PAPER • OPEN ACCESS

Satisfaction of consumer preferences of consumers of agricultural products

To cite this article: S Yekimov et al 2021 IOP Conf. Ser.: Earth Environ. Sci. 677 022077

View the <u>article online</u> for updates and enhancements.



240th ECS Meeting ORLANDO, FL

Orange County Convention Center Oct 10-14, 2021

Oct 10-14, 2021



SUBMIT NOW

doi:10.1088/1755-1315/677/2/022077

Satisfaction of consumer preferences of consumers of agricultural products

S Yekimov¹, I I Sokoly², L Iarova³, N Chupryna⁴ and M Akuliushyna⁵

- ¹ Publishing House "Education and Science" s.r.o., Olstynska 607/1, Praha 8, 18100, Czech Republic
- ² Odessa national polytechnic university, Odessa, Ukraine
- ³ Bogdan Khmelnitsky Melitopol state pedagogical university
- ⁴SHEI Ukrainian State University of Chemical Technology, Dnipro (city), 49000, Ukraine
- ⁵ Institute of Business Economics and Information Technology, Odessa National Polytechnic, University, Odessa, Ukraine

E-mail: rusnauka@email.cz

Abstract. Producers and consumers of agricultural products are faced with the concept of "product quality". The quality of agricultural products depends not only on the degree of food supply to society, but also on the activities of the enterprises themselves. The resources at the disposal of a company depend to a large extent on the quality level of its products. We believe that with the development of information technology, the product market has been replaced by the brand market. The quality of services and goods corresponds to the price that consumers are willing to pay for their purchase. In our opinion, the utility that the buyer receives from purchasing additional goods or services is equivalent to the degree of customer satisfaction from receiving them. The usefulness of a product or service to its consumer is not limited only to its material characteristics, it is also inherently related to the purchase of this product or service. The use of product branding makes it possible to increase their usefulness in the eyes of consumers, and therefore affects their subjective assessment of the quality of the product.

1. Introduction

Writing this scientific work was preceded by an appeal to us from the head of one of the farms in the Dnipropetrovsk region. He specializes in growing strawberries, planting material buys in Holland.

The products of his farm have good consumer qualities, however, he had problems with the sale of finished products local distribution network offered to the farmer is not sufficiently favorable terms of cooperation. And at the same time, they sold strawberries grown in other regions of Ukraine, although their quality was lower. The possibility of selling strawberries in the markets of the Dnipropetrovsk region is limited by consumer demand.

The farmer asked us to help find a solution to the problem with the sale of his products.

Increasing the quality of agricultural products is the most important task for any agro-industrial enterprise. Its profit depends on the revenue received and the costs incurred. An increase in the profit of an agricultural enterprise can be obtained either by reducing production costs, or by increasing income

Content from this work may be used under the terms of the Creative Commons Attribution 3.0 licence. Any further distribution of this work must maintain attribution to the author(s) and the title of the work, journal citation and DOI.

doi:10.1088/1755-1315/677/2/022077

from the sale of finished products. The volume of products sold can be increased by producing higher quality products.

Improving the quality of products is primarily aimed at maximizing customer satisfaction in this type of product, which may include, along with improving the already manufactured products, the release of new types of products.

According to [1], the required amount of labor spent for the production of a particular type of product is very important for society, and improving the quality of products is largely in its interests.

In work [2] it was suggested that the successful development of market relations can solve the problem related to product quality. Products and services of lower quality will not be in demand by consumers. In such conditions, the degree of product quality is the main indicator of its competitiveness.

The stability of an agricultural enterprise in the framework of free competition can be ensured by maintaining the required level of product quality. Continuous production of high-quality products makes it possible to have a market for its sale.

For large enterprises, the market situation is more stable due to the fact that they are able to compensate for the failures associated with the production of certain types of goods and the production of other goods. For medium and small businesses, this is much more difficult.

In their work [3], the authors note that the quality of products should take into account the needs of customers as much as possible.

The authors [4] point out that customer orientation is the main aspect of quality management. The company must take into account the needs of customers and take into account their expectations.

According to [5], product quality indicators can be divided into two types: destination indicators and reliability indicators.

Reliability indicators characterize the product to keep its consumer properties unchanged. The expectation indicators correspond to the size of the beneficial effect of using the product.

In the works [6-8] it is noted that the need to improve the quality of products is determined by the following factors:

Product quality is one of the main parameters that reflect the degree of efficiency of its production.

Production of low-quality products can cause large economic losses. The requirements imposed by consumers to the quality of products are constantly increasing.

According to [9], the formation of product quality is influenced by the following factors:

State of the commodity markets

Consumer needs for this type of product

Production capabilities of the enterprise.

According to [10-11] product quality management is a sequence of measures implemented in the production process, as well as in the consumption or operation of products in order to establish, ensure and maintain the required level of quality.

International quality standards ISO 9001 distinguish two main areas of quality management: quality management in the form of operational activities and General quality management. An important point in both of these areas is the development and implementation of solutions through management actions for specific management objects.

2. Methods

As part of the scientific research carried out in this scientific article, an analytical method was used. This made it possible to study some of the issues raised in this study, in their development and unity.

Taking into account the goals and objectives of this scientific work, a functional research method was used, which allowed us to study a number of issues of quality management of agricultural products.

3. Results

Due to the use of information technologies, the company's capabilities to sell its products have significantly expanded. This also applies to agro-industrial enterprises. They usually do not directly sell their products to the end user, but use the services of intermediaries. But online sales of food products

doi:10.1088/1755-1315/677/2/022077

are steadily increasing. At the same time, the consumer evaluates the consumer properties of the purchased product, often only based on information located in a social network or on a page on the Internet. And this information does not always objectively reflect the consumer properties of the purchased chefs.

In our opinion, the quality of services and products is directly dependent on the price that customers agree to pay when they need to buy these services and products. We adhere to the point of view that the utility acquired by the consumer from the purchase of an additional product or service is proportional to the degree of satisfaction with their purchase. Therefore, the quality of a service or product is correlated with the value of the marginal utility of these goods and services for customers. However, the usefulness of the product for the buyer is not only its reliability, ease of maintenance, safety and durability. It may be related to the consumer's satisfaction with owning this product. For example, a consumer buys clothes from expensive brands, instead of purchasing cheaper ones with similar parameters, but from a little-known manufacturer.

We note that in the current environment, consumers and sellers often make an assessment of the quality of goods and services based only on advertising. This may lead to the fact that services and products with lower consumer qualities, but better advertised can be sold at a higher price and have a greater consumer demand than goods and services of higher quality.

The brand makes it possible to create attractive images among customers, and this in turn encourages them to make purchases. The more popular a brand is, the more valuable it is for a potential buyer. By purchasing a branded product or service, the buyer simultaneously acquires what is associated with this brand. For example, by purchasing a Swiss watch, the consumer buys prestige. There are many different watches that also allow you to measure time well, but getting a Swiss watch indicates the buyer's status.

In modern conditions, it is difficult to win the competition with just the best quality of products. It is not enough for customers to buy a quality product, they also want to get some emotional bonuses in the form of positive emotions and vivid sensations. As a result, a relationship of trust and commitment is formed between the brand and the customer. The presence of a loyal attitude of consumers makes it possible for the enterprise to achieve some competitive advantage. And emotionally and positively loyal potential consumers are much more likely to buy the product, and I can also recommend it to friends and relatives. As a rule, a brand that evokes positive emotions in customers is sold better.

Making a decision about purchasing a product is quite a complex process, and it is often difficult to determine which factor has a decisive influence-rational or emotional. The purchase of goods includes, in addition to exchanging money for goods, also emotions from the presence of the fact of purchase. The purchase of a product or service may be caused not only by its consumer properties, but also by events that preceded the purchase.

For example, information about a manufacturing company or advice from relatives or friends may be important. Consumer confidence in a brand or brand can also play an important role. From a variety of different options, customers, in our opinion, will buy services and products that bring them positive emotions as a bonus.

In our opinion, the brand value should be based primarily on the level of quality of the products produced.

Enterprises should have a system that ensures product quality management and provides for the distribution of responsibility for the processes and procedures required for product quality management.

In our opinion, quality management of the company's products and control over the use of resources should be carried out taking into account the implementation of the following functions:

- Development planning of the company.
- Ensuring the organization of quality control of manufactured products.
- Ensuring stable product quality indicators after its transfer to the consumer.
- Planning increasing the level of production efficiency.

doi:10.1088/1755-1315/677/2/022077

We recommended that the farmer who contacted us sell strawberries under their own brand, and develop a website for the farm. Sell your products using social networks.

Advertising on the Internet allowed the farmer to establish cooperation with trade organizations from other regions of Ukraine and increase the volume of sales of finished products by 22% in 2019 compared to 2018.

4. Discussion

Modern society places high demands on the quality of products, they are the most important conditions for the successful operation of the enterprise in the conditions of prevailing non-price competition and excess of supply over consumer demand. Without the production of high-quality products that meet the requirements of customers, it is difficult to occupy your market niche.

Under modern market conditions, a conceptual approach to the problem of managing the quality of services and goods produced is required in order to implement the main goals and objectives of the operation of enterprises. To increase the competitiveness of products, a purposeful, continuous activity of the enterprise is required to improve the quality of its products.

The international organization for standardization for quality refers to a set of characteristics and properties of a product or service that make it possible to meet a specific or intended need. The quality requirements are reflected in the international standards ISO 9000.

In our opinion, we should highlight a number of principles aimed at improving quality management, which enterprise management can use as a tool to improve the efficiency of their companies.

- 1) Management. The company's managers define its tasks and goals and create conditions under which the company's personnel will be able to perform the tasks assigned to them most effectively.
- 2) Using the process method in management. Achieving the desired result is much faster if the activity is managed as a whole as a process.
- 3) Focus on consumer needs. The success of a company depends largely on the ability to understand the needs of consumers and take into account their requirements.
- 4) Since the quality of a product or service is subjective, the company should influence consumer preferences in order to form a positive image of the company and a positive public opinion about the quality of its products. For this purpose, in our opinion, product branding can be of great importance.

It allows the company to act taking into account the presence of different consumer needs inherent in different territorial and segment markets. In the past, the use of branding was possible only for large enterprises, due to the high material costs of its implementation. However, the advent of Internet technologies has significantly reduced these costs and branding has become available to medium and small businesses.

- 5) Involvement of employees. The company's personnel is the basis of the organization's functioning, so using their capabilities and abilities can bring huge benefits to the enterprise
 - 6) Using a systematic approach in management
 - 7) Creating mutually beneficial relationships with contractors and suppliers.

5. Conclusions

Both the consumer and the manufacturer have to deal with the concept of quality all the time: in the store, at home, and at work.

The quality of our products is the basis for people to meet their needs. The opportunities available to the company largely depend on the quality of goods and services produced.

In the conditions of high market competition, the orientation of production to the production of highquality goods is the basis for the successful functioning of the enterprise.

The usefulness of a product or service to its consumer is not limited only to its material characteristics, it is also inherently related to the purchase of this product or service. The use of product branding makes it possible to increase their usefulness in the eyes of consumers, and therefore affects their subjective assessment of the quality of the product.

doi:10.1088/1755-1315/677/2/022077

However, the usefulness of the product for the consumer is not limited only to its material characteristics, durability, reliability, safety and convenience in the maintenance process. It is also inextricably linked to the satisfaction of owning this product. Using effective product branding allows you to increase the usefulness of products in the eyes of consumers, and therefore, their assessment of the quality of products.

References

- [1] Govindasamy R, Hossain F and Adelaja A 1999 Income of Farmers Who Use Direct Marketing *Agricultural and Resource Economics Review* **28(1)** 76-83 10.1017/S106828050000099X
- [2] Hussein M6 Silva A and Fraser I 2015 Linking intrinsic quality attributes of agricultural produce to revealed consumer preferences *Food Quality and Preference* **41** 10.1016/j.foodqual.2014.11.018
- [3] McCann D 2020 Consumers' preferences regarding agricultural biotechnology 10.7939/R3HX15V5W
- [4] Osborne M and Rubinstein A 2020 Consumer preferences *Models in Microeconomic Theory* 45-56 10.11647/obp.0211.04
- [5] Ekanem E, Muhammad S, Tegegne F and Singh S 2003 Producer and consumer preferences for agricultural biotechnology: the case for genetically modified foods *Journal of Food Distribution Research* **34** 101-23
- [6] Cecchini L, Torquati B and Chiorri M 2018 Sustainable agri-food products: A review of consumer preference studies through experimental economics *Agric. Econ.* Czech **64** 554-65 https://doi.org/10.17221/272/2017-AGRICECON
- [7] Gill Pankaj & Kaushik, Sushma & Lata, Prem 2020 Consumers' preferences for Detergents *Indian journal of social research* **42** 247-50
- [8] Sänn A 2017 Consumer Preferences In: The Preference-Driven Lead *User Method for New Product Development Forschungs-/Entwicklungs-/Innovations-Management* (Springer Gabler, Wiesbaden) https://doi.org/10.1007/978-3-658-17263-3_3
- [9] Young D 1979 Risk Preferences of Agricultural Producers: Their Use in Extension and Research *American Journal of Agricultural Economics AMER J AGR ECON.* **61** 10.2307/3180376
- [10] Ramachandran Sethuraman and Basariya s. Rabiyathul 2020 Consumers' Preference and Their Buying Choice *Novyi MIR* **5(10)** 77-88
- [11] Khan Shah and Bano, Ruqaiya 2019 Consumers Preference Scale. APRC (Belanganj)