Food products branding as a new vector for improving state support for local producers

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Abstract. The main goals of agro-industrial complex development are determined by the growth of production volumes, competitiveness and export of food products. Determination of state support for local food producers to increase quantitative indicators reduces the effectiveness of these measures, which requires their improvement under conditions of increased competition in food markets. One of the topical areas of state support is local products’ branding as a part of place branding. The article presents the results of a study of consumer satisfaction with the quality of food products of regional producers based on the authors’ methodology, which made it possible to identify product groups with the potential for their transformation into brands. Based on the results of desk and field research, it has been proven that consumer satisfaction with food quality is the basis for improving state support for local producers.

1. Introduction
High importance of agro-industrial complex in solving the strategic tasks of sustainable development of territories is confirmed by its inclusion into the list of regional priority projects of the Krasnoyarsk Krai program “Development of Agriculture and Regulation of Markets for Agricultural Products, Raw Materials and Food” [1]. One of the goals of this program is increase in production and export volume of agricultural products. The primary condition for increasing the output of agricultural products and development of local producers is growth in demand for food products. According to the survey results, 54% of Krasnoyarsk business organizations noted that demand for products is the main factor that stimulates investment activity [2]. Therefore, the tasks of increasing local food markets become not only important for ensuring food security and export potential, but for sustainable socio-economic development of territories as well. Increase in the tasks of food markets expansion actualizes the need to improve support of demand for local producers’ products, ensuring their physical and price accessibility for consumers.

However, product quality is becoming increasingly important in maintaining and developing the demand for food products. This fact is caused by changes in consumer behaviour associated with increased attention to safe and healthy products [3, 4], as well as getting quality products at affordable prices under conditions of economic crisis, aggravated competition from neighbouring territories producers, as well as growth of unfair competition determined by changes in the state regulation in the field of product quality in 2002, which has led to the increase in production of low-quality and falsified
food products. In this way, following the results of more than 68 thousand inspections, 117,66 thousand violations of the requirements of the Customs Union’s technical regulations were revealed in 2018 [5].

The State Program for the Development of Agriculture and Regulation of Markets for Agricultural Products, Raw Materials and Food defines the goals for ensuring the growth of production and increasing products competitiveness. To implement the goals, the tasks to improve the quality of the main types of agricultural products and increase their export potential were set. However, the target indicators that were identified to monitor the results, such as the amount of agricultural raw materials harvested and produced, the amount of food products produced, etc. can not affect competitiveness and, therefore, the growth in demand for food products from local producers [6].

An analysis of regulatory documents in the field of state regulation of food products competitiveness and agricultural markets development has shown that both at the national and regional levels food quality issues are included neither in the target indicators nor in the expected effects of the state programs implementation. Interactions between producers and consumers, regulated only by market laws, demonstrate their insolvency, and the existing regulatory documents which regulate food market development do not contribute to the growth of demand. Ensuring real but not the declared quality of food products requires changes in approaches to state regulation. However, a lot of experts rightly point out that in modern competitive conditions only high quality of products is no longer enough to attract consumers’ attention [7, 8].

Therefore, it is necessary to rethink the vectors of state support for food products competitiveness and find complementary tools for ensuring the quality and growth of demand for food products based on scientific justification.

2. Experimental part

The desk research carried out by the authors has demonstrated that in the period from 2013 to 2018, there was a positive dynamics of growth in the volume of food and beverage production in the Krasnoyarsk Krai – from 41.8 to 50.8 billion roubles, that is 21.4% growth [2]. An important indicator which characterizes the regional consumer market is the provision of consumers with food from local producers and the share of locally produced products in the regional consumer market. Using the method of comparing open data on final consumption expenditures and per capita volumes of food production [2], data for 2018 were obtained – final consumption expenditures per one household member per month was on average 18.75 thousand roubles, 30.2% of which is food consumption expenditures. Assuming that all food products produced in the region go to the local market, based on the average per capita output of products, which is 17.7 thousand roubles, it has been determined that the population’s demand for the local producers’ food products is satisfied by 26%. Low demand is a powerful argument in favour of the growth of food production in the region on the one hand, and improving products’ quality on the other hand. Thus, the results of monitoring the quality of local producers’ food products has shown non-compliance with the requirements of regulatory documents from 43% in 2014 to 75% in 2018 [5]. As noted earlier, mere improvement in the quality of local products cannot lead to an increase in demand; complementary marketing measures are required to ensure the formation of consumer demand for quality products and stimulate their sales. Product branding technologies have been recently substantiated and are actively introduced as a tool to stimulate the demand for food products in local markets [9, 10]. The role of food brands lies in the fact that they should act as a guarantor of their high quality, which actualizes the tasks of protecting not only trademarks, but also trade brands by authorities at all levels.

Changes in consumer behaviour, consisting in an increased attention to the reputation and image of products and their manufacturers as the basis of trust, actualizes the issue of forming brand preferences [10]. To maintain and form territories’ population preferences for the brands of local food producers, place branding technologies with the integration of product branding are required [11]. The complementary effect of combining product branding and place branding in solving the issues of growing demand for local products lies in the fact that successful product brands create awareness and reputation for places, and a place brand, which identifies geographical position, natural and climatic conditions, etc. in turn affects an increase of product brands competitiveness. For agricultural products,
like no other, the territory of production is the most important factor in the ratio of price and quality for ensuring competitiveness, which has recently led to an increase in practical interest in place branding in Russia [11].

Confirmation of the important role of territories in ensuring products competitiveness was reflected in a new version of Article 1516 of the Civil Code of the Russian Federation of 07.27.2020. Legal protection is granted to a geographical indication as a product characteristic. This change in the Civil Code stimulates state support for place branding, as an activity of branding subjects to form, promote, maintain and adjust a place brand to identify it and ensure attractiveness, in particular, of local products for consumers, the public, government agencies and other target groups. Ensuring attractiveness of locally produced food products to consumers is one of the most important tasks of local government. Therefore, the use of place branding technologies requires identification of priority areas. The authors of the present article consider food branding, as a process of transforming food products into product brands, to be one of such areas for the implementation of place branding concepts.

Development of branding technologies is determined by its goal – an increase in demand for product brands of local producers, which, in turn, requires substantiation of target indicators for assessing branding results. It is obvious that any branding is useless if products are of low quality [9, 11, 12]. Therefore, the basic target indicator to transform food brands into commercial brands is product quality. Therefore, it is necessary to assess the quality of food in consumer markets. An analysis of the existing practice of assessing products quality has shown that supervisory function prevails in consumer market monitoring by Rospotrebnadzor in accordance with Federal Law No. 29-FZ “On The Quality and Safety of Food Products” [13], focused on identifying counterfeit and falsified products [14]. Consumer assessments are dominated by consumer complaints. Such methods of food quality control in the consumer market do not give effective results. One of the main reasons is distancing of product quality control authorities from consumers who make purchasing decisions.

This situation can be overcome by using product branding technologies within place branding which include consumers as the main participants in quality assessment in the process of branding. The issues of the object, indicators and methods for assessing the quality of food products that have their own characteristics, become important. The studies carried out by the authors have shown that identification of such a research object as “the quality of food” is complicated due to the complex and ambiguous understanding of the concept of “quality”. The authors of the present paper believe that the term “consumer perception of the quality of goods” is a more correct term in relation to food brands [15]. However, previous studies identified a significant number of factors influencing food quality assessment that should be used as assessment indicators [16]. This allowed to conclude that such research object as consumer perception of food quality can only be used in applied scientific research. To study the quality of products within the framework of product branding, indicators must be measurable and applicable for developing solutions. This determined the choice of the “customer satisfaction” indicator as an indicator for assessing perceived quality.

The need to ensure the effectiveness of measures taken to support local producers by territorial authorities requires the use of a clearly substantiated methodology for assessing consumer satisfaction with food from local producers. The study was carried out by polling consumers in grocery stores of Krasnoyarsk with the use of a specially designed targeted questionnaire, and only those criteria that are important when choosing food products from 13 food groups were proposed for choosing the respondents answers. The choice of commodity groups of food products was based on their inclusion in the consumer basket: bread, pasta, potatoes, vegetables, berries, confectionery products, meat products, fish products, milk and dairy products, eggs, vegetable oil, flour, and herbal tea [17].

The choice of consumer groups is determined by the fact that the perceived quality of food and brands is differentiated across different generations and gender groups. Based on this, the authors used the modern model of the theory of generations, since it is used in studies of various consumers groups to determine their behaviour in product markets in relation to brands [18]. The theory of generations in the study was adapted to the segmentation of local food brands consumers based on the results of test studies.
of consumer behaviour of different gender and age groups in relation to brand choices. This made it possible to determine 3 groups of generations and get 6 groups for analysis as a result:

- Group 1 – “young” men and women aged 18-25;
- Group 2 – “adult” men and women aged 26-45;
- Group 3 – “mature” men and women aged 46-65 years.

To assess satisfaction, a Likert scale, adapted to three levels of satisfaction, was used:

- dissatisfied with the quality, and rather dissatisfied with the quality than satisfied;
- rather satisfied with the quality than dissatisfied, and completely satisfied;
- does not matter.

The following goals of the study of the consumer satisfaction with food quality were identified:

- identification of product groups with a high level of satisfaction with quality;
- identification of product groups with a low level of satisfaction with quality;
- identification of differences in satisfaction with the quality of products in different consumer groups.

The processing of the survey results was carried out using a standard package of MS Excel functions.

3. Results

The results of the consumer survey based on satisfaction with the quality of food products in 13 product groups were distributed according to the level of satisfaction, which was defined as a proportion of the respondents who chose one of the satisfaction levels. Thus, for each product group, the level of satisfaction was determined for all generation groups. The distribution of answers in each generation group has demonstrated a difference in the level of satisfaction between men and women.

The most active group of “adult consumers” aged 26-45, which included the largest number of the respondents participating in the survey, has been chosen to illustrate the data obtained (table 1).

**Table 1.** Distribution of respondents in the “adult consumers” group according to the degree of satisfaction with the quality of local products of different product groups, %.

| Product group                | Dissatisfied with quality | Does not matter | Satisfied with quality |
|-----------------------------|---------------------------|-----------------|------------------------|
|                             | men | women | men | women | men | women |
| Bread                       | 9.1 | 22.4  | 6.1 | 6.0   | 81.8| 68.7  |
| Pasta                       | 21.3| 22.4  | 21.2| 25.4  | 39.4| 40.3  |
| Potatoes                    | 9.1 | 13.5  | 18.2| 11.9  | 48.5| 55.2  |
| Vegetables                  | 9.1 | 17.9  | 18.2| 7.5   | 48.5| 53.7  |
| Berries                     | 9.1 | 9.0   | 15.2| 11.9  | 42.4| 53.7  |
| Confectionary products      | 12.1| 11.9  | 18.2| 9.0   | 57.6| 76.1  |
| Meat products               | 9.1 | 14.9  | 15.2| 4.5   | 54.5| 70.1  |
| Fish products               | 15.2| 17.9  | 30.3| 17.9  | 39.4| 46.2  |
| Dairy products              | 9.1 | 16.4  | 15.2| 7.5   | 63.7| 73.1  |
| Eggs                        | 12.1| 4.5   | 9.1 | 10.4  | 63.7| 79.1  |
| Vegetable oil               | 12.1| 9.0   | 27.3| 31.3  | 33.3| 40.3  |
| Flour                       | 12.1| 9.0   | 27.3| 26.9  | 36.4| 46.2  |
| Herbal tea                  | 15.1| 9.0   | 30.3| 25.4  | 33.3| 37.4  |

(based on the research results)

The results of the research data analysis have shown differentiation in satisfaction of consumer groups with the quality of local products among men and women.

Generalization of the data on satisfaction with the quality of locally produced food for all groups made it possible to identify product groups: a) which quality completely or partially does not satisfy a significant share of consumers: 1) fish products – 18.8%; 2) meat products – 15.6%; 3) bread – 14.6%;
4) pasta – 14.4%; 5) vegetables – 13.4%; b) which quality fully satisfied consumers: 1) milk – 24.5%; 2) bread – 23.4%; 3) confectionery products – 22.9%; 4) eggs – 22.7%; c) which quality partially satisfies a large share of consumers: 1) bread – 46.5%; 2) confectionery products – 44.8%; 3) eggs – 43.8%; 4) milk – 42.9%; 5) vegetables – 42.7%; d) consumers are not interested in the quality of: 1) flour – 34.5%; 2) vegetable oil – 33.1%; 3) herbal tea – 32.9%.

It should be noted that the results obtained made it possible to identify the most acute problem – a lot of consumers are not completely satisfied with the quality of fish and meat products, which play an important role in ensuring a healthy diet. At the same time, Krasnoyarsk Krai is rich in natural resources for fish processing and meat products production. Therefore, improving the quality of these commodities should be considered as one of the priority tasks of both manufacturers and state regulators of the regional consumer market.

The fact that almost a quarter of consumers are dissatisfied with some food products indicates that the state program of Krasnoyarsk Krai for the development of agriculture has made an early conclusion that local products are of high quality, and only an increase in their output will definitely ensure an increase in sales of local products and improvement in the quality of life of its population.

The product groups with a high degree of consumer dissatisfaction with the quality, especially fish and meat products, require serious work to improve their quality. Only after that an increase in product output will be accompanied by a proportional increase in demand. Measures to improve the quality of these products should be accompanied by their promotion as products of confirmed high quality.

4. Conclusion
Generalization of the results of the distribution of locally produced product groups according to the levels of consumer satisfaction has shown that on average for all age and gender segment 53% of the surveyed product groups are characterised by partial and complete satisfaction with quality. At the same time, 12.5% of product groups were rated at the level of partial or complete dissatisfaction with quality. This fact certainly indicates the need to improve the quality of locally produced food products. However, the large proportion of consumers who are indifferent to the quality of local products is considered to be the most problematic. 23% of product groups were rated by consumers as “does not matter”.

The obtained results of desk and field research made it possible to determine new vectors of state regulation. The first vector is focus on the production of quality food products, tightening control and increasing effectiveness of state support measures as well as change target indicators in state programs for agricultural development. The second vector is a shift in support for food production from exporters to local producers to satisfy local population and develop local food markets. The third vector is legislative, financial, scientific and methodological support for place branding at all levels.

Identification of food product groups with different levels of satisfaction gave the authors an opportunity to form different models of state regulation and support for local food producers by regional authorities, which are necessary to include in the conceptions for place branding of different territories:

1. The group of food products with a high level of consumer satisfaction with quality – Model of state regulation: support of local producers by government bodies to stimulate production of competitive food products with the potential for the development of product brands of territories.

2. The group of food products with the lowest level of satisfaction with quality – Government regulation model: government support of local producers to develop production and technological conditions to improve the quality of food. Improving the effectiveness of the measures taken to control and monitor manufacturers of counterfeit and falsified food products.

3. A group of food products with a high level of consumer indifference to the quality of local products – Government regulation model: promoting the importance of local food consumption and attention to food quality.

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