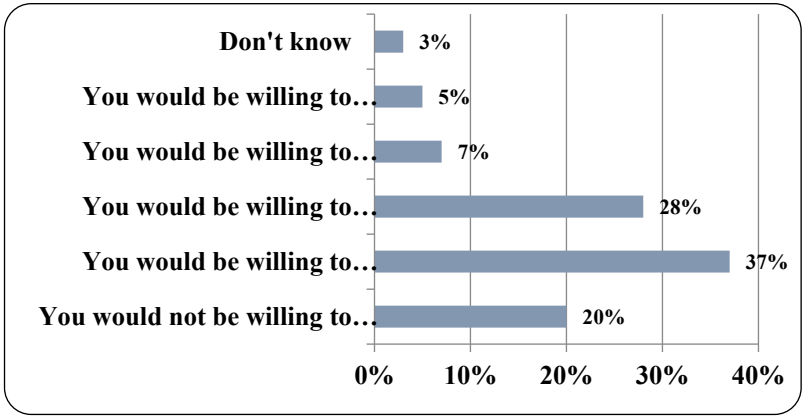
Source: European Commission, FlashEurobarometer no. 367, Building a unique market for organic products, p. 30, 2013, www.ec.europa.eu

The European consumers' view of the availability of organic products in the stores is somewhat divided, with 54% of the respondents considering that organic products are easily found in stores, compared to 43% of respondents who have the opposite view. At the level of Romania, the distribution of opinions is in favor of those who appreciate that the range of organic products is easily accessed via commercial networks (64%), while a percentage of 32% of co-nationals disagreed with this view.

It is well-known that price plays an important role in guiding the consumer's decision towards organic products, which generally have a higher price as compared to conventional products.

At European level, from the analysis of secondary data sources published by the European Commission, it can be noticed that 38% of consumers have indicated an acceptable price level for organic products by 5% higher compared to the price of conventional products, while 28% of the respondents agreed on a price level with between 6% and 10% higher. 7% agreed to pay between 11% and 20% more for organic products, while only 5% of the respondents accepted a price level higher by 20% compared to conventional products (Fig.5).

Fig.5 The degree of acceptability of a higher price of organic products as compared to conventional products



Source: European Commission, FlashEurobarometer no. 367, Building a unique market for organic products, p. 55, 2013, www.ec.europa.eu

Surprisingly enough, at the level of Romania, the total share of those who declared willing to pay more for organic products compared to conventional ones was 81%, 4% higher compared to the share of favorable answers in the European Union, while only 17% of Romanian respondents declaring they are not willing to pay a higher price for organic products.

4. Conclusions:

The orientation of the consumer's decision to acquire organic products, particularly organic food products, is largely influenced by the degree to which they perceive the attributes of organic products and, implicitly, the benefits of using them both individually and socially.

The consumers'decision to buy organic products can be interpreted as the result of a strategy to reduce the risk and maximize the consumers' expectations regarding the quality of organic products, knowing that these consumers associate the higher price they pay to organic products with a superior net quality compared to conventional products.

In this context, the marketer's role is to find the appropriate means of communication that draws public attention to the benefits of organic products, but does not diminish the role of the other components of the marketing mix

so that the consumer could get the right product at the right price at the right time and place to fulfill his needs.

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