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## **ECO MARKETING IN AGRICULTURE AND BARRIERS TO ORGANIC FOOD SALES**

*Eco-agriculture is based on the biological approach, in which nature is a unified whole. Its aim is sustainable and ecologically balanced agricultural system producing quality food, protecting and using natural resources and landscapes in a sustainable manner. Market output of eco-agriculture is organic food. Its successful application in the market is distorted by the action of the barriers to their consumption and barriers to quality, price, situational, habit, motivation, information and trust barriers. To overcome these barriers contributes active using of eco marketing tools.*

**Key words:**

*Eco-Agriculture, Eco Marketing Barriers to Consumption, Organic Food.*

### **Introduction**

Eco-agriculture is based on the biological approach, in which nature is a unified whole. Its aim is sustainable and ecologically balanced agricultural system producing quality food, protecting and using natural resources and landscapes in a sustainable manner. Market output of eco-agriculture is organic food. For its successful application in the market, it is desirable to know the needs, capabilities and interests of consumers. In this respect, marketing as a part of eco-agricultural management is stated by the term eco marketing.

### **Aims and Methods**

The methodological approach is based on the aim of the paper, which is to analyze the roles of eco marketing in agricultural enterprises managing, as well as the analysis of consumer attitudes in relation to organic food and barriers to their consumption. Application of the methodology is based on a comparison of theoretical knowledge and practical experience in the business, supplemented by research activity of barriers to organic food sales. As a basic method is used the method of analysis, synthesis and comparison.

### **Research Results and Discussion**

Greening agriculture and protection of nature is a global concern worldwide. The idea of sustainable development of agriculture meets the eco-agriculture, which represents an alternative approach of agrarian policy and strives to produce healthy food by manner that conserves the environment (Horská, E. 2011). Nature is understood as a unified whole and duty of man is to manage agricultural production in order to become a

harmonious part of nature. By its orientation to the future tries to permanently ensure the survival of human society.

The primary economic motive for organic production, in addition to the implementation of the production process itself, is also dispose of the product without which is production inefficient and loses the main motivation factor of entities engaged in production activity, hence the possibility of profit. Worldwide sales of organic products is estimated on \$ 20 billion. It is expected that the share of organic food in total food market will grow from the current 2% to 5% - 8% in the next years.

The share of the organic food on the market in all countries is small, but there is significant potential for development in all regions of the world (Urgeová, J. 2011). There is still lack of marketing concepts that would effectively flesh out sales barriers and increased image of organic food.

Organic foods are now developed and produced primarily for a special target group, which consists of environmentally and health-conscious consumers who place an emphasis on environmentally friendly food. To reach this segment of consumers helps an active promotion of eco-marketing.

Eco marketing can be described as comprehensive drive marketing strategies and marketing tools to reduce the burden on business environment, to improve the natural environment of humans, animals and plants and to promote environmentally conscious lifestyle of consumers. Environmentally oriented marketing is constructive marketing, which focuses on creating long-term competitive advantages and responsible product. This leads to another thinking and other criteria priorities and gives new arguments leading to competitive advantages, breaking down the old barriers and prejudices and clichés. Ecology and Environmental Protection offer a variety of opportunities for innovation. This makes the ecology overall vision for marketing purposes (Kretter, A. 2005).

A common sign of marketing and eco-agriculture is that it is enable to achieve lasting benefits and sustainability of its subject matter.

As purposeful application of the principles of organic farming on soil towards the sustainable development of agriculture, also marketing method leads to sustainability and lasting success and of micro-enterprises. Performance advantages of eco- agriculture are:

- environmental protection
- natural rearing of livestock and its feeding
- healthy foods
- non-application of gene technology
- preservation of natural resources
- high consumer recognition
- defined corporate body system entrusted with the control by government
- significant contribution in ensuring the food for people in the world.

Ecological systems in nature are in dynamic balance and in the natural self-regulation. Balance and self-regulation are fundamental requirements for eco marketing. Eco marketing should minimize the negative effects of the economic measures on the ecology and considering the trends in consumer attitudes, which are characterized by increasing demands on comfort, enjoyment and diversity. For marketing system in the

green economy are valid the general principles of marketing with emphasis on the application of the environmentally-friendly principles.

Interest of marketing is based on the ecology of the growing pressure of the society to minimize adverse impacts on the environment. If businesses want to be successful in the marketplace, have to implement a long term strategy which integral part has to be the environmental concerns and the protection of the environment. This must be seen as an aim for all decisions.

Marketing and eco-agriculture are associated with competitive fight. While marketing is becoming crucial for companies and organizations in gaining competitive advantage in the environment full of opportunities and threats, the agribusiness try to get a competitive advantage in the market in terms of surplus conventional agricultural production by applying eco- agriculture in the practice.

The concept of environmentally oriented marketing explains the economic activity-oriented units for one or more market segments, which is conducted with aim to gain the profit, in order to produce organic products and convince customers to make an appropriate food purchasing decision.

The aim of organic products marketing includes:

- motivation survey of customers when buying organic food,
- overcome information about barriers and barriers to credibility of organic food,
- analysis of costs necessary for the production of organic food.

Synthetic summary of theory analysis and practical knowledge of the terms marketing and eco-agriculture suggests that green marketing is a general concept of organic products at all levels. This means not only consumption directly related to the beneficial effects on the environment, but also the ecological process in quality of production, processing and distribution.

From this point of view are particularly important following partial objectives:

- the fastest distribution of fresh produce,
- eco-treatment (saving of raw materials, environmental protection),
- values as a responsible business
- production-transparent process, taking into account the closed metabolism in the overall production and marketing process
- special consideration for the environmental performance of the consumer as a basis to meet consumer expectations in the development of the overall concept of production and marketing.

In social marketing - oriented company is its integral part also ecological management (Mura, L. 2006). In addition to the economic, commercial and social objectives of companies, ecology is accepted as an important factor and equivalent target of companies. Its determination and specifications are developed under the eco- concept of company, including specific approaches and measures. The core of all marketing questions solution is marketing mix. Environmentally oriented marketing mix combines balanced using of product, price, distribution and communication policy in order to satisfy all consumers needs and wants by offering the right products with respect environment. The base of product policy in eco-agriculture is organic product made according to the rules of eco-agriculture practices by registered manufacturers that are approved and listed in the rules of eco- agriculture. Organic food symbol can be

identified only on products that come from organic production. Product policy aims to ensure that the product is harmless, without any side effects, does not cause subsequent problems to the environment etc. The basic requirement for the processing of organic production is minimum depreciation and maximum preservation of the nutritional value of organic products.

Organic food production takes place mainly at place of the raw materials production and transportation of food over long distances is not in accordance with environmental principles. A further important requirement is to separate the area of the organic products production from the area of conventional products production. This helps to reduce the loss of valuable biological substances. An important indicator of product policy is the product life cycle. Ecological life cycle of product represents the chain of creating the values, in which plays a key role the production phase. This is closely related to the next phases and subsequent problems.

Ecological life cycle consists of these stages:

- phase of raw material assurance and energy inputs,
- production phase,
- phase of transportation, distribution and storage,
- consumption phase,
- phase of waste solution.

Ecological life cycle of product is noticeable at the various entities that are located on the vertical line of the product. Of these, the majority is outside the agricultural enterprise, but the dominant focus of treatment stages of production, direct or indirect responsibility lies precisely on this subject.

Price policy includes measures to set price and enforcement of enterprise requirements. Price is the only element of the marketing mix that produces business income. All other policies represents the costs. (Paluchová, J. 2012)

Price of alternative products is often higher than products produced by conventional way, related to the cost of their production. There are few reasons why organic food is more expensive than food from conventional agriculture:

- crops in eco-agriculture are generally lower, due to the renunciation of chemical synthetic fertilizers and plant protection equipment.
- organic farmers may breed less livestock on their area, thus produce less meat, milk and eggs per area unit,
- almost on one-third of the cultivated land should be cultivated legumes to ensure basic fertilization, otherwise that area might be used to grow plant foods,
- methods in eco-agriculture are difficult on labor, such as mechanical plant protection,
- on relatively small market of organic products has not been yet developed any effective structures of sales and distribution

Functional tools of price policy in eco marketing are also discounts for organic products and providing favorable payment terms for customers. In this regard, a reduction of higher prices may also contribute to the central support (subsidy agents and others) for the benefit of the products that are friendly to the environment. Distribution policy involves selecting appropriate sales channels, in which is accepted principle of

eco marketing. An important element is optimization of distance between the place of production, storage place and place of sales. For this reason, in most countries, there is mainly regional sales of organic products. In the international exchange of goods, organic products are traded mainly as the raw material, and less as finished products.

On the market generally applies different forms of organic food sales. Each of them has its advantages and disadvantages, which the producers must take into consideration when choosing the appropriate sales channel. In the practice, our farms meet with the two basic forms of organic food sales – sales to the wholesalers and direct sales to the end consumers. Communication policy takes very important place in the marketing mix of organic products. Its mission is to promote the consumption of products that are friendly to the environment and to create awareness of the need to preserve nature and ecological benefits. At the same time should help to overcome the purchasing help barriers on the side of consumers. Crucial tool in this respect are advertising and public relations.

Aspects for purchasing the organic food are at the municipal level health, food safety and preservation of sustainable development of natural resources (Nagyová, L. 2012).

However in practice, the large part of consumers purchasing decisions are influenced by existing barriers:

- qualitative barrier
- price barrier
- situational barrier
- habit barrier
- motivational barrier
- information barrier
- trust barrier.

#### Qualitative barrier

Part of organic food products is characterized by its unusual taste or appearance. Consumers have just a little choice in comparison with conventional offer of food. That organic food products are more appealing to the general public, are thought necessary measures in the field of product policy. New organic food products have to represent the nutritional trends, and requirements for taste. Barrier to buy is also the aesthetic deficiency for many organic food compared to conventional food. By a help of artistic diversity of package design, organic food must attract the attention of the buyer. Relying on fact, that this kind food is bought only by bio consumers is not perspective and the offer should be directed to a wider range of consumers. In this regard, there is a number of opportunities to improve the existing situation. The barrier in purchasing decisions of consumers are seen only occasionally in some products of fresh vegetables.

#### Price barrier

Price barrier is one of the most important barriers to market development of organic food. The high price of goods exceeds the consumer willingness to buy. Price barrier strongly affects information barriers and barrier of trust. Because a decrease in prices of organic products is limited, they should seize the opportunities of marketing in relation to other barriers. The importance in mainly on using the communication policy, active work with the public (Public Relations) through the media inform consumers about the special organic food, a higher need for human labor in its production and thus

seek their acceptance of higher prices. Advertising may indicate special value of these products and thereby increase confidence in the value of the higher price. The effect of the price barrier is in direct relation to income levels of consumers. Income growth decreases the size differential perception of organic food prices and other foods. Elderly people and pensioners monitor this barrier very sensitively although they realize the positive benefits of organic foods to maintain health.

#### Situational barrier

Organic food is not normally sold at all the places where the conventional food. This causes the increasing costs for the consumer to go to another place where they can buy them and also the waste of time. Measures to overcome this barrier in the given situation lies in using the distribution policy to expand the supply network of retail stores. However, significant point seems to be also in using advertising and sales promotion. Current organic food consumers are willing to go to another distant grocery stores, if the one where they usually do shopping does not sell organic food. Situational barrier is a major barrier in the implementation of purchasing organic food. The problem is the range of offered assortment, unless it is a specialized organic food store.

#### Habit barrier

Habit barrier is associated with a reluctance to change the current method of buying food and eating habits. Options for reducing this barrier are in well aimed using of marketing tools of communication policy. Ads can caused the stimuli that may lead to a review of current approaches to nutrition. At the same time advertising has to justify the need for change and encourage a change in purchase decisions. As a result of the growing awareness of environmental issues among residents, this barrier can be described as latent. To overcome this barrier help also the problem situations with various food scandals, while closer to overcome this barrier are consumers who already buy healthy organic food.

#### Motivational barrier

Motivational barrier is characterized by a real lack of interest in organic food and the environment. It's an external problem, when the discovery ecology values is not positive perceived by a certain group of people. Reasonable arguments do not get any respond. Some people do not want to belong to the group of people with an ecological engagement. The only group of marketing tools that can influence these people are the tools of communication policy and may contribute to the gradual overcoming this barrier.

#### Information barrier

Information barrier occurs when a consumer has the little knowledge about the benefits and advantages of organic food. This situation may arise when the costs to obtain this information are too high or takes more time than is acceptable. The reason of this barrier is also the situation when the information is incomplete, disorganized, and such consumers do not trust the usefulness and importance of organic food. To overcome this barrier are used the marketing tools of communication policy, mainly well aimed advertising, public relations and personal selling. Generally, the more is society advanced, the easier is to beat this barrier.

### Trust barrier

Deficit of information about organic food causes distrust of consumers in the products. To help overcome this barrier are used the same tools like we use to overcome information barrier. Promotional measures for organic food do not have a purely informational nature, but they also have emotional content such as lifestyle, feelings etc. To overcome this barrier on the food market food can contribute the presenting of indicators of quality organic food and promise guarantee. This approach can be accepted by consumers as additional information that helps to assess the quality of the products. To deepen the trust can help the unions organic products manufacturers and unions for the protection of environment. Single logo applied in the EU countries as well as domestic organic products logo, logo in advertising or logo on packaging of products is seen as a guarantee of quality and authenticity.

### **Conclusions**

Eco agriculture, which is a producer of raw materials for organic food is currently being implemented in more than 120 countries around the world. Tendencies in developed countries recorded dynamic growth of this mode of food ingredients production. This is reflected in their awareness of the environment preservation and also awareness of the importance of healthy food. Specificity of organic food offer and its spreading is based on the application of marketing in the agri-food sector connected with the new demands of the consumer and his unpreparedness reserved approach to purchase organic food. To overcome barriers is primarily aim of to the rational application of eco marketing in agricultural and food companies, in trade as well as in the society at the level of nation.

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