

# Do marketing communications of local food on the points of sale work? Insights from Serbia

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## **Do marketing communications of local food on the points of sale work? Insights from Serbia**

**Abstract:** There is increasing consumer, retailer and policy interest in the sale of local foods; however, there is a little of evidence if promotional campaigns in shops provide sufficient results for the retailers. This study adopts exploratory approach and survey technique, including 172 of consumers. The results corroborate previous findings on this matter, discerning that elders and females hold more favorable attitudes to local foods. Opposite to other markets, households with lower income showed greater inclination towards buying of local foods, compared to better off respondents. The majority of shoppers in Maxi (retailer which has run pertinent campaign for several years) correlate image of this brand with local production, dissimilar to the perception of IDEA (which has not conducted any campaign of this sort).

**Keywords:** *local foods, points of sale, promotion, attitudes*

## 1. Introduction

Local food consumption has recently attracted a lot of attention globally (Skallerud & Wien, 2019) and the same trend has been noticed in Serbia as well (Ministry of culture and information, 2020). Recognizing the benefits of the local food shopping for the national economy, many public policy bodies have provided the additional resources in order to foster the development of local food systems (BMEL, 2018; Zhang, Grunert & Zhou, 2020). In line with this, the Serbian Chamber of Commerce launched the "Created in Serbia" project in 2020, so to support domestic producers. As part of this project, the best domestic products are certified with the "Houseleek" label („houseleek“ in Serbian means „home guardian“). The significance of this trademark is that it proves that major part of the value of the product was created in Serbia and when citizens buy products with this label, they finance not only the manufacturer, but also the entire supply chain (Serbian Chamber of Commerce, 2020). Only local companies who produce very high quality goods, either from domestic raw materials or with the help of Serbian designers and workers, are able to obtain this trademark.

Despite this rather ambitious project, the acceptance of local food by local consumers remained quite understudied in Serbian market. Moreover, even though the similar initiatives took place in the country in the previous periods (e.g. „Serbian quality“ stamp, „The Best from Serbia“ prize and stamp, „Soulfood Serbia“ campaign) little is known of the effects that these campaigns made to consumers' awareness of the importance of buying of the local foodstuffs. Finally, there is also a lack of evidence whether promotional efforts of local food consumption, made by particular supply chain subjects, affect consumers' willingness to buy this kind of the products. Consequently, the aim of this study is to explore whether long-term investments in the local food promotion result in better perception of the retailers in the domestic market.

## 2. Literature review

In the process of estimating of the potential for improvement of the local produce sales, both demand and supply sides need to be taken into consideration. With this respect, Brecic et al. (2021) cite the need for examining of both consumers' preferences toward local products and of points of sales offer of these local products. Main body of literature investigating consumer attitudes and behavioural intentions towards local foods predominantly pertains to developed countries (Bianchi & Mortimer, 2015), such as the United States, the United Kingdom, Germany, and Italy. Previous studies in Western Europe and North America distinguish a sizable group of consumers who value the localization of food production and claim that they are willing to pay extra for it (Tregear & Ness, 2005; Chambers et al., 2007; Onozaka & McFadden, 2011; Abrams & Soukup, 2017). Zhang, Grunert and Zhou (2020) draw the attention to the fact that subject research based on emergent economies remains limited, while more work is needed to establish the factors affecting consumer attitude and behaviour towards local foods in different cultural and economic contexts.

However, local food related to a particular geographical origin (region and country) usually lacks cost competitiveness compared with common types, which can be obtained from various territories. This causes that numerous retailers are hesitant to stock local products, stating insufficient demand (Feldmann and Hamm, 2015). Where available, sales of local foods are lower than forecasted based on consumer surveys, suggesting a substantial intention-behavior gap (Campbell & Fairhurst, 2016). Nevertheless, certain retailers opt to include local foodstuffs in their assortment and use it for their social marketing goals.

As well as retailers decide to offer local produce in their stores from various reasons, there are many drivers that motivate consumers for buying local (Weatherell et al., 2003), which can be generally divided into either societal or personal motivations (Miroso & Lawson, 2012). Societal motivations refer to shopping local groceries since they are assumed to be more environmentally sustainable and more socially responsible (it directly supports the local economy as opposed to larger business actors). On the other hand, personal motivations for buying local assume that this food is more pleasurable, healthier and safer than non-local food. Similar distinction between consumers' motives to buy local food is to intrinsic and extrinsic. Intrinsic motivations could be related to personal drivers, given that they consider a perceived dominance in terms of sensory characteristics, such as freshness or health benefits (Weatherell et al., 2003; Chambers et al., 2007; Megicks et al., 2012). Extrinsic motivations could be linked to societal group of motives, since they refer to wider concerns associated with supporting local economies and community, particularly farmers (Bingen, Sage & Sirieix, 2011).

The buyers of local food products appear to share same characteristics across the regions. Actually, previous work describes consumers of local foods to be: older (Megicks et al., 2012), richer (Brown, Dury & Holdsworth, 2009), rurally located (Racine et al., 2013) and female (Weatherell et al., 2003). Concerning determinants of consumers' choices, in a supermarket shopping environment, price and price-related primes are typically ubiquitous (Lichtenstein, Ridgway and Netemeyer, 1993). In this context, frugality as a goal may take precedence over ethicality, as the activation of money saving goals in a retail shopping environment is far stronger (Reczek and Irwin, 2015; Chartrand et al., 2008). Thus, the impulse of saving money may repeal intentions to purchase socially responsible goods in a typical retail environment (Shah & Kruglanski, 2003).

### **3. Research Method**

The research is conducted in Belgrade, capital of Serbia in the beginning of March of 2020. Belgrade is selected for this testing, due to the fact that a quarter of national population is situated in the capital, making it the most valuable marketplace for all kinds of products in the country. Overall, seven different municipalities (varying in their demographic, social and economic profiles) are included in this survey.

The research instruments were two questionnaires, which have been already verified and applied in Serbian market in previous surveys. The one questionnaire included questions on consumers' attitudes, subjective norms and purchase intention towards buying local food. In total, 38 respondents participated in this research. The other questionnaire investigated consumers' assesment of the specific retailer based on their perception of retailer's dedication to the support of local producers and sale of local products in their facilities; while sample encompassed 134 of consumers.

Two different retailers – Maxi and IDEA, the biggest by their market shares in the local market, have been chosen for the subject survey. The retailer IDEA has not been actively conducted a campaign for promotion of local products in their points of sales. On the other hand, retailer Maxi has run for several years intensive campaign for promotion of their local suppliers of fruits and vegetables. The examples of various promotional materials in their POS are presented in figure 1.

As clearly visible in the picture 1e, each creative solution of the promotional materials depicted: 1) producers (their personal picture and their name and surname); 2) types of vegetables and fruits that they produce (picture and name); 3) name of the village where it is produced (presented in the map of Serbia in the bottom left corner).

Figure 1. Points of sale placement of promotional materials



Source: Authors and <http://www.advertiser-serbia.com/istaknuti-komunikacijski-projekti-2018-mccann-beograd-i-um-beograd-znate-od-koga-kupujete-za-maxi-delez-srbija/> (Last accessed: April 21, 2021)

The following types of locally produced fruits and vegetables were presented: watermelons and melons; onions, radishes and greens; lettuce; cherry tomatoe; carrot (PDO protected); apples, plums and cabbage; and berries. The barriers featured different creative solution to others, presenting raspberries and blueberries in the front and blackberries and currants in the back of the picture (picture 1d). All of them are mostly produced in the South-Western part of Serbia. While other posters featured the message „You know who you are buying from“, this one presented message „They are not all the same“. The promotional materials are mostly located next to the products that they promote (e.g. lettuce, cherry tomatoe, blueberries), however, in the case of the bigger POS materials they are located all over fruit/vegetables departments (pictures: a, b, and d).

## 4. Results and discussion

### 4.1. Local/Non-local preferences

All questions in the survey, besides the ones that pertain to socio-demographic characteristics, employed 7-points Likert scales, ranging from 1 = completely disagree to 7 = completely agree. The grade 4 indicated that the respondent is indecisive and cannot tell if she agrees or not (neutral attitude). Utilizing the list of 36 statements (table 1; the statements which showed no significant associations with investigated variables are excluded from this presentation), consumers assessed their attitudes in eight domains: attitudes towards the purchase of local food, caring for local economy, health awareness, food for enjoyment, food as need, control over behavior, subjective norms and intentions to buy. The results are provided in the table 1.

Table 1: Measures of association between attitudes and consumers demographic and social attributes (Cramer's V and Gamma)

<i>Attitudes</i>	<i>Gender</i>	<i>Age</i>	<i>No. of children in hh</i>	<i>No. of people in hh</i>	<i>Income</i>
<b>Attitudes and engagement in the purchase of local food</b>					
<i>Local better than non-local food</i>	X	0.401**	X	X	-0.240*
<i>Before I buy it, I check if the fruit is local</i>	X	0.438***	X	-0.365**	X
<i>Before I buy it, I check if the food is local</i>	X	0.468**	X	-0.407**	X
<i>I know a lot about local food</i>	X	0.395**	X	-0.339**	X
<i>Before I buy local food, I know exactly what I want</i>	X	0.253*	X	-0.338*	X
<b>Caring about local economy</b>					
<i>Buying of local food supports local economy</i>	0.509*	X	X	X	X
<i>Buying of local food supports local agriculture</i>	0.456*	X	X	X	X
<i>Buying of local food supports my community</i>	0.599**	X	X	X	X
<b>Health awareness</b>					
<i>I think a lot about my health</i>	X	0.460**	-0.381**	-0.371**	-0.283**
<i>I am very conscious of my health</i>	X	0.530***	-0.353**	-0.383**	-0.238*
<i>I monitor changes of my health status</i>	X	X	-0.416**	-0.386**	-0.365**
<i>I am usually aware of my health</i>	0.517*	X	-0.384**	-0.436**	-0.390**
<i>I am responsible about my health</i>	X	0.342**	X	X	-0.368**
<i>I think about my health all day long</i>	X	X	X	-0.411**	-0.367**
<b>Food as enjoyment</b>					
<i>The food is the highlight of my day</i>	X	-0.401**	X	X	X
<i>I like to afford to myself some really tasty food</i>	X	-0.462**	X	X	X
<b>Food as need</b>					
<i>I don't care what I eat as long as I'm not hungry</i>	X	X	X	X	-0.318**
<i>I don't care how it is produced the food I eat</i>	X	X	0.385**	X	X
<i>I don't care what kind of food is served on feasts</i>	0.517*	X	X	X	X
<b>Perceived behavior control</b>					
<i>Whenever I want I can buy LOC instead non-LOC food</i>	0.564**	X	X	X	X
<b>Subjective norms</b>					
<i>Most people who are important to me think that I should buy a local instead of non-local food whenever it is possible</i>	X	X	X	X	-0.291**
<i>If local food is available, most people I appreciate would rather buy it instead of non-local food</i>	0.539**	X	-0.425**	X	X
<b>Intention to buy</b>					
<i>I will buy local food in the near future</i>	0.481*	X	-0.352**	X	X
<i>I plan to buy local food regularly</i>	X	X	X	X	X
<i>I intend to buy local food because of the long-term health benefits</i>	X	0.285*	X	X	X
<i>I intend to buy local food because it is safer</i>	0.484*	X	X	X	X
<i>I intend to buy local food because it is better for the environment</i>	X	X	X	X	X
<i>I intend to buy local food because I care about animal welfare</i>	X	0.343**	X	X	-0.283*

Note: \* - signifies that it is significant at 0.100 level, \*\* - at 0.050 level, \*\*\* - at 0.001 level

The results demonstrate that consumer's gender, household's income and number of children in the household do not make any differences in individuals' attitudes and engagement towards the purchase of local food. Consumers of older age and households with lower income prefer more LOC to NON-LOC food, compared to their younger or richer counterparts. The role of age and its strong inclination towards LOC food is consistently demonstrated in all statements. On the other hand, it appears that larger households are less ready to actively engage in the purchase of LOC food. Interestingly enough, price does not play any role in consumer's intention to buy LOC or NON-LOC food. Only variation in the caring about local economy is found regarding the respondent's gender – expectantly, females care more about local community than males.

Not surprisingly, personal characteristics of the survey participants are the major determinant of their health awareness. Females and older citizens put higher ponder to the changes in their health status than males and younger population. Contrary, households with higher earnings and of larger size (including the higher number of children) are less concerned about their health condition. This might be due to their easier access to medical help or less time available to dedicate to the monitoring of the individual's health state.

Furthermore, it appears that aging brings less enjoyment in food, or at least, it is less appreciated aspect of food intake. Wealthier households seem to be choosier, since they are less satisfied with eating whatever is served. Males ponder more the quality of food offered on celebrations than females, while the opposite is true in their perceived access to local food. Findings on the correlations between subjective norms and purchase of local food echo and confirm the previously described consumers' attitudes according to their personal characteristics.

Intentions to buy LOC food in the future also reveal no new information related to respondents' attributes. Women, more than men, are more prone to buy local food and consider it to be safer than NON-LOC alimentary. Older consumers distinguish long-term beneficial effects of LOC food to their health. They also perceive better animal welfare in the production of LOC food, conversely to richer respondents. Finally, more children present in the household appear to decrease chances that that family will buy local food in the near future.

#### *4.2. Maxi/IDEA retailer's perceptions*

In the examination of consumers' preferences towards local food, time is very relevant factor, given that changes can be ascertained in consumers' knowledge, attitudes and consumption in the course of time, due to various market interventions implemented in the meantime. As previously stated, we conducted the research among consumers of two retailing chains – IDEA (where no promotion of LOC food was undertaken) and Maxi (where continuous promotional campaign of LOC food has been ongoing since 2017).

The survey was organized as the intercept interview, where consumers were stopped on their exit from the particular supermarket and asked to be shortly interviewed. One working and one weekend day were selected for conducting the interviewing, in order to ensure diversity of consumer groups. This study tests whether continuous exhibition to promotional materials on the points of sale affects consumers' attitudes towards local food consumption.

The first stage of the analysis is to establish whether there are significant differences between consumers' of these two shops, in terms of their demographic (gender, age), social (number of people and number of children in household) and economic (income level) characteristics. For that purposes, One way ANOVA is performed ( $df=1$ ) and test showed no statistically significant variations between shoppers of the subject two retailers. In the next

phase, we conducted One way ANOVA to establish differences in attitudes towards the retailer based on consumers' perceptions on specific aspect of interrelation between that retailer and their local food offer. Out of 19 investigated statements, 5 proved to be statistically relevant and their results are displayed in table 2.

Table 2. Results of One way ANOVA perceptions of IDEA and Maxi

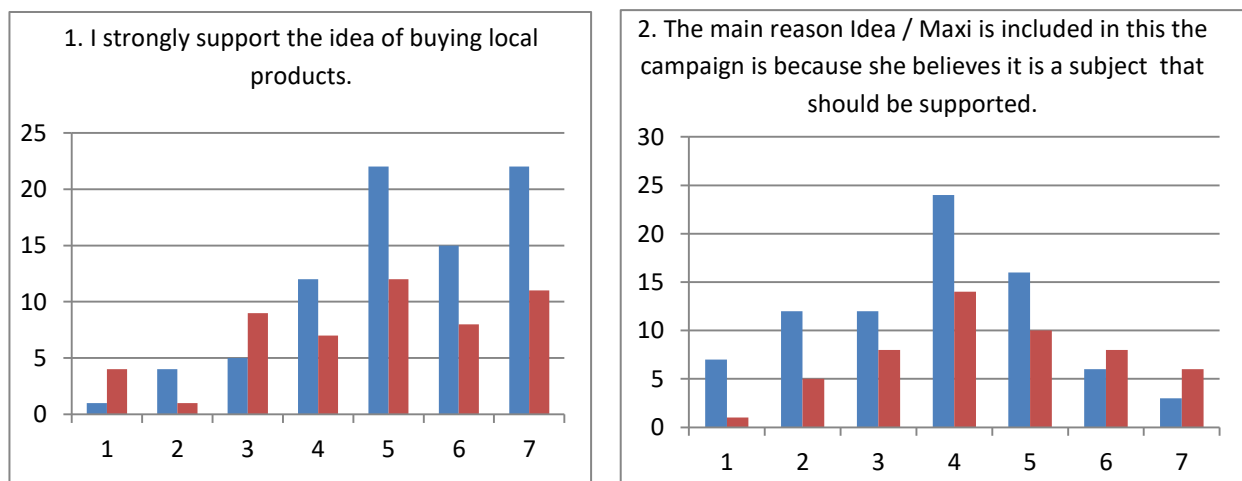
Statement	F	Sig.
I strongly support the idea of buying local products.	3.351	0.069
The main reason why Idea/Maxi is included in this campaign is because she believes it is the subject that should be supported.	6.379	0.013
Idea / Maxi would support this campaign if her profit was significantly smaller.	5.495	0.021
Image of the campaign "I buy local products" and the image of Idea/Maxi are similar	8.967	0.003
This initiative improves my perception of Idea/Maxi	2.409	0.123

Note: df = 1 in all cases

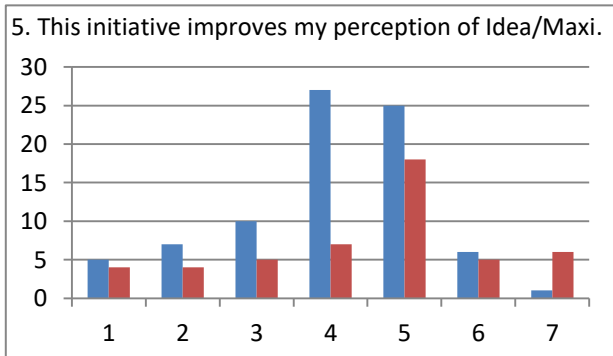
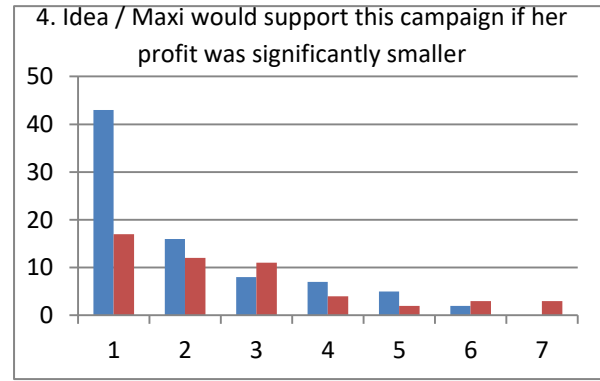
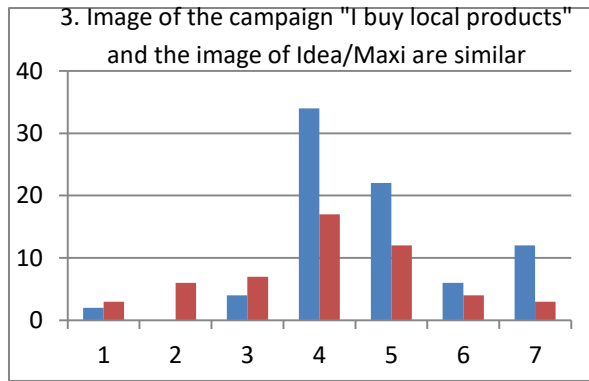
In order to gain deeper insights into differences in respondents' perceptions of two retailers we assessed frequencies of each grade for each significant statement. The overview is displayed in the figure 2. Grades for Maxi are colored in blue, while grades for Idea are presented in red. Thorough inspection of data and of charts implies that consumers who buy in Maxi are more positively oriented towards buying of local product than ones usually shop in IDEA.

More precisely, the results show approximately same distribution of respondents' answers for IDEA and Maxi in terms of their running of this campaign. The second (2-2) and third (2-3) charts lead to the conclusion that consumers process promotional materials unintentionally. Forth chart (2-4) implies that consumers believe that Maxi does not promote local production with right motivation, but rather do it for higher profits. Finally, the fifth chart (2-5) reveals that the promotional campaign on local food improves image of IDEA's shoppers more than of Maxi's shoppers.

Figure 2. Charts on different consumer attitudes based on their grade on Likert scale







Maxi ■  
Idea ■

## 5. Conclusions

The first survey sought to check shoppers' degree of support for buying local foods, depending on their personal characteristics. These results corroborate previous findings on this matter (Megicks et al., 2012; Weatherell et al., 2003), discerning that elders and females hold more favorable attitudes to local foods. Interestingly, opposite to other markets, households with lower income showed greater inclination towards buying of local foods, compared to better off respondents. This issue should be a subject of further research. In addition, it should be noted that only one salient motivation for buying local produce emerged overwhelmingly, namely, health benefits. This is consistent with the intrinsic and extrinsic motivations identified in the literature (Brecic et al., 2021).

Even though the sale of local foods may stimulate economic development, particularly in rural economies characterized by low incomes and outmigration (Barlagne et al., 2015; Arfini, 2019), as it is the case with Serbia; it appears, according to our results, that local consumers have not yet grasped the relevance of supporting of the country's farmers. Surprisingly, consumers who shop in IDEA show greater proclivity for local products than consumers in Maxi (chart 2-5 and table 2). Taking into account that IDEA has not yet run the campaign on local products, it could be deduced that consumers do not consciously process promotional materials, while it happens rather on unconsciousness level. Being constantly exposed to the promotion of local produce might affect their overall outlook on this matter.

In agreement with the previous conclusion stands the finding that the majority of shoppers in Maxi correlate image of this brand with local production, dissimilar to the perception of IDEA. Thus, even though they think that Maxi does it for wrong reasons (i.e. would not do that if it would negatively affect their profits), they recognize their effort. Therefore, retailers which aim to promote local production in order to improve their business results (social marketing) should also highlight in their promotional campaigns the benefits which local community would obtain if they buy local products. In effect, consumers need to be educated on mutual benefits of local consumption for all actors involved.

Finally, a couple of limitations of this study need to be cited. Firstly, it is exploratory by its nature and therefore it draws conclusions on rather limited sample sizes. Secondly, even though that in the both of the studies are surveyed consumers of two subject retailers, the specific respondents are not the same. Despite these drawbacks, we assume that this investigation represents a good starting point for the research of the justification of the investments in local food promotion in long run.

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