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# Brand as a marketing tool for growth in organic sales: Evidence from Ukraine

## ABSTRACT

*This article examines the role of a brand as a marketing tool for improving the sales of organic products. The study observes the features of the organic brand, namely consumer awareness, trust and brand communications, which influence the purchasing behaviour of consumers. Research shows the relevance of brand development for smallhold farmers' association in the Ukrainian organic market. Preliminary data on brand-forming factors influencing consumer behaviour were collected by a survey of Ukrainian consumers. The results of the survey revealed a low level of awareness about organic products: 68 per cent of respondents were not familiar with its characteristics. The study presents the conceptual basis of the business model of brand association, and the conditions of its implementation by*

## KEYWORDS

organic product  
brand  
sales  
consumer awareness  
consumer trust  
brand communications  
business model  
association

*smallhold farmers who collectively sell an organic product. The authors argue that the implementation of this business model will improve smallhold farmers' position in the Ukrainian organic market by building dynamic and systematic interactions with consumers.*

## INTRODUCTION

The vibrant expansion of the world's organic market has sparked a keen interest in the subject from the scientific community (Reganold and Wachter 2016). The production and marketing of organic products are considered entrepreneurial activities in which profit motive coexists with environmental conservation and improving social welfare, meeting basic needs through the creation of healthy food (Babenko et al. 2017). This alternative form of food supply ensures the health and well being of the consumer (Cen et al. 2020; Morshedi et al. 2017). The most organic products quickly deteriorate or lose some qualities because they do not contain preservatives and are not treated with, for example, wax for long-term storage, hence the importance of its rapid sale (Zavadska 2014; Bezus 2015; Ulyanchenko and Bezus 2016; Novak 2016). However, barriers exist to the uninterrupted, efficient marketing of organic products, and chief among those are high prices and low levels of consumer awareness about the characteristics of organic produce and the importance of its consumption (Nikodemska-Wolowik 2009). The problem with marketing is exacerbated by the opportunistic behaviour of conventional companies, which, for example, name or label conventional foods as 'organic' and sell overpriced produce to unsuspecting consumers. This situation, in turn, reduces the level of consumer trust in organic products, even if the organic labelling requirements are fully respected (López and Álvarez 2005). Only the use of a brand could stimulate the growth in organic sales by increasing the level of consumer awareness about organic farming, produce and values.

Given these characteristics of organic products and economic activity in general in the organic market, researchers argue that farmers should influence consumer purchasing behaviour (Hanf and Kühn 2005; Stanton and Guion 2015; Anisimova and Sultan 2014; Nikodemska-Wolowik 2009). Scholars indicate that consumer behaviour can be most effectively influenced by using a brand as a marketing tool, the main function of which is to inform consumers about the organic values using the features of organic farming (Richetin et al. 2016). For organic farming, branding is a tool for the reevaluation of values by consumers and producers – or the rural community as a whole – that presupposes 'the formation of a stable, positive attitude towards the brand [...] and a favourable situation for its implementation in consumer behaviour' due to the environmental friendliness of the product, the characteristics of organic farming, the principles of management and the price of the product (Stepanenko 2013: 320). Brand directly affects consumer purchasing behaviour, reduces the information asymmetry and the possibility of opportunism in the food supply chain (Anisimova and Sultan 2014: 515–21; Stepanenko 2013: 134; Walia et al. 2020). Branding helps to overcome the problem of unacceptably high price for organic products: if consumers know about the huge benefits of 'organic', then the price would be a secondary concern for them (Stanton and Guion 2015: 118, 137).

The development of a brand becomes especially important for smallhold farmers. They represent a basic economic group in the organic market due to the inherent characteristics of their economic activity, which are close to the socio-environmental functions and agricultural practices of organic farming. smallhold farmers' associations play an important role in the organic market, namely address the problems in marketing: consolidating consignments, reduce storage and transportation costs (Grigaliūnaitė and Pilelienė 2017). Other studies have suggested that it is economically feasible for farmers' associations to create synergies with consumers to accelerate sales (Terziev and Arabska 2016; Favilli et al. 2015; Michelsen et al. 2001; Pickard 2016; Seyfang 2004; Dombrowski 2017; Mestres and Lien 2017).

Researchers argue that it is economically feasible to establish interactions between producers and consumers within producers' associations. Consumers will demonstrate their support of socially and environmentally oriented practices in agriculture through civic activity within these associations, which would ensure the growth in organic sales (Terziev and Arabska 2016; Favilli et al. 2015; López and Álvarez 2005; Grigaliūnaitė and Pilelienė 2017; Michelsen et al. 2001; Pickard 2016; Seyfang 2004).

And yet, this creation of synergies is not understood through the concept of a brand. Given the importance of the association and branding for organic smallhold farmers, this article focuses on the study of the practical needs and conditions for brand building in smallhold farmers' associations to stimulate organic sales in the process of spreading ideas about and values of organic farming. The study focuses on the brand building of Ukrainian smallhold farmers' associations from the perspective of marketing research amongst organic consumers.

## LITERATURE REVIEW

In this section, we analyse several organic brand concepts. Natalia Stepanenko (2013) defines brand as an image of a social object and 'the result of interaction between individuals and the interaction between individuals and groups', which is an integrating element of the marketing communications system of the agricultural enterprise and 'a necessary condition for the implementation of its product policy when the main imperative is the innovative value of the product' (Stepanenko 2013: 318). She notes that organic farming technologies are an innovation in and of themselves due to their sustainability, as well as the features and principles of organic farm management (see also Oh 2011). The organic brand achieves its uniqueness through the communication of these characteristics in promotion materials (Dombrowski 2017).

Julie Stanton and Deirdre Guion (2015) argue that low sales volumes of organic products are a result of consumers' lack of awareness about organic products. Scholars note that consumers are not always able to clearly articulate what the term 'organic' means. The reason is simple: consumers most likely do not study laws and standards on organic farming before shopping (Stanton and Guion 2015: 135). They also note that 'organic' can be thought of as a brand, 'not an individual product or brand but a type of product that is also sold under many brand names' (Stanton and Guion 2015: 135). For this article, an 'organic product' is defined as a type of product that has certain unique characteristics based on a production system, and the presence of a visual symbol – labelling – which signals organic certification. The purpose of marketing is to convey the meaning of 'organic' to the consumer and

create value in their consciousness (Stanton and Guion 2015: 123). Thus, an organic brand has a value created in the mind of a consumer based on awareness about organic farming and positive associations with organic products (Stanton and Guion 2015: 135). Positive associations may also be formed by high-quality professional service, corporate image and other factors indirectly related to the product.

At the same time, Sirpa Kortelainen (2015) points out that consumer awareness about organic products and environmental problems does not result in the purchasing of organic products. Consumers' perception of conventional farming as harmful to health and the environment does not inevitably presuppose the support of the organic cause.

Other scholars have shown the importance of consumer trust in organic producers, which creates confidence in buying a truly organic product. Tatiana Anisimova and Parves Sultan (2014) argue that trust is the leading factor that influences the decision to purchase an organic product, and awareness is the mediating element that forms trust (Anisimova and Sultan 2014: 512, 515). The authors define trust as the result of the ability of producers to assure consumers about the authenticity of organic products. Lack of trust hinders sales due to consumers' inability to distinguish genuinely organic products from pseudo-organic products (Anisimova and Sultan 2014: 512, 521). Therefore, brands must inform consumers about the features and benefits of organic products. The principal focus of organic brand communications should be centred on informing consumers about organic farming and its main differences from the conventional agriculture, as well as the beneficial attributes of organic products for people and maintaining a sustainable society–nature relationship (Anisimova and Sultan 2014: 526).

Jon Hanf and Rainer Köhl (2005) also argue in favour of the importance of trust, but points out that the brand should first communicate to consumers about the unique quality of organic products. The proof of the highest quality is the higher price of organic products compared to conventional ones. Therefore, it is important to keep the price high to ensure high quality. The quality is also measured by the consumer on a rational level (by evaluating the features of the organic farming) and emotionally (by knowing about the humane treatment of animals and the environment). Consumers' perceptions of product quality are quite distinct nowadays from those of two decades ago. In the past, the consumer understood quality through characteristics such as taste, freshness and colour – that is, the internal characteristics of the product. Today, product quality is determined by knowledge of the production process, the individuality of the producer and the country of origin. Trust is formed by consumer awareness about the quality of organic products, which involves not only the consumption experience but also knowledge of how, by whom and where the products were made (Richetin et al. 2016). Therefore, producers should interact with consumers regularly through brand communications. Brand communications convey information about organic products, but producers should use the communication channels that are more accessible for and favoured by consumers (Anisimova and Sultan 2014).

Oktay Inceefe (2012) suggests using the following types of brand communication: (1) meetings with consumers to discuss the problem of preventing environmental pollution; (2) distribution of brochures; (3) publication of articles in newspapers and magazines, advertising on TV and outdoor advertising in cities; (4) direct marketing in retail stores, by phone, etc.; (5) personal communication with consumers through various communication channels;

(6) visiting farms with a demonstration of the production process; (7) publication of bulletins about future events, health issues, recipes, products, etc.; and (8) participation in fairs and festivals (Inceefe 2012: 79–80).

At the same time, marketing specialists must also create a unique message in brand communications about the benefits for and motivations of consumers, which are forming purchasing behaviour. Scholars distinguish egotistic (own health concerns, etc.) and altruistic (environmental concerns) motives for buying organic products. These motives are also marked as the first- and second-level motives. Accordingly, the first level (direct benefits of organic product consumption) is the motive of maintaining its own health. The motives of the second level (indirect benefits) stimulates the consumer to choose an environmentally friendly way of life and stabilize the demand for organic products. Therefore, it is necessary to form motives on two levels in brand communications (Kortelainen 2015).

Thus, the organic brand creates value in the consumers' minds as the result of trust in organic products and positive associations, which are formed based on consumer awareness about the qualities and benefits of 'organic'. Consumers' trust is ensured by high-quality products, labelling, the standard of service, the reputation of the farmer and/or country of origin, price and convenience of location of outlets. The organic brand development consists of (1) the creation of brand attributes (name and logo) and (2) the formation of a unique promise that is implemented through an effective advertising campaign, informing consumers about the distinctiveness of organic products, their high quality, special taste, environmental friendliness, the principles of organic production and pricing policy. The result of organic brand development is consumers' awareness about organic products. It is important to identify the most consumer-oriented communication channels for brand development. In other words, the brand-forming factors that influence consumer behaviour are the result of consumer awareness about organic products, attributes of trust and using favourable communication channels.

An important problem for the organic market as a whole, and farmers' associations, in particular, is inconsistent, contradictory messages about the values of organic farming, which reduces the consumers' ability to identify 'organic' and undermines their trust (Schreer and Padmanabhan 2019; Seufert et al. 2017; Dayoub and Korpela 2019). In this regard, there is a need for a collective brand communication strategy of organic farmers, which aims to raise consumers' awareness about organic farming, and create shared positive associations with 'organic'. Building and strengthening relationships with consumers, according to scholars, should be based on creating and managing a collective local brand (Stanton and Guion 2015; Anisimova and Sultan 2014). The researchers highlight the need to create synergies between farmers' associations and consumers and enable the latter to demonstrate their support for community and environmentally friendly practices in agriculture through civic activism. Interaction between organic producers and consumers is the necessary means to overcome the formidable competition with conventional agriculture and expanding the organic market (López and Álvarez 2005; Grigaliūnaitė and Pilelienė 2017; Asioli et al. 2018; Fifita et al. 2020).

However, scholars do not study the peculiarities of the organization and maintenance of relationships between consumers and organic farmers, who collectively carry out their economic activities. But relationships between consumers and producers are explained by the brand. Therefore, it is necessary to study the formation of these relationships within the associations of small organic producers through the branding concept.

As is known, organic farmers' associations do not typically connect with money holders – that is, individual consumers, who could protect the ideals and practices of organic farming by disseminating its values in society. This lack could be compensated by the functioning of the organic brand, which is centred on the interaction with consumers, informing them about the organic values. Thus, farmers' associations are lacking in terms of interactions with consumers and individual organic brands are insufficient because they are individualized and, therefore, do not maintain a holistic, consistent, uniform idea about 'organic'. In other words, farmers' associations lack an approach to consumers that exists in individual organic brand practices, and individual organic brands do not have the market power of associations.

The Ukrainian organic market is currently in an early phase of development with only a few financially self-sufficient medium and large producers focused on brand building to stimulate sales (Nihatova 2019). This is because 80 per cent of all produce is exported as raw materials. The domestic organic market is characterized by a limited supply. Its share in the domestic food market is only 0.22 per cent in 2017. However, organic sales increased by 600 per cent over 2005–17: from EUR 0.2 million to EUR 29.4 million, respectively ('Federation of Organic Movement of Ukraine'). There are also smallhold farmers operating in Ukraine, who, because of their low number, organize themselves into cooperatives and civic associations to solve marketing problems. However, these cooperatives and associations do not interact with consumers, although such producers are constantly suffering from a lack of demand for organic products in the Ukrainian market. At the same time, according to scholars, there is the untapped potential of a demand in the country (Goncharenko 2018). Therefore, this study hypothesizes the need and the potential for collective brand building strategy by smallhold organic farmers' associations to increase the demand for organic products in the Ukrainian market.

It is important to study the conditions of organic brand development in the Ukrainian market. After the completion of this study, one could see a potential for collective brand building strategy by smallhold organic farmers' associations. It should be noted at the outset that there is a lack of market research amongst Ukrainian organic consumers. Most studies focused on determining the consumer profile (e.g. through demographic data), determining the level of product quality in the agri-food market, and organic demand factors, which reveal the most attractive price for consumers in some regions of Ukraine and information about points of sale and assortment (Zavadzka 2014: 95–105; Bezus 2015: 225–36; Novak 2016: 170–72). Few studies have been conducted to identify the brand-forming factors that influence consumer behaviour, namely the level of consumer awareness about organic products, attributes of trust and favourable communication channels. Having the necessary information about the conditions of organic brand development in the Ukrainian market, the members of the organic farmers' association will make more informed marketing decisions on brand development, find the most favourable ways to establish contact and interact with the consumer.

## **METHODOLOGY**

We used official statistics, Ukrainian consumer surveys and business model concepts for this research. Taking into account the results of a literature review, the purpose of the survey was to study the conditions of Ukrainian organic

brand development. The objectives of the survey were (1) to study the level of consumer awareness about organic products; (2) to establish the most significant attributes of trust related to organic products and consumption motives; (3) to identify the consumers' need for cooperation with organic farmers; and (4) to define the most favourable communication channels for consumers. During the survey, respondents answered fourteen questions (Meixner et al. 2014; Roitner-Schobesberger et al. 2008; Bharath and Chandrashekar 2018). The questionnaire was divided into four sets: the level of awareness (three questions), attributes of trust and consumption motives (three questions), the need for communication with farmers, the most favourable communication channels (three questions) and a consumer profile (five questions).

The first set of questions was aimed to identify the level of awareness about organic products. Respondents were given five questions, response options and the right to choose one response. At first, they assessed their level of awareness. Bearing in mind that self-assessment does not always lead to accurate results, test questions were asked concerning the parameters of identification of organic products. Then respondents were offered identifiers by which they choose organic products. In the following question, respondents were shown the EU organic logo, which is often used by many organic farmers and processors in Ukraine because most organic products for the domestic market are certified under EU legislation.

The second set of questions was aimed to establish the most significant attributes of trust, which indicates the advantages of organic products and the main consumption motives. The question about the attributes of trust included response options and a proposal to choose from three options. ABC analysis was applied to the attributes of trust. This method can range the factors on the grounds of their level of importance. Data on cumulative (accumulated) importance were allocated to groups A, B and C, where A is the most important factor and, accordingly, C is the least important. Respondents were asked to choose from the following attributes of trust: the reputation of the brand (farmer), country of origin, product labelling, price, high quality, professional staff and convenient location of points of sale. An additional question was asking relating to consumers' understanding of the quality of organic products and the factors that determine it. The question about consumption motives clarified the incentives to buy organic products. The question about attributes of trust included response options and the possibility to choose three options. Consumption motives were divided into egotistic (personal health concern, taste and the aesthetic appeal of the product) and altruistic (sense of belonging to an environmentally conscious community, the impact on significant others). This question was answerable through multiple fixed choices.

The third set of questions was aimed at establishing the conditions of brand communication. Respondents were first asked to rate their satisfaction with the level of information about the characteristics of the organic products. It was also necessary to find out about respondents' readiness to interact with producers of organic products. These questions contained a fixed number of answers with a proposal to choose one of them. One question was used to gather information about favourable communication channels for consumers, which are more trusted in Ukraine ('Ukrainian Financial Consumers' Awareness' 2020: 13). Respondents were asked to rate each communication channel in the order of importance.

The fourth set of questions was aimed at establishing the profile of respondents, namely the individual demographic characteristics: gender, age, education, employment status, the presence of children, etc. The survey was conducted among 384 respondents in Kiev, Ukraine. Sample representativeness was partly achieved by a random selection of respondents – an approximately equal share of women and men and a roughly even distribution of respondents by age (representation of young people, as well as elderly). Given the low level of consumer awareness about organic products identified by Ukrainian scholars, the survey was conducted among the most likely people who were familiar with its characteristics and the production system, and could differentiate it from conventional farming. To find the target audience, the places of the most probable presence of these consumers were chosen, namely specialized fairs and exhibitions. The survey was conducted at the All-Ukrainian Fair of Organic Products, held in Kiev's Square of Contracts on 14 September 2019, as part of the Organic Week in Ukraine, and also at the specialized exhibition-fair of organic products and technologies 'ORGANIC-2019' held as part of the International Exhibition 'AGRO-2019', in Kiev from 4–7 June 2019. Statistical analysis was performed using Excel.

The method of scientific modelling enables the creation of simplified representations of economic phenomena and respective relations. This method was used in the development of the conceptual framework of the business model of the brand association and the algorithm for its implementation.

## RESULTS

Our sample was not fully representative relative to the statistical structure of the population in regards to the demographic characteristics of the respondents. However, it should be noted that the survey was conducted in the city with the largest presence of organic consumers, at a specialized exhibition and fair; thus, this sample of respondents helped to clarify further the Ukrainian consumer profile. We will try to describe and explain the main characteristics of the demographic respondents who formed the sample.

Among the respondents who took part in the survey, the share of women was much higher (78.5 per cent) than the share of men (21.5 per cent). The predominance of women reveals the traditional division of domestic work in Ukrainian families. According to a study by the rating and analytical centre 'RatingPro', women take sole responsibility for shopping and cooking in 79 per cent of Ukrainian families ('A Woman in Ukraine'). The age of the respondents was distributed as follows: under the age of 20 – 1.6 per cent; 21–29 years – 17.0 per cent; 30–39 years – 42.5 per cent; 40–49 years – 36.0 per cent; 50–59 years – 2.1 per cent; and over 59 years – 0.8 per cent. The predominance of the 30–39 and 40–49 age categories of respondents indicates a greater likelihood of the formation of ideological eco-consciousness and its consolidation in this age range. The vast majority of respondents belong to the educated strata of society: 68.8 per cent have a completed higher education, 23.8 per cent have two completed higher education, 6.3 per cent have an incomplete higher education and 1.3 per cent – a specialized secondary education. In general, we can say that most of the respondents are socially active people. By employment status, they are divided as follows: private sector employees – 54.5 per cent; public sector employees and civil servants – 16.3 per cent; students – 2.5 per cent; pensioners – 2.7 per cent; and currently unemployed – 24 per cent.

The majority of respondents (80 per cent) have children of less than 18 years of age.

According to the results (Table 1), one could conclude that there is a part of the population that considers itself aware of organic products. The question 'Do you know about the characteristics of organic produce?' received the following distribution of responses: 'Yes, I know' – 69.2 per cent; 'Yes, in part' – 12.6 per cent; 'No, I do not know' – 13.1 per cent; and 'It's difficult to answer' – 5.1 per cent.

This distribution of responses indicates a sufficient level of consumer interest in organic products due to the popularity of healthy food trends. The next question was related to the parameters of consumer identification of organic products. When asked to 'Choose the main criteria you use while buying organic produce', respondents replied that they almost always pay attention to the list of ingredients (9.1 per cent), the name on the packaging (56.3 per cent) and the labelling (34.6 per cent). Bearing in mind that self-assessment does not always show real knowledge, test questions were asked. The first one is the following: 'What do you focus on when you buy organic products?', to which the respondents answered that they almost always pay attention to the name on the packaging (44.0 per cent) and the labelling (34.6 per cent). But in the domestic market, conventional farmers are actively using 'green marketing', adapted for environmental sentiments of consumers, thus offering pseudo-'organic' products. Consequently, consumers without knowledge about organic products, its main characteristics, may prefer conventional products with an effective, but fraudulent, marketing program. As it turned out, only 16.4 per cent of respondents are familiar with the organic label. In general, consumer awareness about organic labelling is low (16.4 per cent).

ABC analysis of the attributes of trust that influence the consumers' choice of organic products showed which ones need to be addressed first (see Table 2). Each respondent was asked: 'What influence on your choice of purchasing

Questions	Response options	Number of responses, %
Do you know about the characteristics of organic produce?	Yes, I know	69.2
	Yes, in part	12.6
	No, I do not know	13.1
	It's difficult to answer	5.1
	List of ingredients	9.1
Choose the main criteria you use while buying organic produce?	The name on the packaging	44.0
	Labelling	34.6
	Conclusions of state control bodies	12.3
Do you know this labelling?	Yes	16.4
	No	83.6

Table 1: The level of awareness about organic products in Ukraine (according to the survey), %.

No	Factors	Importance of the factor, the number of respondents	Importance of the factor, %	Cumulative importance of factor, the number of respondents, %	Cumulative importance of the three factors, the number of respondents, %
1	Product quality	109	28.4	109 (28.4)	Group A 242 (63)
2	Price	80	20.8	189 (49.2)	
3	Professional staff members	53	13.8	242 (63)	
4	Convenient location of a point of sales	52	13.5	294 (76.5)	Group B 95 (24.7)
5	Trademark (farmer's) reputation	43	11.2	337 (87.7)	
6	The country of origin	32	8.4	369 (96.1)	Group C 47 (12.3)
7	Labelling	15	3.9	384 (100)	
	Total	384	100	384 (100)	

Table 2: Cumulative evaluation of factors affecting consumers' choice of organic products (according to the survey).

organic products?', with a restriction on the choice of no more than three main factors. In result, the most influential factors belong to Group A: product quality, price and professional staff members. Group B consists of the following factors: the convenient location of a point of sales and the trademark (farmer) reputation. Group C includes the country of origin and labelling.

Respondents also determined the characteristics of the quality of organic products. These characteristics may directly relate to the product and also to its production, country of origin and farmer's identity. The product quality for the Ukrainian consumers is defined by the environmental sustainability of the region (70 per cent), the technological process that does not cause environmental damage (66.3 per cent) and local farmers about whom respondents knew (43.8 per cent). The quality of the product is proven by the freshness of the product (40 per cent), its health benefits (35 per cent), pleasant taste (28.7 per cent) and safe transportation of products to points of sale (23.8 per cent). Aesthetic attractiveness of products demonstrates the quality of 'organic' for 12.5 per cent respondents. Thus, Ukrainian consumer determines the quality of organic products for the most part through knowledge of its production, which should be taken into account when conducting an advertising campaign and exercising brand communications. Demonstration of the production process through various communication channels is considered extremely important.

The main consumption motives for buying organic products were own health concerns (34.5 per cent); pleasant taste (30.2 per cent); the sense of belonging to an environmentally conscious community (18.8 per cent); the aesthetic appeal of the product (10.2 per cent) and the wellbeing of significant

others (6.3 per cent). Thus, it can be said that egotistic motives, such as own health concerns and pleasant taste, are the most important motives for consumption and should be used by marketing specialists in formulating a sales proposition.

The vast majority of respondents (84.2 per cent) consider the level of informing the public about the characteristics of organic products to be unsatisfactory and only about 7.5 per cent of respondents said that they get sufficient information. There is no need to obtain information about organic products for 8.3 per cent respondents. However, 56 per cent of respondents argue that there must be constant feedback between them and the farmers.

Among the three types of online platforms, according to the survey, 52.44 per cent of respondents considered that the official pages of organic farmers on social networks are very important, 36.34 per cent – fairly important; 4.58 per cent – not important at all (see Table 3). The second most significant online platform for respondents is the website (38.32 per cent). The blogosphere is not very popular with those surveyed (6.25 per cent) but important (29.17 per cent). Respondents are attracted to the events – for 19.14 per cent, they are very important; for 39.58 per cent – fairly important. Fairs, as a form of promotion, are not currently the most popular – only every fourth of the surveyed considered them important or fairly important. Respondents also do not consider publications (advertising) in the press about organic products important: for 2.78 per cent of the surveyed, this form of promotion is very important and, for 27.08 per cent, it is fairly important, while, for 36.11 per cent, it is not that important and 34.03 per cent think it is not important at all. Telemarketing, as a form of promotion, is also not very popular.

It can be concluded that organic farmers need to diversify their communication channels. It is essential to organize and maintain feedback through social networks, blogs and news. Thus, they are the most favourable communication channels.

The results of the survey show a low level of consumers' awareness and their desire to actively interact with producers, to receive information about

<b>Marketing communication channels</b>	<b>Very important, %</b>	<b>Important, %</b>	<b>Equally important and not important, %</b>	<b>Not important, %</b>
Thematic groups in social networks	52.44	36.34	6.64	4.58
Website	38.32	29.61	19.03	13.04
The blogosphere	6.25	29.17	39.58	25.00
Events (e.g. festivals, flash mobs and production tours)	19.14	39.58	6.25	35.03
Fairs	4.87	20.83	63.20	37.50
Environmental and social advertising in magazines, on television	2.78	27.08	36.11	34.03
PR	0.69	10.43	36.08	52.08

*Table 3: Marketing communication channels and assessing their importance for organic consumers (according to the survey), %.*

production processes that confirms the quality of products and get professional advice. The main communication channels are the following ones (listed in the order of importance): social networks, websites and marketing events (e.g. farm visits) through which producers establish close relationships with consumers and gain their trust. Knowledge of organic production first-hand is gaining knowledge about its benefits. Therefore, one can assume that if companies interact with consumers, disseminating knowledge about the features and benefits of organic products and demonstrating its production, then sales of organic products increase. Brand stimulates the sale of organic products at a premium price; therefore organic farmers obtain economic benefits and achieve socio-environmental goals. In general, brand development will provide benefits for producers and consumers alike (Table 4).

In the current context, companies need to constantly carry out marketing research to know about the preferences of consumers and their values and also conduct advertising campaigns and improve product quality. These activities could be done by using third-party organizations, consulting firms and marketing agencies. But the cooperation of smallhold farmers with such organizations may not be carried out on an ongoing basis, given the high cost of their services. At the same time, in the process of continuous interaction with consumers, smallhold farmers can study their tastes and preferences, receive complaints and respond immediately without any help, which is more effective than conducting one-sided expensive marketing research.

Establishing this kind of interaction requires knowledge, time and money. In this regard, it is necessary to create collective brand communication by farmers to inform consumers about organic products and generate shared positive associations with 'organic'. Studies have shown that smallhold farmers' associations in Ukraine do not pay enough attention to consumers, and individual farmers' brands cannot reach a wider audience.

Therefore, it is necessary to create a business model for a new organization in the organic market. A business model is a tool for conceptualizing complex economic relations, namely functions, elements and logic of entrepreneurial activity for representing and implementing current and/or future ways of doing

<b>The benefits for farmers</b>	<b>The benefits for consumers</b>
Promoting organic products in society and increasing market share	Obtaining knowledge and information about the farmer, organic farming and methods of production that lead to trust in the quality of produce
Keeping the price of products at a level favourable to the farmer	Making a conscious buying decision based on an understanding of the benefits of organic produce
Ensuring uninterrupted sales, repeat purchases	Simplifying product selection and reducing shopping time
Informing about the social and environmental orientation of production and produce	The formation of an environmentally concerned citizenry, sense of belonging to the distinct community and self-realization

Source: Stanton and Guion (2015); Anisimova and Sultan (2014); Stepanenko (2013); Grigaliūnaitė and Pileliene (2017); Nihatova (2019); Cen et al. (2020).

Table 4: The benefits of the organic brand for farmers and consumers.

business to improve customer satisfaction and the financial performance of the companies (Osterwalder et al. 2005: 3; Massa et al. 2017: 73). The creation of a business model not only implies an analysis of an existing enterprise, its structure, types of activities and assessing the level of success in achieving the set goals but can also be used to form new enterprises and organizations to solve financial and organizational problems facing companies (Rumble and Mangematin 2015). A business model describes the main goals of the new organization and the ways to achieve them, representing a cognitive that will determine the activities of managers and employees in the implementation of this model. Studies of market infrastructure, consumer behaviour, competitors, etc. help to justify the business model implementation. These studies are carried out based on the goals set for the formation of a business model. If the business model implies the organization of joint economic processes between several enterprises, then a collective business model is formed.

Therefore, we propose to create a business model of brand association and presuppose the synthesis of the principle of a collectivity of associations with the principles of systematic engagement and involvement of consumers based on individual farmers' brand practices. The main goal of brand association is to promote the sale of organic products. This business model is designed specifically to bring together smallhold organic farmers and, on the one hand, to collectively use brand building activities, which are impossible to handle individually due to the lack of financial resources, and, on the other hand, to implement marketing activities, consistent with the characteristics (principles and, in general, philosophy) of organic farming (see Figure 1). To effectively implement this business model, farmers required to adhere to the principles of collective action.

Therefore, the brand association is a business model that presupposes conducting brand building activities for smallhold organic farmers' associations to stimulate sales and minimize marketing costs. The brand association is the creation of a unique space for dialogue between organic farmers and consumers and establishing close and systematic communication with consumers. The purpose of creating the business model of brand association is to solve marketing problems, increase organic area, support the Ukrainian small farmers and form mutual trust between business and the public. All members of a brand association, while implementing this business model, must share its core idea, which is a prerequisite for its effective implementation and operation. The enactment of the business model of brand association is envisaged within the framework of the implementation of the marketing activity of existing associations (cooperative and civic association) in Ukraine. Smallhold organic farmers lack experience, management and marketing knowledge and understanding of the importance of long-term prospects. Therefore, a marketing professional should be involved. Hence, the initial investment of organic producers for the implementation of the business model should be aimed at the implementation of marketing activities, namely the involvement of a marketing professional.

In this section, we will highlight the limitations of both our sociological research and the proposed conceptual framework of the brand association business model. The results of the survey have limitations for several reasons. The study of the brand-forming conditions and factors was geographically limited, conducted within one region – the Kiev city. Therefore, there is a need to do additional empirical research to provide information support to organic producers about brand formation in other regions of Ukraine. As for the

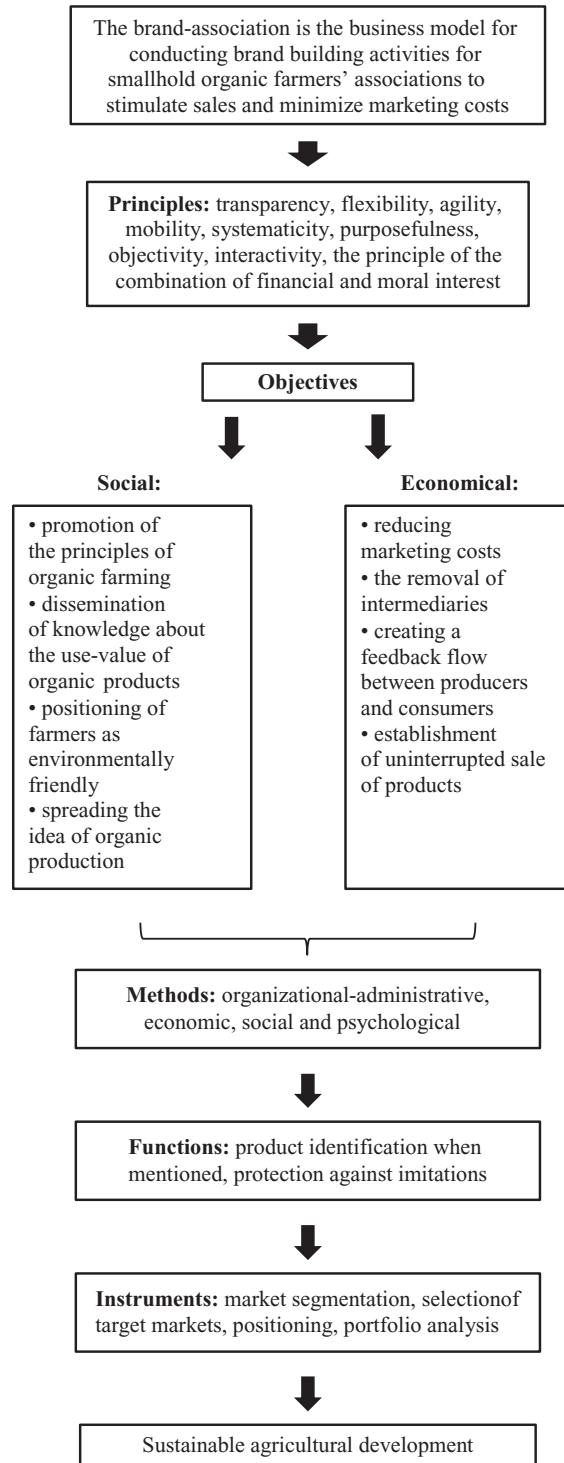


Figure 1: The conceptual basis of the business model of brand association.

structure of our sample, it differs from the general structure of the population in Kiev. This discrepancy could be related to the location where the interviews took place. Since the survey was carried out among the visitors of specialized exhibitions and fairs, the demographic data of buyers are not representative of the general structure of the population in Kiev. However, in our study, we did not intend to correlate demographic data and consumer behaviour; thus, such deviations may be small.

The business model of brand association is a theoretical construct, which is designed as a thought experiment that uses a method of scientific modelling and took into account the specificity of organic products and conditions in the organic market. However, the mechanism of implementation of this business model was not shown, as well as its cost effectiveness of implementation. To that end, it will be necessary to conduct additional research in the future.

## CONCLUSION AND FUTURE PERSPECTIVES

The Ukrainian organic market is only at an early stage of its development. The expansion of this market will provide an opportunity for the improvement of rural areas and for procuring the population with healthy products from environmentally friendly farming. Ukrainian consumers are concerned about the quality of food, which stimulate the enhancing of the culture of consumption in the country, thus creating material conditions for the sale of organic products. At the same time, smallhold organic farmers are trying to solve own sales problems within associations, forming product lots for retail retailers, reducing logistics costs but experiencing problems with the low level of demand for organic products nevertheless. This study outlines the business model for brand development in the context of Ukrainian smallhold organic farmers' association in the Ukrainian market. Consumer awareness is at the low level, which is manifested in the fact that only 16.4 per cent of respondents from our survey are familiar with the organic labelling, and more than 80 per cent are dissatisfied with the informing of the public about the characteristics of organic products. Most respondents, while buying food products, are paying attention to the name on the packaging and, therefore, buying conventional products concealed under 'green marketing' tricks. This, in turn, can reduce sales of truly organic products. As is well known, the Basic Law 'On Basic Principles and Requirements for Organic Production, Circulation and Labelling of Organic Products' on 10 July 2018 (No. 2496-VIII) was adopted in Ukraine (Law of Ukraine 2018). This law provides additional protection for organic products from imitations, but proposed prevention mechanisms against fake 'organic' were not implemented since due to the lack of additional regulations. Therefore, we believe that the problems associated with the sale of organic products can be solved by uniting organic farmers and using a brand as a marketing tool to promote sales.

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