

## **SELECTED ASPECTS OF MARKETING OF SPECIALIST SHOPS AND THEIR IMPORTANCE FOR THE REGION**

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**Abstract:** The aim of the thesis is to present and assess some selected marketing aspects of specialist shops selling organic products as well as their significance for development of Kuyavian-Pomeranian Voivodeship. The study was performed in 2019 via the method of Mystery Shopping in the specialist shops of the region. The studies used the observation sheet instrument, which took into account selected marketing aspects according to the 7 Ps of marketing. The formulated research hypothesis was that in the majority of selected cities marketing performance is satisfying. It was identified for each of seven marketing instruments on the basis of selected criteria. Relying on the performed study, it was noted that the activities in the majority of the specialist stores in selected cities are satisfactory, what would confirm the research hypothesis. The most highly evaluated marketing tools were the procedures and staff that obtained high and very high ratings in more than 90% of specialist stores. It was observed that the shop assistants have proper qualifications and knowledge and these would enable them to help the customers in a professional manner. The weak points, however included promotion which received high and very high ratings in only every third shop. Although the personal sale was performed in a very good way, the other forms such as supplementary promotion and PR were considered to be weak factors. According to the above, the shops should show greater activeness on social media.

**Keywords:** management, marketing, organic product, organic food, specialist stores.

### **1. Introduction**

In Europe and in Poland, there is a growing demand for organic food (Prus, 2010; Mickiewicz et al., 2015; Willer, Lernoud, and Kemper, 2018; Szczepanek, Prus, and Knapowski, 2018). The concept of organic food has its reflection in local and EU legal principles. Its production process combines the best environment practices, the high level of biological diversity, protection of natural resources, applying high standards of animal welfare and the method of production. In line with some consumers' preferences, the products are

manufactured with the use of natural substances and processes. Organic products have several functions, they, i.a., meet the needs of the particular groups of clients, protect the natural environment, guarantee the animal welfare and enhance the development of rural areas. Processed organic products must meet the condition which stipulates that 95% of the entire content needs to be organic (Council Regulation (EC) No. 834/2007).

The sale of organic products is mainly held by, but not limited to, the specialist stores, which constitute, depending on the country, 30%-50% of the market (Consolidated Report..., 2019). In Poland, these are usually single, small stores, however, there are small local branches of these shops as well. There are very few national branches. The greatest one is the self-service organic store branch named Organic Farma Zdrowia. There are 33 stores in the branch, including the online stores. There are local shops in Warsaw, Gdansk, Katowice, Gliwice, Krakow, Lodz, Plock, Poznan, Wroclaw, Piaseczno, Konstancin, Bydgoszcz and Tarnowskie Gory (Consolidated Raport..., 2019).

The oldest specialist stores in western Europe include the so-called Reformhaus, selling organic goods in Germany and Austria, with the history of more than 100 years. There are now 1 200 stores (including 900 selling exclusively organic food) and the number has decreased in the last 20 years by 50%. The decrease is the result of lack of adapting the method of work to the expectations of the young generation of buyers (Öko-Pioniere..., 2019).

One of the greatest branches of specialist stores in Europe is Alnatura with over 100 stores in Germany and Switzerland, offering around 1 200 organic products under its brand. The products are available in the online store and the selected retail partners (Über Alnatura – Wirtschaften mit Sinn).

A slightly smaller branch of the stores selling organic products is the German Bio Company with 56 stores (Die Geschichte der BIO Company, 2019). The branch has been on the market since 1999 with the concept of providing lots of customers with organic products at budget friendly prices. The way the store functions is adapted to the idea of balanced development and is expressed by offering organic and regional products, however, it also refers to energy-saving lamps, exploiting energy from renewable energy sources, using natural materials in the product packages, etc. The new interesting solutions in marketing include, e.g., associating the organic snacks with the idea of travelling under Take it easy action. The authors' idea was to replace the foreign fast food restaurant chains. The company is a member of the Märkische Wirtschaftsverbund association, which unites the companies oriented to obtain the organic resources from the region and, through this, strengthens the local organic farming. There was a logo prepared for the local organic products (Fig. 1).



**Figure 1.** Logo for the local organic products from the Berlin-Brandenburg region in Germany.  
Source: <https://www.biocompany.de/neuigkeiten/?page=3>.

The aim of the thesis was to present and assess the selected aspects of marketing of specialist stores with organic products and their significance for the development of Kuyavian-Pomeranian Voivodeship.

## 2. Methods

The research were performed in three cities in the Kuyavian-Pomeranian Voivodeship – Bydgoszcz, Toruń and Włocławek. The criteria for selecting the cities included two factors – the location – in the selected region, and the population – more than 100 000 inhabitants. The previous studies showed that in some greater agglomerations, there is a growing popularity of organic products among the inhabitants. In the selected cities, a group of 31 specialist stores with regional and organic products has been evaluated. The study was of complete nature, performed from May to August 2019. The thesis has been made using the method of Mystery Shopping (MS), including active observation where the evaluator is a client and the passive observation where the evaluator observes other clients in the store. Apart from the research performed in the store, there were some extra phone conversations performed, also using the method of Mystery Shopping. The method has been chosen because the authors did not want to involve the respondents, who would perhaps not be eager to provide information due to the lack of time or their tiredness caused by the participation in popular surveys. There are numerous authors of scientific local publications who consider the method as highly convenient. (Mazurkiewicz-Pizło, Pizło, 2018) There are also some foreign sources (Schmidt, 2007; Tran, 2019). In this way, the authors avoided the problem of the lack of answers. The studies used the observation sheet instrument, which took into account selected marketing aspects according to the 7 Ps of marketing. The formulated research hypothesis was that in the majority of selected cities marketing performance is satisfying. It was identified for each of the seven marketing instruments on the basis of selected criteria. The regional research was preceded by the review of both local and foreign literature related to the marketing performance. There was also major attention paid to the risk involved in the functioning of specialist stores

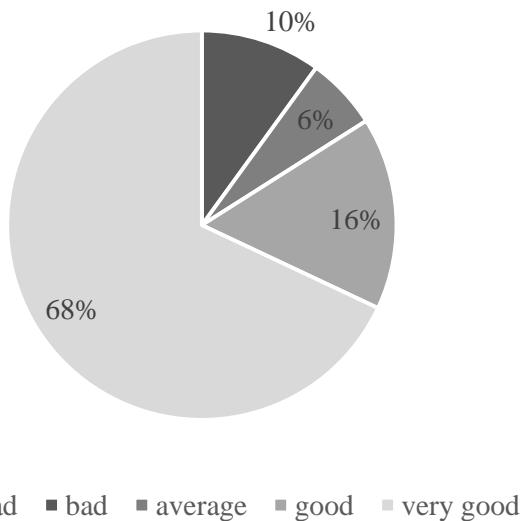
and its significance for the region development. The author's current research is a continuation of previous research in the field of organic market and marketing (Koreleska, 2009, 2017; Koreleska, and Chwal, 2016).

### **3. Results**

The marketing assessment of the specialist stores was performed according to the 7Ps of marketing. The first evaluated element was "Product". The majority of the stores were evaluated, according to the criteria, as very good (Fig. 2). The assessed stores offer diverse goods in the organic quality as well as regional, traditional products. The assortment also includes lactose-free and gluten-free products and the products for diabetics. Sometimes, there are organic cosmetics and chemicals as well as organic diet supplements. The assortment meets the needs of different buyers. In some stores, there could be some additional advice provided by a dietitian, what can enhance the attractiveness of the service. There are some appointments made with a dietitian or the shop assistants are professional dieticians themselves and give detailed advice to the consumers while they are doing their shopping. In this way, the stores effectively make the so-called extensive sale of products.

It is worth to note that, throughout the past years, there has been a rapid growth in the number of organic certified products in the specialist stores. Also, there has been some considerable improvement of the availability of some organic products, e.g. meat and meat products. However, in some stores, certain products are still available on request, with the necessity to order them one week in advance. Some but not many shops have introduced their own organic brands, enhancing their recognition on the market, like e.g. Organic Farma Zdrowie. In line with the previous consumer assessments, the availability problems were one of the main barriers of purchasing organic food (Żakowska-Biemans, 2011).

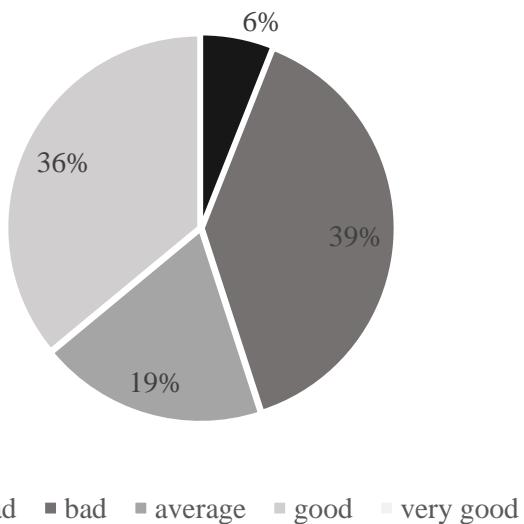
While evaluating a product in the specialist stores, particular attention was paid to the availability of certified organic products, or to the assortment offer meeting the expectations of the target groups, i.e. if these are the expected, extended or potential products.



**Figure 2.** The assessment of „Product” in the selected specialist stores with organic and regional food.  
Source: own research.

Promotions constituted another evaluated element of the stores’ marketing performance (Fig. 3). While assessing promotional activities, particular attention was paid to its four forms, i.e. advertisement, supplementary promotion, PR and personal sale. In the overall evaluation, promotion obtained lower ratings than other marketing instruments. The main factors were the marketing, supplementary promotion or PR. It seems that the stores ought to be more active on social media. Leaflets, promotional brochures and external marketing are not sufficient for the younger generations of consumers. There is a need for external drives of promotion – social media accounts and regular activity, e.g. several posts per week. It would be beneficial to create the databases of the customers and sending them promotional materials. It is significant to note that the needs for such actions has not been noted everywhere yet.

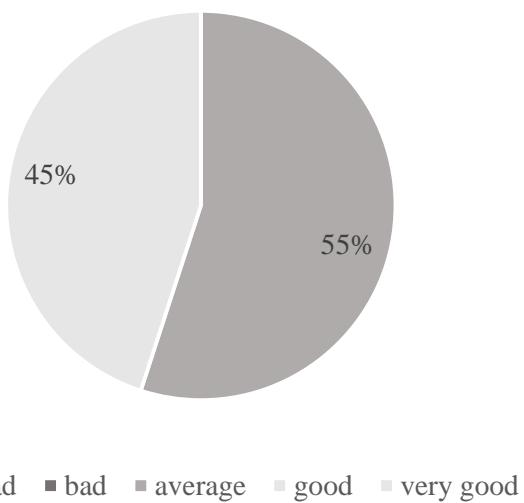
However, personal sale is the stronger aspect of the promotional activity of the evaluated regional organic food distributors. There are some factors which include professional personnel of the store who inspire trust, who are helpful and friendly, ready to advise a given customer. Loyalty cards seem to constitute a significant issue as well. There is a live bond between the vendor and the buyer and that is the best warranty for the buyer to return to the store.



**Figure 3.** The assessment of “Promotion” in the selected specialist stores with organic and regional food. Source: own research.

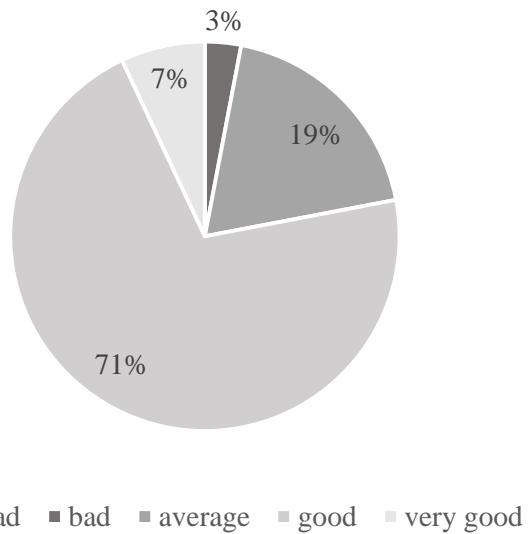
The consumer research shows that one of the factors increasing the sale of a given product is its price. For the regular buyers, its significance is visibly decreased. The price of the offered organic products is normally higher than of the conventional goods. It is the result of the extended duration of the process of production and processing, resigning from the use of chemical additives, etc. What some small specialist stores offer is a smaller number of products, which are collected directly from farmers, which results in additional costs, influencing the final price.

In the price evaluation, several factors were considered, e.g. the price of selected products in comparison to other similar, conventional stores, sales and the way of informing about them, loyalty cards, clear labels.



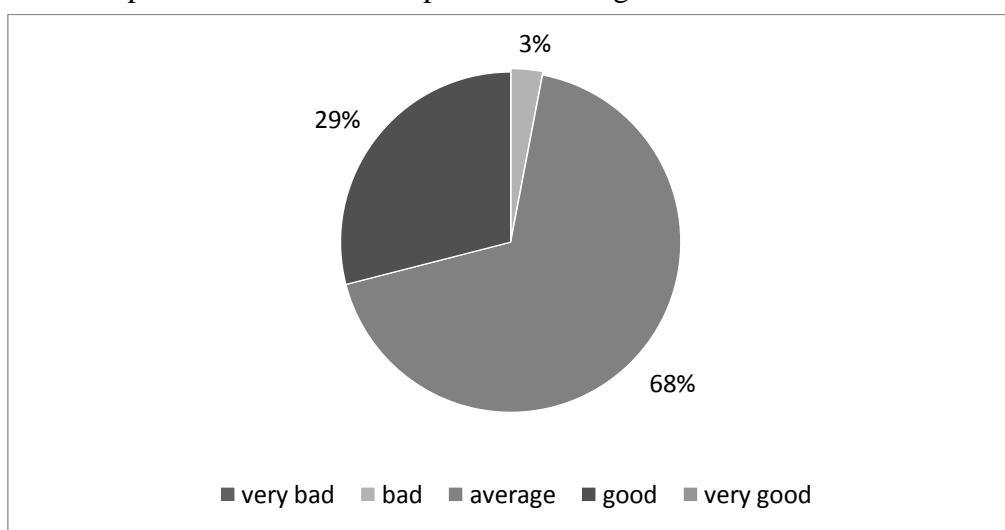
**Figure 4.** The evaluation of “Price” in the selected specialist stores with organic and regional food. Source: own research.

Distribution of marketing activities generally stands for offering product in the buyer-friendly time and venue. In the study, there were several factors taken into consideration: the store location, opening hours and the possibility of home delivery. In the majority of the stores, the opportunity was evaluated as “good” or “average” (Fig. 5). The opening hours are set as from 9 am to 6 pm. There were some single stores which open at 7.30 am and close at 8 pm.



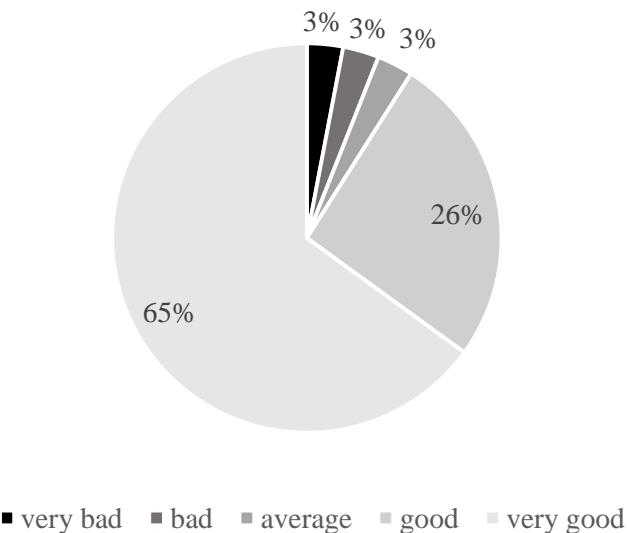
**Figure 5.** The assessment of “Distribution” in the selected specialist stores with organic and regional food. Source: own research.

The “Process” involves a sequence of actions from the selection of the store to the payment for a purchased product. There are some factors as the length of the queue, the payment method, the attitude of the staff and the possibility of making a complaint. It was observed that the service in the stores was efficient, there were very few queues, there were enough staff for the number of customers. One disadvantage would be no alternative to cash payment. The complex evaluation of the process in the stores is presented in Figure 6.



**Figure 6.** The assessment of “Process” in the selected specialist stores with the organic and regional food. Source: own research.

The personnel (“People”) are an important tool of the business activity, in particular in relation to the service marketing. While assessing people working in the selected stores, particular attention was paid to the staff courtesy, sales techniques, informing the customers on the assortment offer, the atmosphere, the staff competences, the pace of reaction to the questions. The conducted studies show that the majority of the staff were well trained, helpful and advisory. There was friendly atmosphere in the stores. The shop assistants were polite and smiling, following the rules of *savoir vivre*. The detailed assessment of the marketing tool is presented in Figure 7.



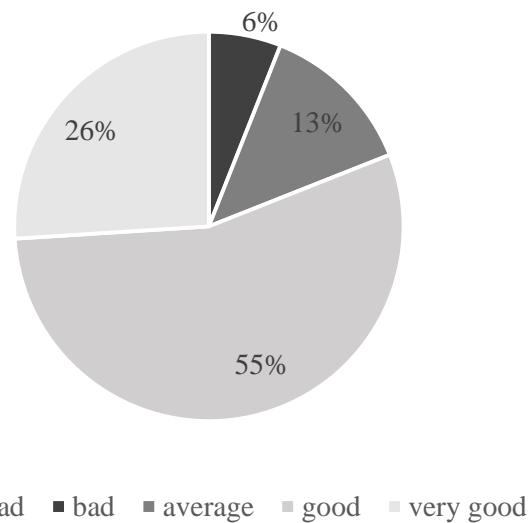
**Figure 7.** The assessment “People” in the selected specialist stores with the organic and regional food.  
Source: own research.

Another assessment of the personnel was conducted on the phone. In this case, there were several factors taken into account, e.g. the time of waiting for someone take the phone call, the way of informing about a particular product, beginning and finishing the calls, the staff competences and the atmosphere. In this test, the results were similar. Over 90% of the vendors would answer the call at the first two or three signals. Other staff would call the customers back on the very same day, sometimes after hours. Almost all the staff would give detailed information on the product. Most of them were well-trained as it comes to the producers, certification rules. The atmosphere of the conversation was very friendly, and the buyer felt as a priority since the member of staff seemed to have considered his or her needs and comfort as the most crucial elements.

The material certification stands for the actions aimed at the client feeling positive and having good image of the company (*Encyklopedia Zarządzania*). When analysing the marketing element, particular attention was paid to the appearance and equipment of the store, parking area, the personnel and their dress code, the website and the way of contacting the client. In the majority of the stores, the complex assessment of the material image gave a positive result. The stores, though smaller, had well equipped surface, the products were shelved according to their category, the rooms were clean and well-lit, the interiors were nice, the shop

windows referred to organic or regional products. As it comes to the personnel, there was a dress code they needed to follow. The staff would wear clothes with a logo which made it easier for the buyers to identify them and created a consistent image.

There was sometimes a problem with parking facilities, and not all the stores would have a website which was a great weakness in the era of the Internet (Fig. 8).



**Figure 8.** The assessment of “Material certification” in the selected specialist stores with organic and regional food. Source: own research.

#### 4. Discussion

In the Kuyavian-Pomeranian Voivodeship, the organic farming has a very long tradition and the farmers, throughout their activities for the development of organic farming, greatly influenced its condition in the entire country (Koreleska, 2017). Recently, the number of the organic manufacturers in our region has amounted to 596 and the farmers constitute 470 of producers while only 23 of them take care of preparing and processing the products (GIJHARS, 2017). The other organic manufacturers introduce the products to the market, but there are only 27 wholesalers. The number of the retailers with organic, traditional or local food in the region could be approximately 50.

The studies performed in the specialist stores in the biggest cities in the regions show that the used marketing instruments are satisfactory and they could be working on a long time basis. In the distribution canal of the organic food, there are important factors connecting the organic farms and organic processing companies with the potential buyers. For small organic farms, which do not want to run a commercial activity, and they cannot sell their organic products to the department stores considering small volumes of goods and ideology reasons, it is a warranty of purchase.

It could be noted that the obtained results are somehow contradictory to the previously performed studies. (Łuczka-Bakuła, and Smoluk-Sikorska, 2009). In the specialist stores, there has been some improvement in the availability of organic products in all categories.

Some authors indicate, though, at some risks in functioning of the specialist stores. It might include the increase of significance of large surface stores due to low prices strategies (Łuczka-Bakuła, and Smoluk-Sikorska, 2009), gradual development of the assortment offer by the organic producers (Kułyk, and Dubicki, 2019), frequent import (Koreleska, and Chwal, 2016), even making brands for the organic food might decrease the competition of the specialist stores. The obtained results of the regional research show that the owners of the stores are aware of that and they employ some marketing activities to retain their customers and obtain new ones so they can enhance their position in the regional market.

## 5. Summary

On the basis of the performed research, it was observed that the activities in the majority of the specialist stores in selected cities are satisfactory, what would confirm the research hypothesis. The most highly evaluated marketing tools were the procedures and the staff which obtained high and very high ratings in more than 90% of the specialist stores. It was noted that the shop assistants have proper qualifications and knowledge and these would enable them to help the customers in a professional manner. The weakness, however, was the promotion which would have high and very high ratings in only every third shop. Although the personal sale was performed in a very good way, the other forms such as supplementary promotion and PR were considered as weak factors. According to the above, the shops should show be more active on social media.

Summing up, one could state that the presence of well functioning specialist shops in the region gives a proper chance to the farming manufacturers to have their products sold as they are do not constitute attractive partners for the bigger stores and supermarkets. Due to that, while working in the close surroundings of organic processing companies and organic farms, the specialist stores give them a kind of a warranty of their functioning and constitute the significant factor for our region's development.

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