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IMPLEMENTATION OF ECO-MARKETING DURING THE EXPORT OF FOOD PRODUCTS FROM VOJVODINA

SUMMARY

Eco-marketing involves the promotion of products and technologies that are consistent with the concept of sustainable development. A new marketing paradigm will have a crucial role in the coming years at the global level, as its influence on companies to adapt their production and business principles towards sustainability grows, so does the transfer of consumer concerns, i.e. the purchase of environmentally friendly products. "Conventional marketing is out, in eco-marketing."

The trend towards sustainability is necessary to move our country toward gradually becoming involved in these processes. This scientific work takes into account the ecological suitability of local food and the application of eco-marketing in the food industry in Vojvodina, which presents major export opportunities, and will be carried out by comparing the applied production factors, internal and international environmental norms, and standards and recommendations. It will also give a critical overview of the application of eco-standards. The study will first provide an analysis of information of the leading food producers in Vojvodina, with appropriate national economic regulations and international eco-standards and principles. Recommendations for opportunities and the concrete application of eco-marketing will follow (Golušin, 2004).

Therefore, the main goal of this research is the analysis of information about the knowledge of standards, eco-marketing principles, and the proper implementation of eco-marketing by leading food producers in Vojvodina, as well as recommendations for its proper use in promoting exports.

Keywords: eco marketing, eco-friendly, food industry in Vojvodina.

INTRODUCTION

The current situation of the world, from an environmental point of view, is extremely alarming. From the face of the earth are gone numerous plant and animal species, and others are facing extinction. For several years, we have been beset by warnings that the health of workers is affected by the pollution that surrounds us (Djukanovic, 1991).

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This situation highlights the need for urgent action. Many governments have taken steps to steer industries towards replacing polluting technologies and production processes with cleaner alternatives.

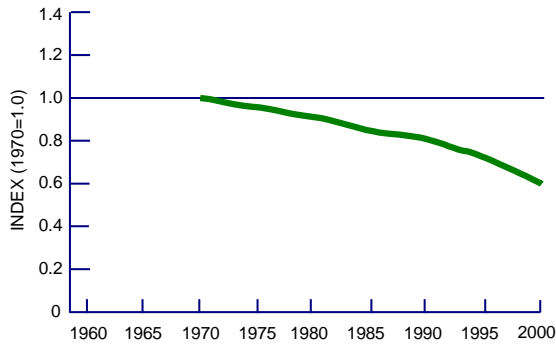


Figure 1a. Living planet index 1970-2000

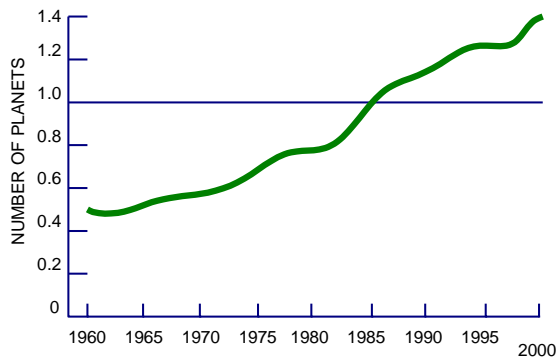


Figure 1b. Humanity's ecological footprint

Aided by strong advocacy in the media, many consumers have begun playing an active role in pushing the green agenda among companies. Consumer groups began by campaigning against the heaviest polluters. They then instigated a boycott of products whose producers are notorious for damaging the environment. As proof of their conviction, most of the green activists were willing to pay a higher price for greener products.

As for companies, the emergence of a new segment of customers who had a willingness to pay more for a worthy cause did not go unnoticed. Many companies took proactive action and initiated the production and marketing of products that were environment-friendly. Many others tweaked their products' features, 'discovered' green elements and actively promoted their products as being green without actually making a serious attempt at revamping their polluting production mechanisms.

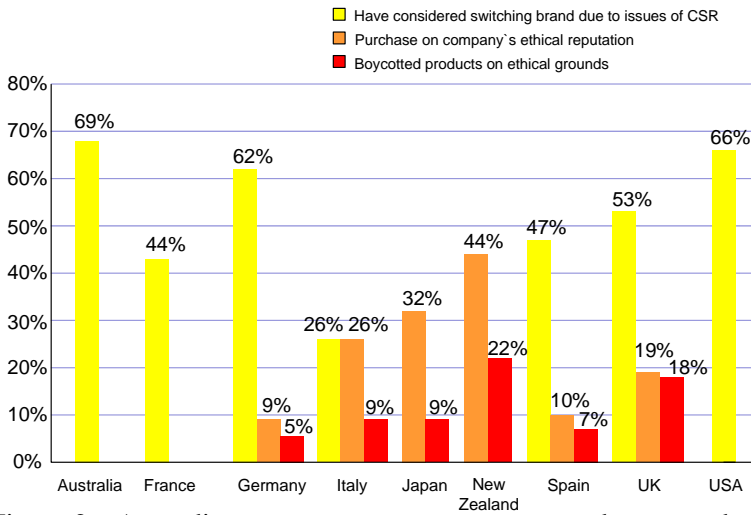


Figure 2a. According to surveys, consumers are ready to spend ethically

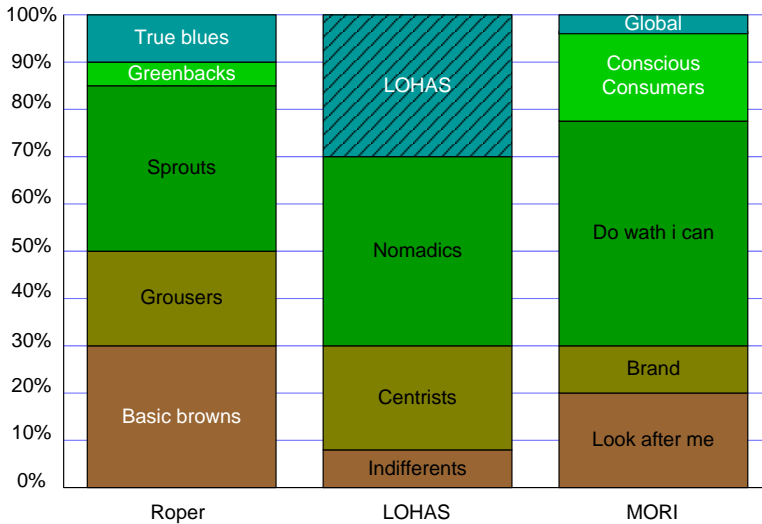


Figure 2b. Classification of consumers' behaviours on ethical purchasing

Eco-marketing will play a crucial role in the coming years in many ways. Phrases like, "environmentally friendly", "ecological marketing" (Henion, 1976), "green marketing" (Wasik, 1996; Ottman, 1998; Smith, 1998), "eco-marketing" (Fuller and Butler, 1994), "marketing environment", or "sustainable marketing" (Fuller, 1999) are synonymous with targeted marketing at responsible consumer satisfaction, specifically that related to caring for the environment.

However, the arbitrary interpretation and application of eco-marketing practices will only injure a company, especially in the case of export orientation. Available sources of information in Serbia indicate that in the area of economic suitability, and thus in eco-marketing in general, production does pay a little attention. This is particularly the case in the area of food production, which has the greatest comparative advantage over other economic activities in Vojvodina. It can be said that the problem comes down to determining the actual situation in the food industry (with emphasis on the acts of that industry within Vojvodina), especially in terms of its relation to international standards. Eco-marketing, as a precondition for export, as well as for long term improvement, may play a very real role in both the quality of the environment and of our national and community health.

MATERIAL AND METHODS

In this paper, knowledge of eco-marketing principles and basic legislation related to eco-marketing and the application of those eco-marketing skills to the food industry in Vojvodina has become the so-called "mainstream" in marketing science. Vojvodina has taken on a very important role in the economy of Serbia as a whole and whose export possibilities and chances are very high. In this regard this case study is divided into two complementary tracks:

- Knowledge of the basic aspects of regulation and the principles of eco-marketing from the side of food producers in Vojvodina
- Implementation of aspects of eco-marketing to the export of specific food products, as a result of the applied conditions and factors in the production itself.

During the processing of both research tracks, comparisons of the international experience and the local practices will be made, and not only in relation to the demands and trends for local and international markets.

The most important factor in determining the pattern of research is the fact that the registered food businesses involved in the research produce over 80% of the total quantity of the products in use every day, and that these companies have adequate marketing and development services to deal with issues as they arise.

A preliminary study showed that is realistic to expect a high degree of ignorance of the problem (a preliminary survey was conducted in the 74th International Agricultural Fair in Novi Sad, May 2007, on which is seen the wrong application of eco marketing is specific products).

The study includes the 30 biggest companies from the food industry in Vojvodini (Overview of companies is attached in the table 1).

Our specific research objective was to gather the necessary information about the knowledge of recommendations and standards for eco-marketing and its application from the perspective of the leading food producer in Vojvodina. Primary data were collected during the research, during which it was discovered that similar studies have not been carried out. Secondary data have been taken mainly from literature and other sources. They will be of complementary

importance to the research and will serve to describe the current situation of the food industry of Vojvodina.

Table 1. Review of the activities of the companies that are represented in the research sample

Serial No.	Activity of company	Sample No.
1.	Processing of meat and meat products	4
2.	Processing of milk	4
3.	Production of mill products and pastas	4
4.	Production of teas and spices	2
5.	Oilseeds processing	2
6.	Confectionery production	2
7.	Processing of fruits and juices	3
8.	Vegetable processing	4
9.	Water processing	3
10.	Production of alcoholic beverages	2
IN TOTAL:		30

Tabela 2. Territorial distribution of respondents food manufacturers

Region	Sample No.
Severno bački	6
Zapadno bački	5
Južno bački	9
Severno banatski	4
Srednje banatski	4
Južno banatski	0
Sremski	2
IN TOTAL:	30

The empirical part of the survey was comprised of an interview, while documentation study would serve for the general data collection method, and a statistical method would be used for processing empirical data. A research technique for the empirical study involved using an appropriate survey questionnaire. The questionnaire was designed to "lead" respondents towards the information necessary to indicate their degree of knowledge about standardization in the observed fields and further, and to gain insight into the application of eco-marketing when (or if) companies used it.

RESULTS AND DISCUSSION

Familiarity with the basic regulations of eco-marketing by food producers in Vojvodina: only 10% of the respondents knew them, 23% of respondents were partly familiar, and a majority of respondents (67%) know nothing about the basic regulations in the field of eco-marketing.

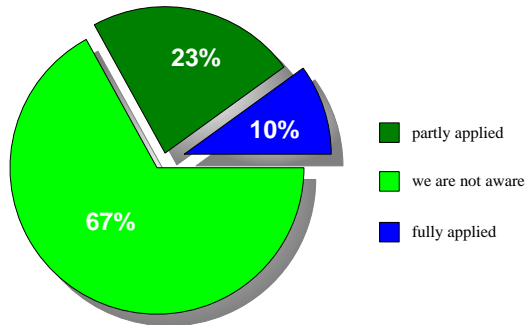


Figure 3. Knowledge of the basic regulations in the field of eco-marketing by food companies in Vojvodina

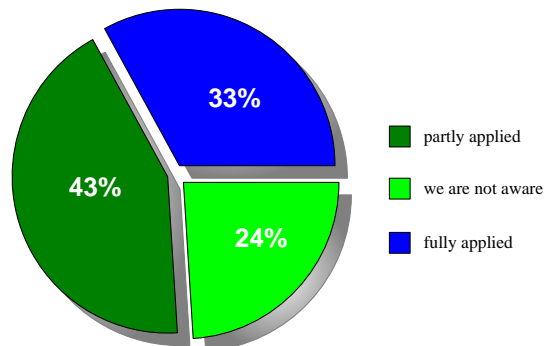


Figure 4. Knowledge of the basic regulation of food exports to the EU by the food companies in Vojvodina

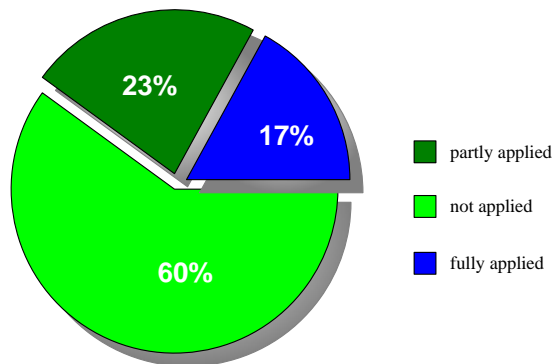


Figure 5. The application of eco-marketing principles in the business of food companies in Vojvodina

When it comes to knowledge of legislation regarding exports of food in the EU, the results are quite different from the previous question. Some 33% of the respondents are fully aware of the regulations in this area, and while 13% of

respondents are partly familiar with them, 24% of respondents are not at all familiar with export food regulations of food.

So far, most (60%) of the respondents did not use the principles of eco-marketing, while 23% of the surveyed representatives of food companies had partially applied the principles of eco-marketing in their business. Eco-marketing principles have been applied in 17% of total food regulation.

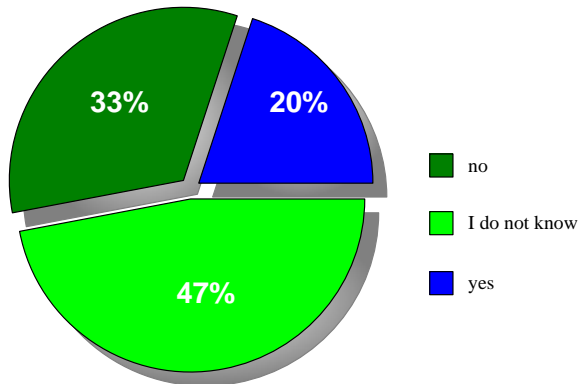


Figure 6. The compliance with regulations in the EU that applied eco-marketing through food companies in Vojvodina

It can be seen that 20% of respondents believe that eco-marketing is applied in accordance with the basic regulations of the EU, with an emphasis on "basic". This belief is not completely in line with reality, given the fact that most respondents do not actually know the basic regulations of eco-marketing. Another 47% of respondents said that they do not know whether eco-marketing is applied in accordance with the EU regulations, while 33% said that they think eco-marketing is not applied in accordance with the basic regulations of the European Union, implying that they know the rules, which, again, they do not.

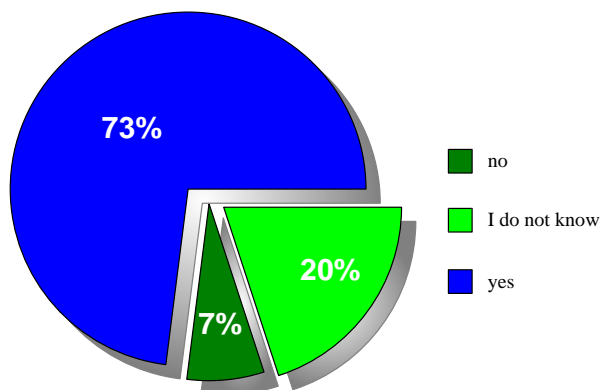


Figure 7. Planning intensive exports from food companies from Vojvodina to the EU

Most respondents (73%) gave an affirmative answer for this question. Another 20% of respondents do not know about any further plans, and only 7% have no plans for intensive exports.

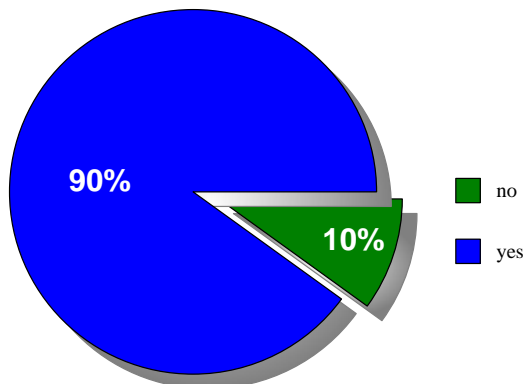


Figure 8. The views of food businesses on whether eco-marketing creates easier access to EU markets

On this question the respondents in the vast majority (90%) said they believe that the application of eco marketing facilitates access to the EU markets.

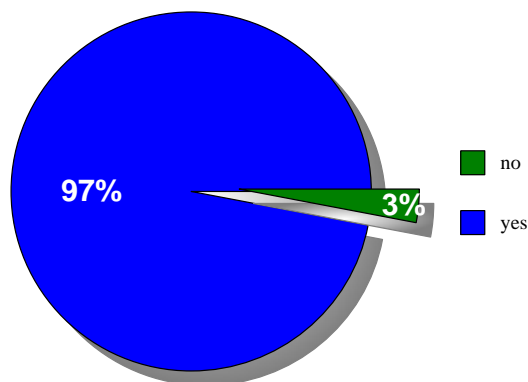


Figure 9. Willingness of food companies in Vojvodina to get familiar with the concept of eco-marketing

The results of this last question showed, generally, a great willingness (29 respondents out of 30) to find local food companies and familiarize themselves with the concept of eco-marketing.

The pooled analysis of results of research in food production in Vojvodina

After summarizing the obtained research results, it is evident that domestic food manufacturers do not understand the essence of eco-marketing and do not

really use it. The reasons for this are multiple and complex. During the study all respondents gave additional clarification on their stance when it comes to research problems.

They concluded that the use of eco-marketing is highly unfavourable when viewed from all aspects of research. This response is mainly the consequence of a long international blockade against Serbia, during which, in addition to significant adverse economic developments, opportunities for the flow of information and education abroad were reduced. There is still a degree of neglect given the importance of standardization in general, although positive results are evident in this plan. We briefly considered numerous problems and uncertainties that were not included in the questionnaire, and which will be explained as follows.

In most cases, management believes that the surveyed companies are not familiar with the essence of eco-marketing. The basis of the legislation for eco-marketing is also less well known, but somewhat less favourable results were obtained with cereal processors and manufacturers of pastas. In addition, manufacturers of bread and pasta express far less familiarity with the essence of eco-marketing for food production, while respondents from the group of processors of vegetables, fruit and confectionery tended to know the essence of eco-marketing. Among them, there are food companies that are certified to all standards of ISO 9000, 14000, 22000, HACCP. By far, the most exporters in the EU are among the processors of vegetables and fruits, and manufacturers of water and soft drinks. Confectionery food companies are very familiar with eco-marketing and they partially implement it when it comes to packaging, i.e. usage of recycled packaging.

Processors of oil are only partly familiar with degradable plastic containers, as well as the eco-marketing phenomenon. In recent years, a new oil processing technology appeared in Vojvodina as well as improved waste regulation. Waste regulation has been one of the biggest problems in this area, particularly in the matter of regulating the powdery matter and waste water. However, these things were not the result of eco-marketing as the proper application of eco-marketing and legislation is poorly known.

Meat producers in Vojvodina know that they should incorporate the HACCP system in production, but they do not how this applies to eco-marketing. HACCP stands for Hazard Analysis Critical Control Point, and while most food manufacturers are directed to the domestic market, if they use eco-marketing, they use it in an improper way (healthy food, green apple). The impulse to better meet the future through the essence of eco-marketing represents the wishes of the majority of food companies in Vojvodina. The export orientation is carried out to a much greater extent in the presence of high capacity processing companies. Research into most food companies shows the intention to follow the future recommendations about the application of eco-marketing, particularly in the case of companies with a private ownership structure, but that desire is less pronounced in the joint stock companies. The results show that food companies

in the west Backa District are the best connoisseurs of eco-marketing. The dairy industry is mainly centralized ownership, i.e. 60% of the dairy industry is in the hands of one owner. Serbia has the ability to export milk to the EU. Dairy marketing activity is also centralized. In this case, eco-marketing is a great opportunity to improve on this export potential, but for now it still does not apply.

As to oil production, eco-marketing is partially or not at all applicable.

CONCLUSIONS

Results obtained through a survey of the food manufacturers of Vojvodina indicate that they have a partial degree of general knowledge, modest knowledge of eco-marketing principles, and an extensive lack of experience in the proper application of food eco-marketing. Experience has shown that the usage of eco-marketing in some companies is simply done badly and will be abandoned after 10 years. The fact that food companies in Vojvodina show a strong intention to be more informed in the future, to produce safer food products to a greater extent, and to meet the basic regulations in the implementation of eco-marketing, is cause for great optimism, but intentions should not be confused with deeds.

The process of changing outdated technology, and encouraging production methods that are consistent with high European standards, will play a major role in the state. Overall, implementing incentives and letting the food companies begin to see a rise in interest in their product because it is environmentally suitable is slowly bringing this industry around to general European standards. Even so, the financial and political situation mean that the realization of such progress, as well as the application of an export-oriented eco-marketing plan, will inevitably be slow.

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PRIMJENA EKO MARKETINGA PRILIKOM IZVOZA PREHRAMBENIH PROIZVODA IZ VOJVODINE

SAŽETAK

Eko marketing podrazumeva promociju proizvoda i tehnologije koje su u skladu sa konceptom održivog razvoja. Nova marketinška paradigma imaće ključnu ulogu u narednim godinama na više načina na globalnom nivou, kako svojim uticajem na kompanije da prilagode svoju proizvodnju i poslovanja principima održivosti, tako i na prenos zabrinutosti potrošača u konkretna dela – kupovinu ekološki podobnih proizvoda. "Konvencionalni marketing je aut, eko marketing je in".

Trend u svetu kao i u našem neposrednom okruženju nameće potrebu da se i naša zemlja postepeno uključi u navedene tokove. U radu je proučavana eko podobnost domaćih prehrambenih proizvoda i primene eko marketinga u prehrambenoj industriji u Vojvodini, čije su izvozne mogućnosti velike, a realizovaće se poređenjem primenjenih proizvodnih činilaca, sa internim i međunarodnim ekološkim normama, standardima i preporukama. Takođe, biće dat i kritički osvrt na primenu eko etalona. Proučavanje će prvo obuhvatiti analizu informisanosti vodećih proizvođača prehrambenih proizvoda u Vojvodini sa adekvatnim domaćim eko propisima i međunarodnim eko standardima i principima. Zatim, daće se preporuke i mogućnosti konkretne primene eko marketingu u posmatranoj prehrambenoj industriji (Golušin, Mirjana, 2004).

Dakle, osnovni cilj ovog istraživanja je analiza informisanosti o poznavanju standarda, eko marketing principa i pravilne primene eko marketinga od strane vodećih prehrambenih proizvođača u Vojvodini, kao i preporuke za njegovu pravilnu upotrebu u cilju unapređenja izvoza.

Ključne riječi: eko marketing, eko podobnost, prehrambena industrija Vojvodine