

the achievement of high loyalty from consumers, creating high barriers to market entry for new players and forming a sustainable competitive advantage over competitors on the market.

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## ІНФОРМАЦІЙНА АКТИВНІСТЬ СПОЖИВАЧІВ НА ПОЛЬСЬКОМУ РИНКУ ХАРЧОВИХ ПРОДУКТІВ У КОНТЕКСТІ ІНТЕГРАЦІЇ ПОЛЬЩІ ДО ЄВРОПЕЙСЬКОГО СОЮЗУ

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Інформаційна асиметрія між споживачами і виробниками послуг виступає як іманентна властивість на ринку харчових продуктів, особливо у сегментах функціональних і органічних харчових продуктів. Показано інформаційну активність польських споживачів на ринку продуктів харчування, особливо акцентуючи увагу на зазначених сегментах. Проаналізовано вплив законодавства Європейського Союзу та способу комунікацій виробників продуктів харчування зі споживачами.

**Ключові слова:** інформаційна асиметрія, інформаційна діяльність, поведінка споживача на ринку харчування.

## CONSUMERS INFORMATION ACTIVITY ON THE POLISH FOOD MARKET VS. INTEGRATION OF POLAND INTO THE EUROPEAN UNION

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Information asymmetry between consumers and manufacturers appears as an immanent feature of the food market, particularly in the functional and organic food segments. This article is to present the information activity of Polish consumers on the food market, with special focus on the mentioned segments. The analysis takes account of the impact European Union legislation and programs have on the manner food manufacturers communicate with consumers.

**Key words:** Information asymmetry, information activity, consumers' behaviour on food market.

**Problem formulation.** Contrary to the assumptions of neoclassic market theories, there is no such market, the participants of which would demonstrate perfect knowledge. Neither the manufacturer, nor the consumer has a full package of information, thus their knowledge is imperfect. In addition, the scope of

knowledge of those representing demand and supply differs, which translates into knowledge and information asymmetries. In practice, information asymmetry characterises all markets, meaning that one of the parties has more/ more valuable information. The asymmetry on a market appears when the scope of information shown by transaction participants varies [1 cited by 2].

There is no doubt, the food market is one of those characterised by information asymmetry. Manufacturers have much more data concerning their goods than customers. Moreover, in the shopping process, an average consumer is not able to verify the quality of a product to be purchased. According to classification suggested by Nelson [3], food belongs to a category of products, the qualities of which can be ascertained only upon consumption (experience-qualities). Whereas, even at this point, it is impossible to fully establish the properties of organic and functional food. Such products were referred to by Darby and Karni as credence-qualities – in their case, the consumer has no other option but to trust the manufacturer [4]. This is especially true for functional food, i.e. food with a proved positive effect on vital functions of an organism. Apart from supplying nutrients, functional food contributes to an improvement in health and well-being and/or to lower incidence of lifestyle diseases, etc. [5]. This influence may be noticed only after a long period of food consumption or may be difficult to observed by the consumer altogether (if a risk of disease decreases).

When information asymmetry occurs, some market subjects make attempts to reduce its scale. Such effort is referred to as an information activity. It should be understood as gathering, transmitting and exchanging information by and between market participants and as actions taken to extend one’s own knowledge or the knowledge of other subjects [6, p. 52]. Later in the paper, more attention will be directed to the information activity of the consumers of food products, i.e. to how food related information is acquired, received and shared by customers.

**Analysis of current research outputs and publications.** So far, information asymmetry has been examined on such markets as second-hand cars, financial markets, insurance, labour market and real estate [7, 8, 9]. Dedicated studies explained reasons for which the asymmetry phenomenon occurred (from market damage to market disappearance) and possibilities of its reduction, like: screening or signalling.

Information asymmetry is present on the food market as well, although its consequences for the market as a whole are not as negative as assumed by Akerlof [7]. The market as such cannot disappear altogether, but – due to asymmetry – some of its segments may shrink or their development may not be dynamic enough, causing the segments to remain niches. Organic and functional food markets can be counted as such segments.

Subjects on markets affected by information asymmetry can implement various measures within their information activity. Classification and examples of such measures were analysed by Kaas (Table 1).

*Table 1*

**Types of information activities of market subjects**

		Passive role		
		Offeror	Purchaser	
Active role	purchaser	Gathering information	Comparing prices, comparing quality	Imitating, collecting references
		Transmitting information	Presenting payment ability, reliability	Promoting fashion, demonstration, consumption
	offeror	Gathering information	Analysing competition, espionage	Market research, consumer research
		Transmitting information	False signals, bluffing, conspiracy	Revealing quality, advertising, warranty

Source: [10, p. 360 cited by 11 p. 10]

On the basis of the above classification of information activity undertaken by market subjects the paper will focus on the activities of purchasers who both gather information and transmit it to other market

participants. The particular scope of interest has been greyed out in Table 1. It has been assumed, it is the offeror/manufacturer who is richer in knowledge on the food market. To reduce asymmetry, the preferred flow of information is from the offeror to the purchaser. Therefore, the paper will skip the aspect of information transferred from the purchaser to the offeror, but will centre on active communication from the offeror to the purchaser being a passive recipient of messages.

It should be emphasised that Kaas' classification does not present information activity in an exhaustive manner, for it takes account of only two categories of subjects – offerors and purchasers – while the latter may also obtain information from institutions and non-governmental organisations safeguarding consumer rights, as well as from education programmes and materials. These other sources of information will be presented later in the article.

**Objective of article.** This article is to showcase two aspects of reducing information asymmetry on the food market in Poland:

1. Possibility to decrease information asymmetry through information activity of consumers.
2. Impact of EU programmes and legislation on the clarity of marketing communication of enterprises, consumer protection and thus on the reduction of information asymmetry as regards food.

**Presentation of main material.** The majority of consumers present a passive approach to obtaining information on food products. Shopping decisions frequently translate into routine purchases. Some products are bought on impulse at the point of sale. Information communicated to passive consumers is provided by both food manufacturers and independent subjects. Some of the message senders are the following:

- Food manufacturers
- Intermediaries in distribution channels
- Other consumers
- Non-governmental organisations and institutions protecting consumer rights
- Media
- Physicians / dieticians

Information supplied by manufacturers concerns data of a product or its producer (message) or implies qualities of a product or its producer (signalling). A message may provide facts about the properties, composition, effect, price and a point of sale of a product or about the history and effectiveness of company operations. The information may be transmitted through various channels of marketing communication, like advertising, public relations, sale promotion, personal selling, direct marketing and packaging. As regards the organic food market, these instruments have been described in greater detail by Nestorowicz and Pilarczyk [12, 13, 14], while in relation to supporting healthy food choices by Nestorowicz [15].

Signalling may mean creating an impression that a product is of high quality by setting a high price, designing a package associated with exclusive products (e.g. through the use of adequate colours, materials or fonts) [16], selecting desired points of sale (e.g. sale of vitamin C enriched lollipops in pharmacies differentiates these products from standard lollipops) or ensuring special exhibition in a point of sale. When it comes to strengthening the positive image of a company, signalling may involve the address of a company seat (e.g. the most expensive street in the city), state-of-the-art architectonic solutions at the company's office, a unique name or logo. Communicating messages is intentional, while signalling may be either conscious or unconscious [11, p. 80].

In addition, transmission of messages may serve as a signal that a manufacturer who communicates with the consumer has nothing to hide [11, p. 80]. A good example is a TV broadcast from a manufacturer's factory to reveal details of a production process. It is often the case when companies operating in a given industry need to face certain allegations. A company which agrees to show its factory receives among consumers an image of a fair enterprise which has nothing to hide.

If the consumer is a passive recipient of messages sent by manufacturers, other consumers or subjects, it is of the essence to design the messages appropriately to be noticed by a prospective recipient. For a message to be effective, the noticing does not have to be a fully aware process. This is because some information may be successfully processed via the so-called peripheral route [17, pp. 97-98], especially as regards signalling. Usually, messages transferred require processing in the central route, but consumers will not pay any attention if they are not interested in the information as such.

A level of consumer knowledge is another factor that influences the effectiveness of reducing information asymmetry on the food market. The knowledge and experience purchasers have at the time of receiving information play a major role in interpreting the information and its understanding. The knowledge is also important when ascertaining message credibility. Consumers who adopt a passive approach to information exchange often demonstrate a lower level of knowledge of food and food market, etc. compared with consumers whose attitude is more active. Conscious shoppers are more willing to search for information and present a more critical approach to messages provided by manufacturers. They are less susceptible to signalling, because – being interested in food related topics – they more often employ the central route to process incoming and already gathered facts and figures. Obviously, this does not mean consumers in this group are fully resistant to the impact of psychological phenomena, like the halo effect or the sleeper effect. The fact that message credibility is affected by a subject being the message sender has been used to describe the halo effect [17]. The phenomenon is based on transferring one's perception of the information sender on the assessment of a message as such. The more credible the sender, the more reliable is information which he or she provides. Whereas according to the sleeper effect [17, p. 104], over time, the recipient tends to forget who or what was the source of the message. Therefore, information just read in a sponsored article is likely to be regarded as undependable, for it is communicated by a manufacturer who cares for a positive perception of its products. Yet, after some time, the reader remembers product qualities but fails to recollect how the information was acquired. Thus, it is considered reliable.

People who are more aware of how significant food is for a human life, what impact healthy food has on one's health and well-being and what pseudomarketing activities manufacturers undertake to manipulate consumers more actively search for information on product categories of their interest and share this information with other consumers. The "more aware" audience engaged in the food shopping process is represented by so called prosumers [18]. Frequently, a higher information activity can be observed among consumers having small children or children suffering from food allergies. A transformation from a passive recipient to an active information seeker often transpires when a consumer or a close family member falls into a dietary disease or when having previous negative experience with a given product category.

To consider making the effort of searching for information, the consumer needs to expect that the acquired knowledge will be valuable and compensated with desired benefits. The more difficult it is to gather information, the more often people will resign from the search, as the balance of benefits and effort will be negative from their perspective. Therefore, an important role is played by legal regulations obliging manufacturers to provide consumers with relevant information in a form that is easy to be found, read and properly understood.

Conscious consumers seek information in the pre-purchase process, at a point of sale upon direct contact with a product and its packaging, and after making their final choice. Before shopping, information is searched for via the Internet (e.g. on manufacturer's websites, websites focusing on healthy food, discussion forums, etc.) and through direct contacts with other consumers [14, p. 401]. Active information seekers watch educational programmes dedicated to consumers (e.g. "Wiem, co jem i co kupuję" / "I know what I eat and buy"), read press and specialised publications (e.g. "Wiesz, co jesz?" / "Do you know your food?" issued by Rigier Axel Springer), follow dietician's instructions and participate in meetings, the aim of which is to raise awareness of nutrients among parents of children at the kindergarten and early-school age.

Information acquired at the point of sale is mainly the one provided by a seller and presented on a package. The seller is especially valued as a source of information in short distribution channels on the organic food market (sale directly from a farmer, at a fair) and in specialist shops (offering the so-called

“healthy food”). This has been confirmed in research carried out by the author [14, p. 401]. In supermarkets, megastores and discount shops, a much greater role is played by information placed on labels.

A study conducted across the European Union revealed that on average 18% of the Europeans (from 27% of the British to 9% of the French) search for nutrition facts on product packages. In Poland, this figure amounts to approx. 14% [19, 20]. Crucial is also the level of understanding information provided. In this regard, Polish consumers do not come out very well. According to a research carried out by AC Nielsen, 17% of Polish respondents do not comprehend nutrition facts placed on food labels and packages whatsoever and 47% understand them partially. These figures in North America equal 3% and 33% respectively [21].

Due to the fact that information seekers adopt an active approach to acquiring food related data, they process it using the central route more often than passive information recipients. Another difference between active and passive data gatherers is sharing acquired information with other consumers. Especially active in this regard are prosumers. A significant role is played here by social networking sites.

As actions taken by consumers are not sufficient enough to reduce information asymmetry, shoppers are supported by non-governmental organisations, institutions and other bodies, such as the Office of Competition and Consumer Protection. Accession of Poland to the European Union contributed to larger protection of Polish consumers and counteracting manipulation of information supplied by manufacturers. This involves for example legal regulations which require that manufacturers provide consumers with reliable information on qualities, features and ingredients of products on offer. They forbid misleading and unequivocally indicate which facts should be placed on labels. The law regulating indications and obligatory information on packages will still be the subject of modifications until 2014 [22]. The objective of such actions taken by the European Union is to enable end consumers to make aware choices by making it easier for them to read and understand information placed on food labels.

On the other hand, accession of Poland to the European Union has made it possible to conduct educational actions supporting and promoting among Polish consumers organic food or other particular product categories, such as fish, vegetables, fruit, milk or honey, etc. The aim of EU co-financed programmes is to raise consumers' awareness of healthy nourishment, increase consumption of products having a positive effect on health condition and improve understanding of food information. Examples of such campaigns are the following: “Życie miodem słodzone” (Life sweetened with honey), “Pan Karp” (Mr Carp), “Ryba wpływa na wszystko” (Fish has it all), “Mamo, jedz ryby” (Mum, eat fish), “Pora na pomidora” (Time for a tomato), “Dobre dla natury, dobre dla Ciebie” (Good for the nature, good for you). Becoming an EU member state has translated into a greater emphasis on protecting and educating consumers. Poland sees campaigns carried out across the European Union which encourage people to read and understand food labels, etc. Yet, compared with consumers in Germany, Polish shoppers seem to be less aware of their rights and less educated as regards gathering and understanding nutrition facts.

**Conclusions and prospects for future research.** The analysis of research findings indicate that a significant majority of consumers do not actively search for food related information. They tend to be passive recipients of manufacturers' messages. Frequently, a change in the attitude to seeking food facts and figures is connected with a change in consumer's life, e.g. birth of a child or a disease of a consumer or a family member. To minimise information asymmetry on the food market, consumers should be encouraged to adopt the active approach, at least as regards reading product labels. In addition, attempts should be made to limit propensity of some manufacturers to follow questionable ethical practices, like using consumer misleading statements or such methods of data presentation that make it difficult for consumers to read and understand it. These attempts can be significantly supported by EU legislation. Further research should be focused e.g. on the effectiveness of actions taken, such as modification of legal regulations or placing a greater emphasis on consumer education.

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