CLUSTER RESEARCH ON THE INFLUENCE OF SOCIAL CLASSES TO THE BULGARIAN ORGANIC FOOD MARKET

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Abstract: *This report demonstrates the results of an empirical study conducted on the territory of Ruse and the surrounding area. The research concerns the influence of social class affiliation of the Bulgarian customers on bio food purchases. Based on the conducted analysis of the primary data, different customer group profiles are outlined. These profiles are differentiated by the social classes of the groups. Based on this we have given recommendations on how organisations operating in the spheres of production and retail of bio foods can improve their work.*

Keywords: *consumer behaviour; social class; organic food market.*

I. Introduction

According to the Bulgarian Bioproducts Association (www.bgbio.org), the National Statistical Institute (www.nsi.bg), the International Federation of Organic Agriculture Movements (www.ifoam.bio) and other sources, there is a growing trend to search for foods close to traditional ones. The organic method of food production meets the needs of this growing group of consumers, as it uses safe and transparent production methods. These facts are confirmed by the results of previous studies related to the perception of organic foods on the Bulgarian market, which were conducted by the author's team (Todorova M., S. Ruskova, S. Kunev 2018; Todorova M., S. Ruskova, 2019).

In order to obtain an even clearer picture of consumer behavior in relation to organic food in the local market, the aim of the present study is to establish the relationship between consumer affiliation to a particular social class and their behaviour when buying organic food.

II. Conceptual framework

Organic food products are becoming increasingly attractive not only for small specialty stores and farmers' markets, but also for large hypermarkets and fast food chains. In order for them to be able to offer adequate marketing proposals to their clients, it is necessary to conduct more in-depth and detailed studies in this market.

This paper will present the results of a study aimed at a specific factor that determines the behaviour of consumers to this group of food products, namely social class.

1. Information about the cluster study of the relationship between social-class affiliation and the consumption of organic foods

The anonymous survey was conducted through a questionnaire in the period 14.03-14.04.2020 on the territory of Ruse region, whose regional city is the sixth largest in the territory of the Republic of Bulgaria and in the first place among the Danube cities in the country. Given the state of emergency related to limiting the infection with COVID-19, a free web-based application for creating various types of Google Forms surveys was used to reach the respondents.

Based on the objectives of the survey, the questions forming the questionnaire are conditionally divided into three groups: the first is entirely related to the personal characteristics of respondents, and the next two are directly related to the purpose of the survey, namely determining the social class affiliation of respondents and their behavior when consuming organic food.

The questions are closed, and some of them have an additional option to present the personal position of the respondent. In some of the questions from the second and third groups, the respondents can indicate more than one answer, corresponding to their point of view, as a result of which the total amount of some of them amounts to more than 100%.

The general population is 188,509 people. It corresponds to the number of inhabitants on the territory of Ruse district who are over 20 years old (www.nsi.bg/bg). The sample size of 384 respondents was determined using the electronic calculator Raosoft Sample size calculator (http://www.raosoft.com/samplesize.html), with a statistical error of 5% and a confidence level of 0.95%.

2. Analysis of the results of the empirical study conducted on the relationship between social-class affiliation and the consumption of organic foods

The gender distribution (Fig. 1) of the respondents is as follows - 51.3% women to 48.7% men. According to age, they are classified in the following groups - 11.8% between 20 and 25 years, 14.2% between 25 and 35 years, 26.1% between 35 and 45 years, 16.7% between 45 and 55 years, 16.2% between 55 and 65 years and 15% over 65 years.

According to the marital status, they are subdivided into the following three groups (Fig. 2) - single-family - 46.8% (this large value of parts may be due to the fact that in the last three decades there is a serious trend among young people to live in a family started without marriage), followed by family 43.9% and divorced 9.7%. Regardless of the marital status of the respondents, it is noticed that the dominant part of them (73.4%) indicate that the decision to buy organic food is individual, although according to the theory of consumer behavior, the family is considered a major factor determining the pattern of the behaviour of consumers, especially with regard to products that affect the maintenance of good health.

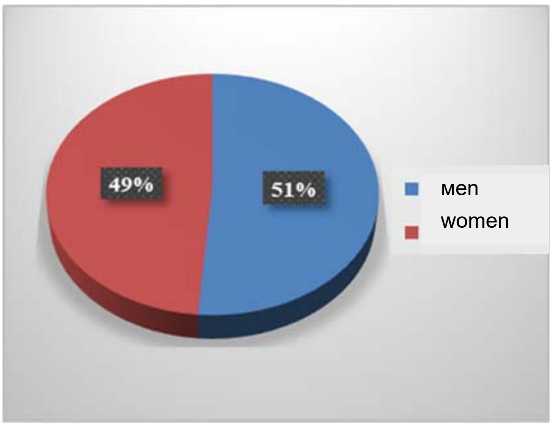

Figure 1. Gender structure of the respondents

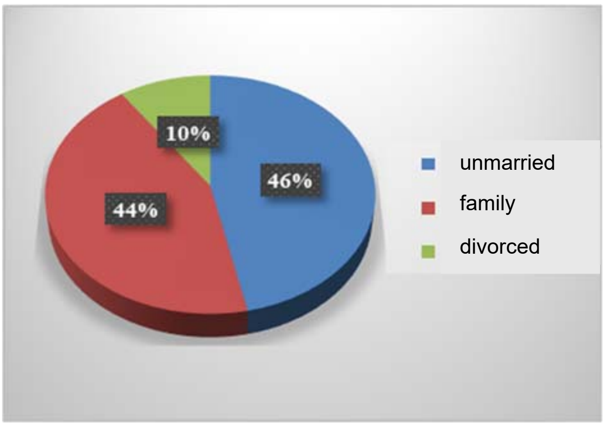

Figure 2. Marital status of the respondents

Analysis of the issues revealing the social-class affiliation

Residence is an important element in determining consumer behavior. Often the place where people live - in the center, on the outskirts of the city or in the villages, forms a significant part of people's attitudes not only to organic food, but also to everything else in the market and beyond. The distribution of the participants in the survey by the criterion of residence is: 42.4% of the participants in the survey live in the central part of the cities, 47.7% in their neighborhoods and only 9.9% in the villages of the district.

Based on summarizing the answers to the questions about employment, education, property ownership, material well-being, income, attending cultural events, place of vacation, etc. it is possible to formulate more precisely user profiles for different social classes and to describe the specifics of the behaviour of individual groups. It is reported that differences are manifested not only in their product preferences, but also in such aspects as the frequency of visits and perceptions of retail outlets (markets, hypermarkets, malls) and others.

One of the most important criteria that distinguish the lower class from the middle and upper class is ownership. In the survey conducted among the residents of Ruse district more than half of the respondents have their own home - 63.7%, 23% rent, and 15.7% of the respondents live with their parents (Fig. 3). In the analysis of the data obtained for the respondents living in their own home, it is clear that 52.4% of them have inherited it, 28.5% have bought it personally, and the rest are still paying for it. Regarding the results for owning a personal car, 29% do not own one, those who have bought a new car are 9.4% and those with second-hand one 61.6%.

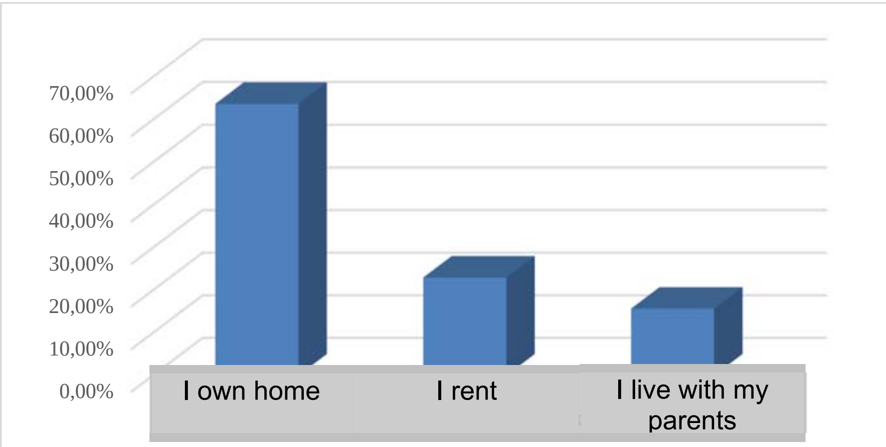

Figure 3. Owned property of the respondents

Education has a great weight in determining the social and economic status of the consumer (Fig. 4). The distribution according to the education of the respondents is as follows: primary education - 3.4%; high school - 31.4%; bachelor - 34.3%; master - 28.8%; doctor - 3.7%.

According to the professional employment (Fig. 5) of the respondents - the employed persons are 76.4%, the students - 11.6%, the unemployed - 7.3%, the respondents with the status of pensioner - 12.5%, and 1.4% of the respondents are on maternity leave.

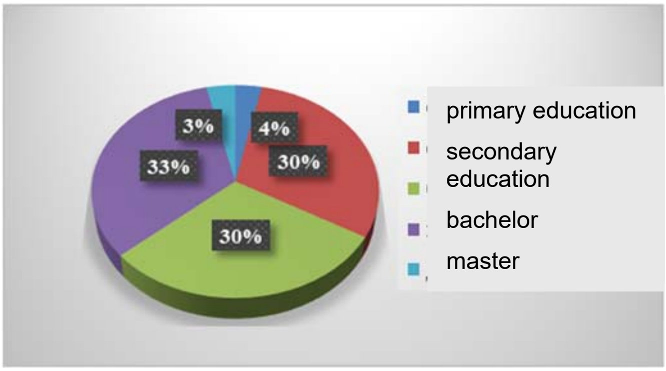

Figure 4. Level of consumer education

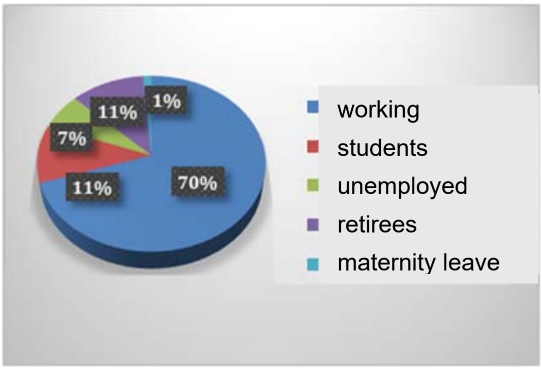

Figure 5. Professional employment of the respondents

The sector, the position held, the specifics of the work environment, the official duties performed, reflect on the way of life, the available financial means, the spending of free time and the preferences in shopping. These criteria can also be considered as indicators of class affiliation.

The data obtained show that the respondents employed in the private sector are 43.7%, in the state sector 16.5%, and those developing their own business - 14.1%. Of the total number of respondents who work as employees, those who hold managerial positions in the public sector are 1.6%, and in the private sector they occupy 7.9% (Fig. 6).

The level of income (Fig. 7) determines the purchasing power of people and has a profound effect on their behaviour as consumers. Although it is by no means the only factor on which socio-class affiliation depends, it can undoubtedly be seen as a structural determinant. Here are the groups according to this indicator: 8.1% of the respondents have an income between BGN 200-400 - these are pensioners, unemployed persons and persons supporting themselves with social benefits; 8.9% have an income in the range of BGN 400-600. These are young people living with their parents, some of them studying and working part-time; with a monthly income between BGN 600-800 are 12.1% - they mainly work in the private sector, rent their homes and have a second-hand car, holding predominantly secondary education; the respondents with incomes in the range of BGN 800-1000 are 25.1% - they primarily work in the public sector, have a bachelor's degree, live in their own home and own a car; the largest (31.8%) is the share of those with income over BGN 1,000 - they live in the central part of the cities, renting or owning housing and work in both the private and public sector; 9.2% are the respondents with monthly income over BGN 2,000, those with income over BGN 3,000. are 5.2% - for these two groups it can be summarized that they live mainly in the regional city, hold managerial positions in the private and public sector or develop their own business, own a private home and a new car.

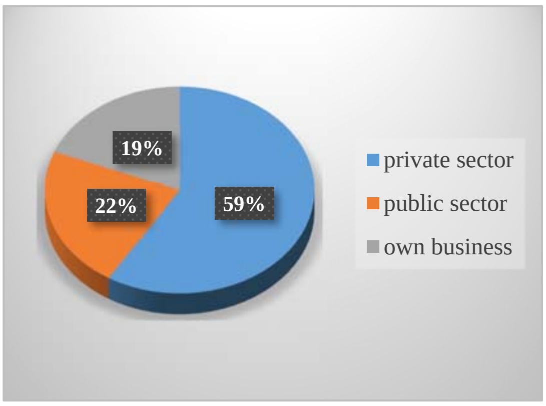

Figure 6. Respondents' employment

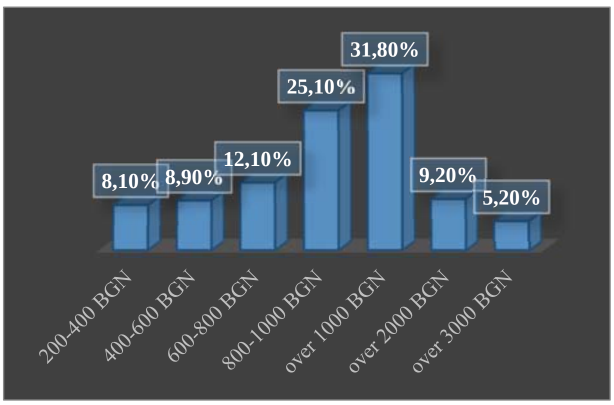

Figure 7. Income level of the respondents

Representatives of different social classes have different attitudes towards culture. According to various sources, the lower class does not have a wide range of cultural interests, unlike people belonging to the middle and upper class. That is why the question was asked: "How often do you attend cultural events (concerts, exhibitions, plays)?" The answers varied between the following relative shares: twice a month cultural events are attended by 12.3%, once a month 15.4%, once every 2-3 months 27%, once or twice a year 32.5%, and 'do not visit' was the answer of 14.4%. Sometimes not only attending cultural events, but also the way you spend your vacation is a criterion for positioning yourself on the social ladder.

The results of the survey show that the majority of respondents spend their holidays at the seaside/in the mountains - 47.1%, 29.5% stay at home, 10.4% rest in their own villa, and 13.2% go abroad.

Analysis of the issues concerning the behavior of consumers regarding the purchase of organic food

The production and market of organic food in our country have not yet reached their full potential and are yet to develop their capabilities. In order to achieve this goal at the national level, it is necessary to establish the attitudes and behavioral reactions of the native consumer to the studied group of food products.

The analysis of the third group of questions from the current survey provides information on: consumer awareness of the specifics of their characteristics, the benefits of their consumption, the degree of confidence in the products in question, the frequency of their shopping, preferred shopping sites and more.

The question on the level of familiarity of the Bulgarian consumer with the characteristics of organic food (Fig. 8) yielded the following results: 51.3% of respondents identify them as foods that are produced without additional chemical additives and treatments, according to another 40.9% organic foods do not contain genetically modified organisms, 31% believe that organic foods are those that are produced at home (or in the countryside) and even more so respondents believe that these foods are produced under precisely regulated conditions by certified producers. Significantly lower is the percentage of consumers who believe that real organic food is not available on the market - 10.5% and those who say that organic food is highly priced and with unguaranteed organic origin - 8.7%. Summarizing the results of all responses, we are concerned that the relative share of consumers who are not well acquainted with the specific way of producing this type of food is not small, especially when added to the percentage of those who express their distrust in relation to guarantees of the origin and quality of such products. The reasons for this may lie in the established cases of unfair market behaviour on the part of some manufacturers who, by offering their conventional products as "organic", use misleading labels and thus send wrong signals about the quality of the products. This is a prerequisite for confusion, delusion and negative reaction from customers. Here, it is appropriate to draw the attention to the control authorities, regarding the application of an effective control environment in this type of production (Papazov E., & Mihaylova L., 2012) in order to increase the positive image of organic food producers among all social groups.

The frequency of purchasing organic food (Fig. 9) depends on various factors, such as: income level, educational level and belonging to certain reference groups. The data obtained from the survey show that 27% of respondents buy organic food once a month or less often, 24.7% at least once a month, and 19.2% of respondents once a week. The percentage (9.5%) of people who resort to a one-time organic stand is relatively lower, and the share of those who have never bought organic food is 19.6%. It was found that a higher intensity of organic food shopping is observed among consumers with higher than average incomes, who have a higher educational qualification and are oriented towards healthy eating.

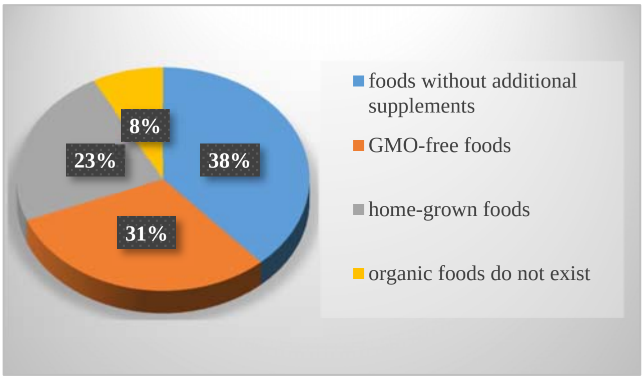

Figure 8. Familiarity of respondents with characteristics of organic food

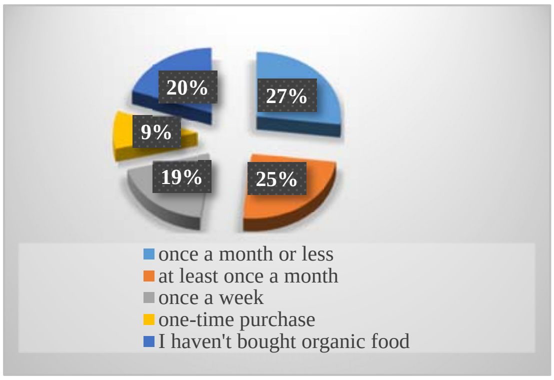

Figure 9. Frequency of organic food shopping

As a reason for buying organic food, the respondents indicate their health (28.4%), better taste (31.6%), nature protection in their production (15.7%), the presence of a bio-certificate, guaranteeing their quality (14, 3%), the presence of a health problem (10%).

Another task of the panel of questions related to organic food is to identify preferred categories of products from this group, as well as which members of the family/household consume them as a priority. The summarized results show that the most commonly bought are: fruits and vegetables (57.5%), dairy products (47.3%); cereals and pasta 33.6%; spices, herbs and teas - 32.3%. Meat products and canned foods are not the preferred categories of organic food.

Regarding the question: "Who in your family mainly consumes organic food?" - 26.04% answered that either they or all family members consume them. The share of those who were marked as consumers of organic food - children or a family member with a health problem - is smaller. 23.6% answered that no one in the family consumes these products. It is typical for most (73.6%) of the last group that they consider organic food to be healthier, but admit that they do not buy and consume it because they do not have the necessary funds; the remaining 26.4% are firm in their opinion that these products are not so useful and their price is unjustified.

The leading place in the preferred places for shopping for organic food is occupied by the specialized (Fig. 10) organic stores (35%). They are followed by the opportunity to purchase products from the manufacturer (23.7%), neighbourhood supermarkets (18.5%) and hypermarkets (16.4%). The last place is occupied by the opportunity to shop online - 4.6%.

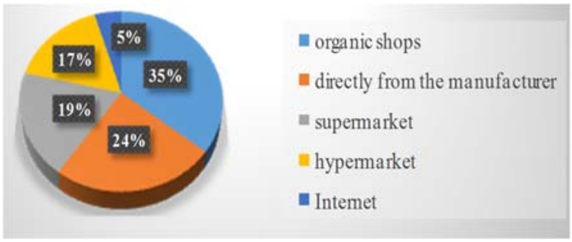

Figure 10. Preferred place for shopping organic food

III. Conclusions

Summarizing the analysis made so far on the empirical study of the influence of socio-class affiliation on consumer behaviour when buying organic food, the following consumer profiles can be formulated, differentiated according to the three main social classes in Bulgaria:

Lower class. This group includes people living below the poverty line with incomes of up to BGN 400. The majority of them have primary education, and few have secondary education. This group includes pensioners, the unemployed and people living on social benefits. Some of them own their own property, which is in poor condition, so they lack funds to maintain it, and the rest live in municipal property. Representatives of this social class do not attend cultural events and cannot afford a vacation. The financial resources at their disposal are scarce and are mainly spent on utilities and basic necessities. These groups of people are not familiar with the characteristics of organic food, are not interested in them, believe that they do not exist and would never buy them.

Middle class. Some of these are working people of active age, with secondary or higher education, holding executive or low management positions in the public and private sector. Most of them have their own second-hand cars and their own property, which they have inherited or are currently paying off. They occasionally attend cultural events. They live both in the central part of the city and in the suburbs. They spend their vacation at home, in their own villa, at the seaside or in the mountains of Bulgaria. The representatives of the middle class belong to the category of the financially worried, as their income varies between BGN 600 and BGN 800, they rent and repay loans. Most representatives of this group accept organic food as good for their health, but have never bought it because they do not have the necessary funds. The rest of this group firmly states that real organic food is not available on the market. They are not particularly interested in healthy eating and believe that only home-grown products can be considered 'organic'.

The middle class representatives who do not have serious material problems and those who are financially well, recognize organic foods and consider them as healthy products with guaranteed quality and origin. They strive for a healthy lifestyle. Organic foods are intended for consumption by children or the whole family, and the frequency of their consumption is at least once every 3 months. They spend between BGN 40 and BGN 100 of their monthly income for this pit food. They shop mostly from supermarkets and hypermarkets, as they have little free time and strive to fill most of their shopping list at the same place.

Upper class. These are representatives of high-income society who have their own business and hold senior management positions in the public and private sectors. Most of them have higher education. They own luxury properties and newly purchased cars. They often attend cultural events and spend their holidays abroad. For them, organic food is an investment in good health. They shop both for themselves and for the family as a whole. They consume organic food at least once a week, allocating no less than BGN 200 from their monthly income. The preferred sites for shopping by them are specialized organic stores and Internet sites.

Based on the profiles formed in this way, the following recommendations can be given to producers and traders of organic food:

1. In order to include lower class members in the group of organic food consumers, efforts should be focused on developing national programs aimed at including people living below the poverty line in the production process of organic food organizations, and providing the opportunity for them to purchase organic food for personal and family consumption at preferential prices.

2. In order to promote organic food more widely among the middle class, positive opinions can be published on social networks and influencers can be used as opinion leaders. Furthermore, a direct and permanent relationship can be built with regular customers of organic food from this group by issuing personal customer cards, providing preferential shopping conditions for their owners.

3. With regard to the upper class, the emphasis should be on the development of personalized proposals to provide additional services for home delivery and offering special food products, which are not so popular and widespread, but their consumption is seen as an investment in health. Social group affiliation is developing the ability to formulate and apply socially responsible business practices by entrepreneurs, owners and managers of business organizations, as well as the use of business training programs in this area (Kostadinova, Kunev, Antonova, 2019).

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