

**Applicability of niche marketing on the market of organic honey**

**INTRODUCTION**

Enterprises need to use differentiating strategies due to the oversupply on the food market. They have to produce unique products of special quality and with specific properties, which offer something better and more for the consumers in special fields. Our study focussed on organic honeys as, in addition to having a major role in healthy nutrition, they are typical niche products, all their types have special properties.

Market segment is a smaller or larger, distinct subset of the market. Market gap is a more narrowly defined group of the market, specified by dividing the segments into parts or by identifying a group of consumers who expect certain specific benefits from their purchase. As for niche, it can be regarded as a small market consisting of buyers or of a small group of buyers with similar characteristics and needs (*Figure 1*).

The niche is a market share or group of customers formed in the light of the purposes of the enterprise, which is homogeneous with respect to the properties essential for the company – selected after careful consideration –, well-distinguished (distinct from the others) and has just the appropriate size (yielding profit over the costs) (*Tevrik and Maarten, 1994*).

**Figure 1**

**Market segmentation**

Segment 1.	Segment 3. <div style="border: 1px solid black; padding: 5px; display: inline-block;">                     Gap                     <table border="1" style="display: inline-table; vertical-align: middle; margin-left: 20px;"> <tr><td>N</td></tr> <tr><td>I</td></tr> <tr><td>C</td></tr> <tr><td>H</td></tr> <tr><td>E</td></tr> </table> </div>	N	I	C	H	E
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Segment 2.	Segment 4.					

Specific marketing methods are necessary for distributing unique, special-quality organic honeys, this is called niche marketing. It is niche marketing which best satisfies the fundamental principle according to which the profit targets served by marketing can be best achieved by serving the consumers. Based on niche orientation, a rational product and choice structure can be formed as the demands of a homogeneous consumer group can be assessed and satisfied more efficiently. The consumer group can easily be stabilized, and the companies will become more distinguishable, with a more distinct

profit-making image. As a result of more firmly-based and consequently safer decisions, it is easier to assess and diminish risks. With increased introduction the conditions of sale can be improved gradually, and the size of the niche can usually be increased, too.

Typically, small and medium-sized enterprises can use niche marketing. The best chance for smaller companies to leave the shadow of larger companies, that is to stop close competition with them, is to target at a small market segment outside the scope of interest of large companies. Small and medium-sized enterprises co-operate with buyers, tailor their products for market niches in order to create new applications and consequently to find new market niches. Their activity is centred on niches and they pursue marketing aimed at niches – according to *Moulenberg* (1986) – from among the marketing strategies applicable in agrarian economics.

## MATERIAL AND METHOD

In the primary research part of our work consumers' opinions and demands were assessed with respect to their willingness to consume organic honey, as the identification of the demands and needs of potential consumers is indispensable for developing a rational product and choice structure.

In the course of our investigation concerning the consumption habits of organic honey, 320 assessable questionnaires were received. The age composition of the answerers differed as compared to the national average, the proportion of the 18-24 age group was larger, that of people over 60 was significantly smaller, while the proportion of other age groups was approximately the same as the national average. Special emphasis was laid on questions concerning familiarity with and consumption of organic honey.

For the sake of easier processibility, the compiled questionnaire included mainly closed questions, and answers to certain questions could be given with the help of an interval scale. The interval scale also ensures ranking in which the distance between different positions is also specified. The differences between the degrees of the interval scale are constant, therefore each degree can be quantified (*Lehota*, 2001).

The answers to the questionnaires were coded, then the results of the survey were recorded in an Excel table. Evaluation was also performed with the help of this program. The data and information obtained were evaluated by using descriptive statistics and comparative analyses.

## RESULTS

The first part of our survey was aimed at finding out whether the people questioned considered it important from the nutritional-physiological aspect to consume (organic) food produced in a chemical-free way. The answers received reveal that more than three-quarters of the answerers regard the consumption of such food important. Compared to this, only 19% of the people asked have ever consumed organic honey with some degree of regularity (*Figure 2*).

On the first look there is a contradiction between the answers given to the two questions. How is it possible that although 82% of the consumers have preference for organic foods, they do not consume organic honey? We tried to find the answer to this with the next question.

The result obtained is astonishing: because 67% of them are not familiar with it. 19% of the answerers know about it but cannot purchase it during shopping, while 9% consider the price of the product too high. These data are illustrated in *Figure 3*.

Figure 2

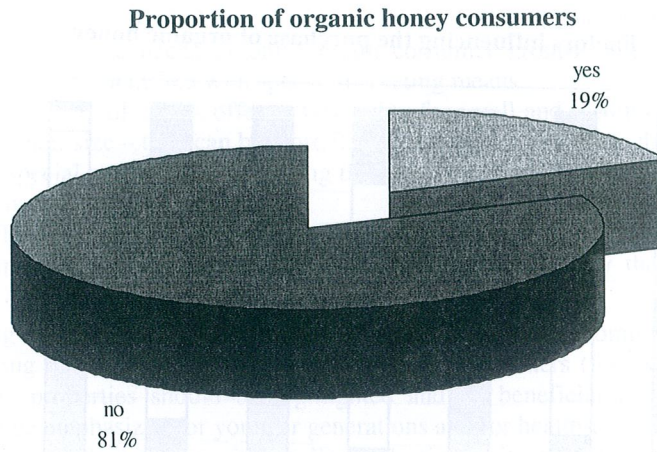
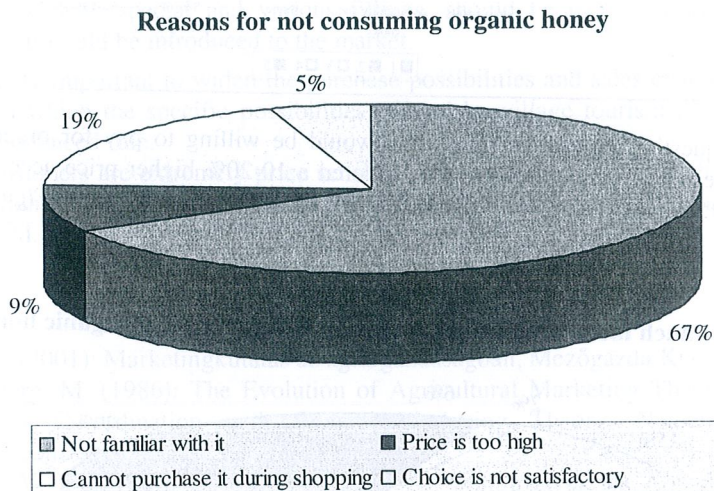


Figure 3

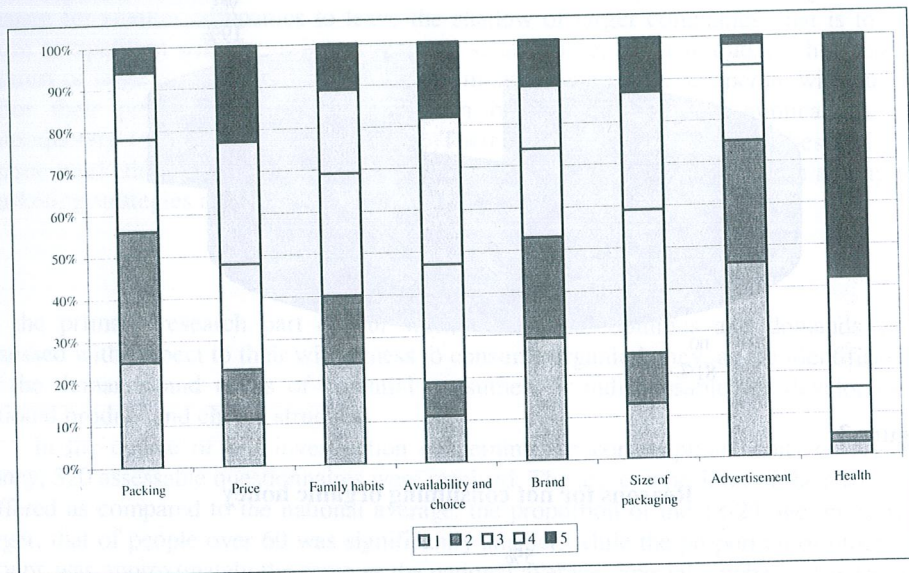


This result is mainly due to the fact that consumers are not informed properly, the level of their information is quite low. The majority of people and even a certain group of traditional bee-keepers do not know what the difference between organic honey and honey produced with traditional technology is.

In the next part of the survey we tried to identify the factors which influence consumers in buying organic honey. It was found that the greatest importance was attributed to the curative effect of honey. The price of the product, the size of choice and packaging were also important aspects. Packing, family habits, brands and advertisements were considered less important (*Figure 4*). In our opinion – contrary to the results of the survey – family habits have a much more pronounced role in forming consumer habits than admitted by the people asked.

Figure 4

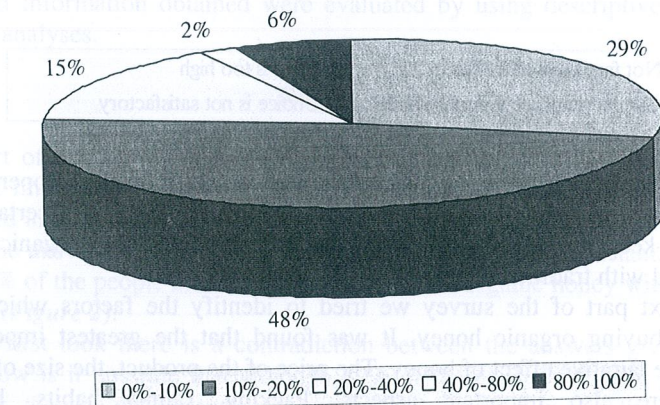
Factors influencing the purchase of organic honey



As to the question how much more one would be willing to pay for organic honey, approximately half of the answerers considered a 10-20% higher price acceptable. Not more than 15% would be willing to pay 20-40% more for organic honey (Figure 5).

Figure 5

How much more would consumers be willing to pay for organic honey?



## CONCLUSIONS

Our survey clearly revealed that consumer demands for organic honey are not mass-scale, it satisfies the needs of only certain consumer groups. These groups (market niches) have to be identified with special marketing means.

The servicing of niches offers a possibility for small and medium-sized enterprises as – due to their size – they can be more flexible and can concentrate their activity on the market of special products, and by using the special means of niche marketing the range of their consumers can be extended.

Eco-honeys represent special value among organic products. However, the findings of our survey show that this special value is not perceived by the consumers. Our proposals are targeted at

- treating organic honey as a “premium” product in marketing communication;
- focussing on these values in the promotion for consumers (for example its special, specific properties should be highlighted and its beneficial physiological effects should be emphasized for younger generations and for health-conscious consumers);
- creating a product choice with smaller packaging, suiting market needs better, which is of outstanding importance in our opinion. For example, in the spirit of Hungarian folk traditions, the choice of organic honey in earthenware mugs and glasses, enriched with special and various fillings, should be extended; honey alcoholic products could be introduced to the market.

It is equally important to widen the purchase possibilities and sales channels of organic honey, in which the specific possibilities offered by village tourism could be given a more pronounced role.

Consumers are extremely price sensitive, therefore our opinion is that the price of organic honey should be formed with great caution until the appropriate market has been established.

## REFERENCES

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