

Evaluation of Green Marketing Activities in Scope of Local Food Systems' Sustainability Enhancement in Latvia

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Annotation: The paper reveals problems of Latvia food system's sustainability. Due to globalization effects resulting in taste unification and powerful commercials of global food manufacturers consumers, especially young people, start losing their connection with natural and traditional food sources. Despite costly social marketing projects promoting healthy eating, which were implemented during the last three years, consumers still get confused in shopping for food as similar label logo colours, symbols and slogans are often misleading and shoppers lack practical information about product labels used in food industry.

The research is focused on finding out young people's awareness and attitude to local food system's sustainability issues. The author has analyzed previous green marketing activities targeted at youth and has suggested some possibilities how to enhance local food system's sustainability.

Key words: consumption, product label, green marketing

Topicality of the research

The fact that nowadays convenience is the value is vividly demonstrated by 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 – 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 all in all organic farming and industrial food production can be regarded as two polarities of the same continuity.

Gustavs Norkarklis, the head of the Association of Latvian Organic Agriculture (hereafter – ALOA), admits that the main difference between organic agriculture products and conventional agriculture products lies in the fact that organic products have much better nutrition value than those products currently at cheap available in the shops. Moreover, G. Norkarklis emphasizes the results of the latest ALOA research, which reveal that during the last 20 years the global food consumption has increased twice, however this food is with less energetic value than before. Consequently, we spend much money for poor quality food (Tomsone 2011).

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 20th century as the combination of theory and practice integrating a wide range of alternative agricultural production methods. However, despite expression of various trends and vitality, organic farming in Europe yet remained underdeveloped for many years. In order to satisfy European society urgent needs for food and self-sufficiency, in 20th century 50ies the main task of agriculture was rapid increase of productivity. Under such conditions organic farming was considered as unprofitable and disadvantageous. However, in the 60-70ies 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 file style. These organizations gradually created their product specifications and regulations for production methods (Melece 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 which 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.

Currently, 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), “Zaļā karotīte” (Green spoon), “Dabīgs produkts” (Natural product) and many other. Among the mentioned labels “Zaļā karotīte” 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 – “Zaļā karotīte”, 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 “Zaļā kartotīte” 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 2010). At the same time unfortunately it is commonly known that

“Zaļā karotīte” 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 during the economic growth period until 2007 the state significantly supported the Latvian food market incentives in the form of subsidies, today it is important to find out if currently, when economic growth has become slower, consumers have become more rational and in circumstances of limited budget and abundant range of food products can purposefully choose the most appropriate product and are aware of product labels. 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 greenwashing 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 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!”. Unfortunately, consumers’ motivation and awareness why they should support directly local producers often is primitive and based on false stereotypes, e.g. Lithuanian or Polish farmers export to Latvia all those products which they would never consume themselves, i.e. the lowest quality products, which is often only an unreasonable assumption. Unfortunately, an average consumer rarely thinks of a food system as such and its sustainability. Nowadays nobody should feel guilty about eating a mango, but at the same time there are a lot of reasons to appreciate food that has grown closer to home. The term “food system” is used to describe the following interrelated activities: agriculture and food production; processing, marketing, consumption, waste management (Melece 2012). The Figure 1 simplistically describes the chain of the food system.

The professor Ligita Melece, Head of Department of Quality and Environment Protection, Latvian State Institute of Agrarian Economics, considers that 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 (EU, 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’s 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. Georg 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 food systems and their principles, already in the primary education establishments pupils are taught the basics of healthy and sustainable lifestyle both in biology and sport lessons. Also informative campaigns on products necessary for human health have been widely carried out in mass media during 2009-2012. These advertising campaigns have been 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. One of the main target groups on whom these campaigns were focused was youth. Intense schedule of studies, easily accessible fast food, and pre-fabricated food in supermarkets as well as the influence of global culture are the factors that significantly affect young consumers’ behaviour of shopping for food.

During the same period of time, Latvian Young Farmers' Club (LYFC), which is a NGO rural youth organization, alongside with the previously mentioned advertising project activities organized its own special campaign targeted at children and youth about necessity to consume fresh fruit and vegetables. Regarding the financing of this organization’s activities, LYFC’s activities cost 107 thousand EUR (50% of the costs was covered by the EU, 20% - by the NGO and 30% - by the Ministry of Agriculture).

Nowadays, youngsters’ behaviour in any public place (e.g. bus stop, public gym etc.) is seriously affected by high budget corporate food manufacturers’ posters, and looking with a child’s or youngster’s eyes, food can be bought almost everywhere (e.g. in the building materials store, car service), and if it sold everywhere then possibly it can be produced from everything. Therefore, the problem with our next generation is losing a link between food and its producer, weak understanding of modern farming, what it means to be a farmer, and what the farming conditions are.

The author of the article wanted to find out the knowledge, attitude and comprehension of modern food systems’ sustainability as doubts if inconsecutive and inconsistent widely broadcasted and costly social marketing campaigns can give the expected results and enable young people to understand the complexity of the problem.

The research aim and methodology

To evaluate the results of the previously performed green marketing activities in Latvia, the author organized the survey and the **aim** of the research was to detect young people’s comprehension of local food system’s sustainability enhancement issues. The aim of the research has set the following **tasks**:

- 1) to find out young people's awareness and attitude to different meaning labels on foodstuff packaging;
- 2) to find out young people's knowledge of local food system sustainability enhancement possibilities and availability of local food in shops;
- 3) to find out the experts' opinion on possibilities how to improve Latvian food producers and processors' green marketing activities targeted at youth.

In scope of the first phase of the research, the author organized a sociologic survey, in which 20-25 year old students of two colleges (located in Riga), one university college (located in Riga) and one university (located in Jelgava) participated. During the research, 99 students were surveyed.

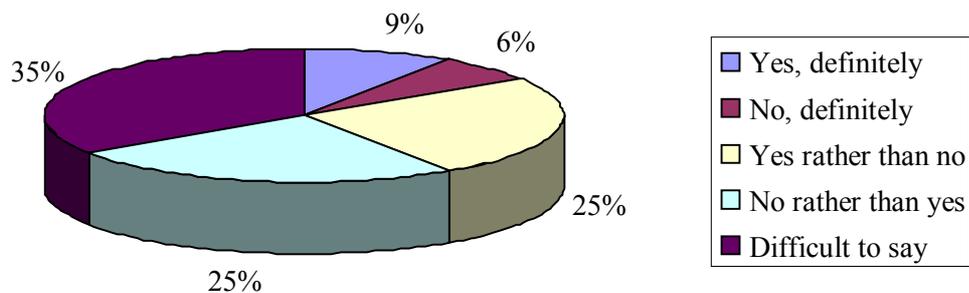
Whereas in the second phase of the research, the author performed hierarchy analysis to detect specially selected experts' priorities regarding the further green marketing activities targeted at youth.

The author of the paper has used monographic method, the method of analysis and synthesis, statistical methods as well as analytical hierarchy analysis for the statement of the research problem, development of the survey questionnaire and experts' interview, the obtained data processing and analysis.

Empirical study characteristics and results

The respondents of the survey were youth (according to Youth Law, as youth can be regarded young persons 13-25 year old) living in both rural areas and cities of the Republic of Latvia. The respondents were surveyed in person and had to answer on 12 questions of which one part was open questions and the second part was closed questions.

Do you think your food consumption habits are sustainable?



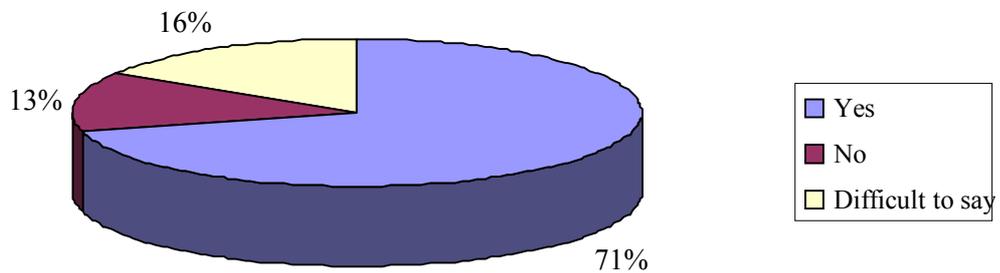
Source: author's survey, 2012

Figure 1. Respondents' assessment of their food consumption habits' sustainability

The aggregated answers of the respondents in Figure 1 reveal that the biggest part of the respondents has no clear opinion on what can be regarded as sustainable food.

In the second survey question, the respondents were asked if they are well informed about what healthy food is. As revealed in the Figure 2, the majority of respondents despite the unconvincing answers on the first survey question now have been more confident of the information sufficiency and claimed that they, as food shoppers, are enough competent and are well oriented in different food products' labels.

Are you well informed about local food labels?



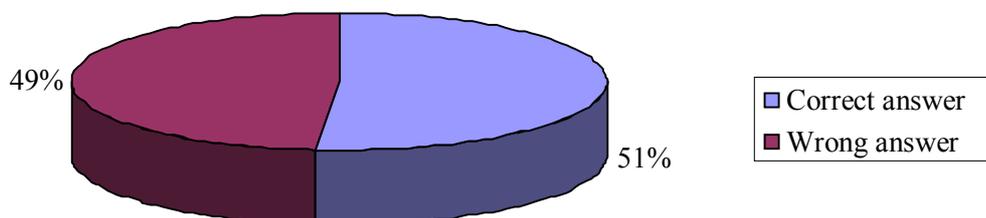
Source: author's survey, 2012

Figure 2. Respondents' assessment on their ability to orient in food labels

In the next survey questions, the author checked the respondents' knowledge of several different food labels widespread in the shops, paying special attention on respondents' awareness of organic products' label „Latvijas ekoprodukts”. The respondents were asked to define the meaning of the below placed food labels.

Latvijas Produkts - Kvalitatīvs Latvijas Produkts - Latvijas Ekoprodukts - Dabīgs Produkts

According to the the survey results aggregated in the Figure 3, almost half of the respondents have incorrectly indicated the meanings of the labels. Therefore, here the contradiction between the previously claimed respondents' confidence was detected. Most often the respondents confused the labels “Latvijas ekoprodukts” and “Zaļā karotīte” thus considering that “Zaļā karotīte” is the label that is used for marking organically grown and processed products. Whereas almost every fifth respondent considers that “Latvijas produkts” contains no food additives, which is not true either.



Source: author's survey, 2012

Figure 3. Respondents' knowledge of food labels widespread in Latvia

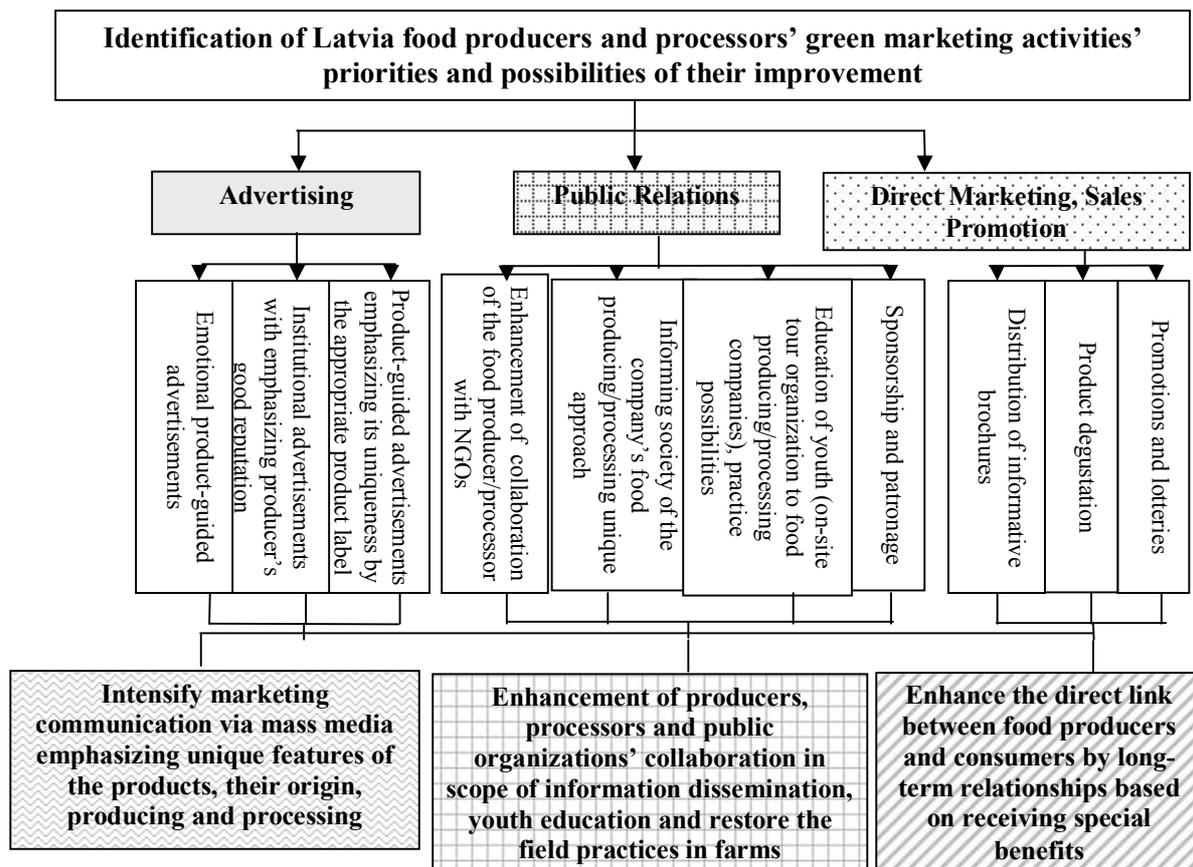
In the next question, the respondents were asked to indicate the most visually attractive label to which they trust most of all, and the label “Zaļā karotīte” won an overwhelming majority – 44% of respondents’ voices, in the second place was selected “Latvijas ekoprodukts” with 26% of voices. Therefore, the conclusion is that “Zaļā karotīte” marketing activities during its 8 years of existence have been much more efficient than other labels.

In the survey questions about places where healthy products can be bought, the respondents’ answers revealed that big part of youngsters are poorly informed about alternative shopping possibilities (such as farmers’ produce delivery to homes; farmers’ markets; farm stands – in farms or roadsides, cooperative or local government shops, which do exist in Latvia, and of course e-commerce possibilities) considering that supermarkets are almost the only possibility where food can be purchased. In general, also the awareness of eco shops in Latvia (e.g. Biotēka, Dabas bode, Zaļā govs etc.) was unfortunately very low.

On the question „What kind of healthy products would you like to consume more, if you had such possibility? „, the respondents claimed that they would consume more fruit and vegetables grown in (apples, strawberries, blackberries, plums, cherries) which despite abundant choice of exotic fruit available still long for fruit grown in Latvian climate latitudes

In the rest of open questions, respondents’ answers give evidence that the poor knowledge of youth and their unwillingness to get involved in healthy food consumption activities outgrow in indifferent and sometimes even sceptical young generation’s attitude to efforts of active society individuals to change the former habits harmful for health and environment pollution.

In order to have deeper insights into marketing tools’ potential for the further solution of this complex problem, the author performed four experts’ interviews. The experts were – the founder of Latvian Marketing Association, publicist and expert of organic products’ marketing; a commercial director of a middle size food processing enterprise; a qualified psychologist; a twenty-three-year-old manager of students’ self-government at a university college. To find out the experts’ priorities regarding further directions of Latvian food producers and processors’ green marketing activities in Latvia, the author used a hierarchical analysis method for decision-making. The pyramid of green marketing elements’ dominants is described in Figure 4.



Source: author's construction, 2012

Figure 4. The pyramid of Latvia food producers and processors' green marketing activities' elements dominance

Next task was to detect the extent, to which each of the three green marketing dimensions criteria are more important or accordingly less important than the other two dimensions' criteria, using a specially elaborated matrix for the comparison of criteria groups. After aggregating the four experts' opinions and performing appropriate calculations the author detected that from the three green marketing dimensions, the dimensions "Advertising" and "Direct marketing / Sales promotion" are equally important (the arithmetical mean of their priority vectors' coordinates were 0.236 and 0.262), whereas the dimension "Public Relations" was significantly more important (the arithmetical mean of the priority vectors' coordinates was 0.414). In the dimension of "Public relations", the experts consider that the most important activities are "Education of youth (on-site tour organization to food producing/processing companies) and youth practice possibilities in food processing / producing enterprises.

Regarding the experts' total evaluation of the elements of green marketing activities by all criteria comes, the equal importance to marketing activities in experts' opinion is the necessity of Enhancement of producers, processors and public organizations' collaboration in scope of information dissemination, youth education and restore the field practices in farms (variation coefficient – 14%) and enhancement the direct link between food producers and consumers by long-term relationships based on receiving special benefits (variation coefficient – 21%), whereas intensification of marketing communication via mass media emphasizing unique features of the products, their origin, producing and processing was evaluated as less important (variation coefficient – 49%).

In general, the method of the hierarchy analysis comes up with a convincing answer that further on the most important measures for the improvement of green marketing activities are related to combining social mobilization marketing activities and building direct relationships between food producers and consumers. As by their mentality Latvian citizens have always been characterized as quite reticent and solitary, in order to enhance consolidation of the stakeholders of local food system (i.e. farmers, producers, processors, public organizations, policy makers and consumers), it is necessary to organize consistent local food systems' enhancement programmes instead of emergent all embracing projects realized so far. It is important that youngsters are not only exposed to intensive advertising campaigns in mass media, which often cause only passive interest. It is necessary to cause active involvement of youth in decision making (e.g. in development of marketing campaigns); consistently continue thematic on site tours to farms (e.g. "apple festivals") to balance the interests of the involved parties, which have already been started and have been evaluated by youth as very entertaining and useful. Another aspect is building relations among local food producers and young consumers. Moreover, since maximization of qualitative Latvian food products' export has been declared as one of the national economy development priorities, and since export of food products to Russia and the EU in the last two years has reached its highest levels, it is necessary to plan high quality specialists' attraction to food production and processing industries. Therefore, it is highly important to encourage young peoples' interest in choosing their future jobs in specialties related to food production and processing technologies. Consequently, policy makers should emphasize the perspectives and potential of local food system in the context of Latvian youth employment in Latvia instead of becoming a guest worker abroad often with less prospects for career building. In this respect, it has been estimated that since the global financial crisis in 2007, every day more than 38 people leave Latvia for better life abroad (the UK, Ireland, Germany etc.). Consequently, sustainability of Latvian nation is to a certain extent determined by sustainability of local food systems.

Conclusions and Proposals

1. Nowadays, in the rich range of food labelling, young people often get confused, because similar label logo colours and symbols are misleading. Consequently, young 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 food industry.
2. Despite costly advertisements and sales promotions the link between food producers and consumers is poor. The participants of local food system, in scope of national green marketing activities' projects, should develop more solid relationships with their young consumers focusing on long-term social programmes (offering practice placement for youth, organizing on field tours to farms, processing workshops etc.) to ensure young peoples' as future labour force attraction in the companies.
3. Since maximization of qualitative Latvian food products' export has been declared as one of the national development priorities, and since export of food products to the EU and Russia in 2011 achieved its highest ever level, the education policy makers should make every effort to encourage young peoples' interest in choosing their future jobs in specialties related to food production and processing technologies. Therefore, the interest in food, its origin and processing technologies should be consistently taught from childhood through practical and entertaining activities but not only through inconsequent and passive information dissemination in mass media.

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