ARE PRODUCT'S LABELING OF FOOD IMPORTANT ON BUYING DECISION TO ALBANIAN CONSUMERS?

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Abstract: *Food products are a heavy part of everyday routine. Packaging elements act as a tool for differentiation. This helps consumers to choose the product from a wide range of similar products and stimulates customers buying behaviour. Thus, food package performs an important role in marketing communications and could be treated as one of the most important factors influencing consumers purchasing decision. Within a context of food-related fear, raised by the many crises and uncertainties, customers naturally seek to assure themselves of the various ingredients of food products. Their views on the aspect of nutritional values are growing rapidly. Labels are one of the most important features of product packaging, and they are designed to communicate a message. In this context, food labeling plays an important role in providing food information to the consumer. The first thing we need to do before we buy a product is to read the label carefully. Especially if it is a new product and we have not used it before. But are we really do it?*
Sometimes we are lazy to read the long list and we are comfortable with just a quick view of the calories and the expiration date. In fact, the neglect that we show to such an important fact could endanger our health as the product may have allergic ingredients.
This paper aims to answer some research questions related to the connection between labels and costumer purchases. The main purpose of this task is to study the impact of the label's perception on the purpose of costumer purchasing and to analyze the effects on such a link of some moderate variables, like product labelling, costumer purchase elements, and socio-demographic variables. This will allow us, at further stage, to better understand the costumer buying – label relation and to draw a number of interesting recommendations related to the implementation of a labelling strategy for food products. Through a study involving a sample of 123 consumers, we will be able to determine the degree of importance that consumers give to labels and the impact of the signals of these qualities for the purpose of costumer purchase.

Key words*: product labeling, costumer purchase, costumer relation, Albanian consumer*

1. INTRODUCTION

Development of the global market has exposed costumers and producers, with a wide variety of products and brands from different countries. Such a situation has increased the likelihood of costumer choices and has compromised the manufacturers into a fierce competition. However, when faced with this wide variety of products, quality judgment and purchases belong to customers. In fact, the competition between goods and services is getting rougher day by day and every company tries to be different from other companies and costumers are increasingly seeking information on products they want to buy, which is making this information every day much more detailed. In the future, as costumers are becoming more and more demanding, product identity will become an indispensable asset for its success on the market. However, label has been estimated as one of the most important criteria regarding discrimination between products, to measure the quality of products. Labels are supposed to

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provide costumer with information about the quality. They are a way to understand the nutritional values of a food product or even its functionality.

2. REVIEW OF LITERATURE

Label is any written, electronic, or graphic communications on the packaging or on a separate but associated label. In 2002, World Health Organization had recommended that nutritional label was one of the strategies to assist the public in making healthier food choice.

Food labels are a source of information and most often the first means for directly connecting with a consumer however its potential is not always well exploited. Labels may be an instrument for reinforcing generic claims and for establishing product differentiation, differentiation across food categories and within a specific category [1]. Today, the spread and diversity of quality signals requires economic actors to redesign the labelling concept and restructure this "label jungle" [2].

Nowadays, such a concept represents a versatile marketing tool that goes beyond simply identifying a product to prove to be a guarantee of its quality to the costumer. Label seems to be an important concept in marketing. Labels can constitute credible quality certifications as they are often created by professional organizations and public institutions. This way aims to provide consumers with high quality products under the guarantee of the legal authorities.

The first thing we need to do before we buy a product is to read the label carefully. Especially if it is a new product and we have not used it before. But are we really do it? The right answer is, unfortunately, a bit. Sometimes we are lazy to read the long list and we are comfortable with just a quick view of the calories and the expiration date. In fact, the neglect that we show to such an important fact could endanger our health as the product may have allergic ingredients [10]. As Drichoutis mentioned, socio-economic factors, education, and gender can play a role in how consumers view food information and in how they use this information [3].

A review of the papers on which we are basing has highlighted the relation between costumer and product quality and emphasize that this relationship is influenced by several factors. Indeed, the rational and irrational behavior of the costumer is conditioned by the events that occur and by certain economic conditions [4]. Nutritional label can affect the consumers' purchasing behavior significantly because some evidences reveal that the provision of nutrition information may allow consumers to switch consumption away from 'unhealthy' products in those food categories toward 'healthy' products more easily [5].

Economic factors encourage the costumer to take a limited stance on the labels, but from a different point of view it is intended to have an emotional connection between the latter. Thus, it is likely that this information processing becomes easier when the products are labelled. Indeed, Binninger [6] points out that any product labelling aims to help costumers reduce their uncertainty of quality. It should meet their security need while discovering the article's production process. A consumer study conducted in the Nordic countries in 2006 found strong support for country of origin information on food stuffs [7]. The principle reason for nutrition labelling is that the consumers have a right to know what is in the purchased food, so that consumers can make better decisions for their own well- being and for their family [8].

In fact, creating a label implies setting up a monitoring system by ensuring that the current product corresponds to the criteria set [9]. Such monitoring of the system is very important

when it comes to the credibility of the label for the costumer. The variety of quality signals and labels has made their definition more complex by making unclear any attempt to structure their universe. However, their classification remains possible thanks to the nature of the information they show.

Albanian legislation of products labelling is based on law no. 106/2016 "For biological production, labelling of biological products and their control". Labelling is addressed in chapter IV of this law, according to which mandatory information on food products are: the name of the food; the list of ingredients; any food ingredient that may cause an allergic reaction to humans; the amount of ingredients; the net amount of food; term of use; special storage conditions; name and address of food operators; the state of origin; instructions for use; alcohol strength by volume (if it contains more than 1,2% alcohol); labelling of nutritional features.

3. METHODOLOGY

The paper intends to show the factors that affect whether costumers have interest or not on labels. To achieve this goal, this paper will answer the following research questions: whether or not:
1. How do labels affect costumer purchasing?
2. What factors play the most important role in customer purchases regarding the reading of labels?
3. Is there a relation between costumer characteristics and label perception?

Data collection questionnaires were used in this paper. For this study, 160 questionnaires were distributed. Out of these questionnaires, 80 were completed directly by distributing them to relatives, friends, and prominent people in (supermarket, chancellor, telephone service points, bakery), while the rest of the remaining 80 questionnaires were completed in online form. Special emphasis was placed on selecting the target group so that the results of the study had a uniform distribution. All of the distributed questionnaires were all met, of which 37 were invalid (partially completed). So the number of questionnaires available for study and data analysis was 123 questionnaires.

In this questionnaire there are questions that point the effect that labels have on consumer purchases, the reasons why consumers attach importance to or not their reading, the label elements that are most important to them, and so on. Finally, there are a number of demographic questions to see the impact of these elements on the relationship being considered.

For the achievement of the objectives set out in this study, the main purpose of the questionnaire is to identify the degree of importance of each of the label elements. Participants in this study will be asked to determine the degree of importance each element of the label, whether they read it or not, and the extent of their impact on consumer purchases.

The questionnaire will be organized in two parts. In the first part, there are questions that specifically address the importance and impact of consumer buying tags, while the second part contains demographic data. The questions are sorted by maintaining a logical sequence to make it simple and understandable. The assessment will be done according to Likert's scale (5 scales) according to which: 1-not important to 5-extremely important. Coded data was processed with SPSS.

4. DATA ANALYSIS

Demographic data analysis showed the following data:

- Among the interviewees, about 58% of them were women and 42% of them were males.
- Most respondents belong to the age group 20-30 years old with 56%, and the lowest percentage is 31-40 years old with 11%.
- From 123 individuals surveyed, 36% are students, 53% are employed full time, 3% are unemployed and 7% are pensioner.
- 53% of respondents are single.
- 49% spent more than 20.000 Lek per month for food and only 16% spent less that 10.000 Lek per month.

Data regarding the relationship between label and consumer purchase

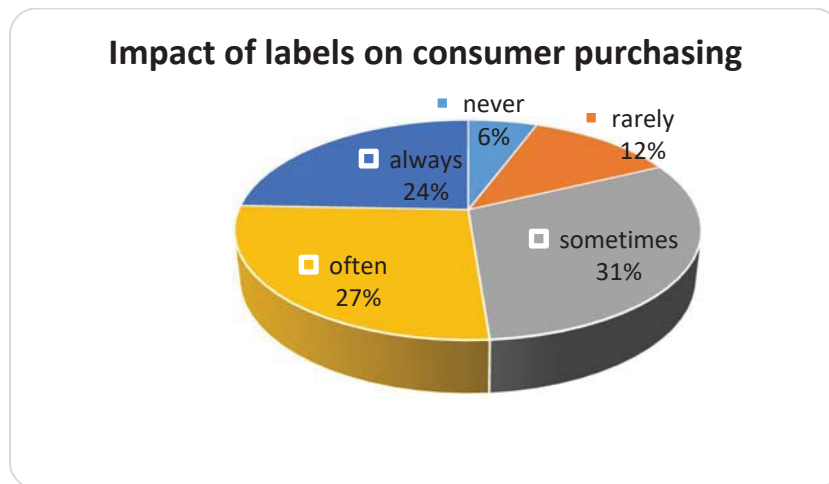How much the labels affect consumer purchasing?

Fig.1. Impact of labels on consumer purchasing

Consumers are not negligent about reading labels, only 6% of respondents show no interest in reading them and never are influencing from labels in the purchasing process.

As it is seems in the figure 2, about importance of label in consumer purchases, most respondents often and always check food labels (66%) before buying products.
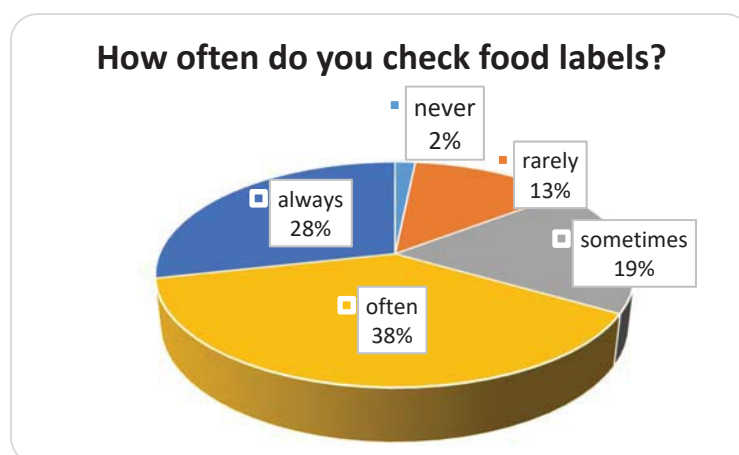

Fig.2.Checking the food labels

From the list of the reasons to read labels is noted that consumers do not pay attention at all to religious reasons (82%) and analogously, health care is extremely important reason (91%). Consumer behavior in relation to other factors such as: new products, intolerance, product origin etc. appears to be evenly distributed.

The reasons to avoid reading labels are different such as: being loyal to a brand, lack of time, foreign language of labels, excessive information, lack of confidence in food labels, lack of understanding of what labels transmit, lack of interest, familiarity with products. The study show that consumers do not avoid reading labels due to lack of interest (82%) but the main reason for avoiding their reading is familiarity with the product (78%) and being loyal to a brand (65%)

The most reliable source of information for consumers (based on the analysis of respondents) results in family (61%) and dietician/nutritionist (70%) or the doctor (67%). This is easily explained by the importance of health.

The purchases can be affected from table of food values, tables of compounds, the table of basic data (expiry, weight, etc.) placed on the label. In our study the main factor that paid more attention to consumer purchases is the table of basic data (expiry, weight, price and others) and it occupies most consumer interest (90%).

From the components of the label such as: list of ingredients, expiration date, production area, net amount, percentage of alcohol, quantity of certain constituents or categories of constituents, the way of conservation and use, country of origin of the product, company name or trademark name of the product; almost all of consumers are so much attentive to expiration date and they consider it extremely important to read it (97%). Consumers are attentive to the production area and negligent towards energy data.

Women are more affected by their purchases of labels (73%) than men (62%), as women are generally more committed to food purchases and obtaining the nutritional value they need.

Most who read labels (always and often) before buying belonging to the age group 20-30 years old. High university and postgraduate degrees pay more attention to reading labels, and this is due to the awareness that they have gained, paying great importance to almost every component of the food they consume.

From the list of factors that affect the reading of labels, Chi-square analysis show that the most important factors for p-value <5% are: new products, origin of products, the existence of many identical or similar products and healthcare.

1. New products	Chi-square	36.953
	Df	16
	Sig.	.002
2. Food intolerance	Chi-square	13.332
	Df	16
	Sig.	.648
3. Origin of products	Chi-square	34.058
	Df	16
	Sig.	.005
	Chi-square	17.977

4. To understand the way of using	Df	16
	Sig.	.325
5. Religious reasons	Chi-square	14.069
	Df	16
	Sig.	.594
6. The existence of many identical or similar products	Chi-square	32.310
	Df	16
	Sig.	.009
7. Healthcare	Chi-square	36.062
	Df	16
	Sig.	.003
8. Calories	Chi-square	16.779
	Df	16
	Sig.	.400

Meanwhile, food intolerance, understanding of the way of functioning, religious reasons, and calories do not affect statistically importantly.

The most important source for obtaining information for food's products is the Internet, for p = 10%, despite the fact that the impact is not great.

Internet	Chi-square	24.111
	df	16
	Sig.	.087

Other sources of information have no significant impact on p <5%

Among the factors that influence the avoidance of reading such labels such as: being loyal to a brand, lack of time, foreign language of labels, excessive information, lack of confidence in food labels, lack of understanding of what labels transmit, lack of interest, familiarity with products, the only one that impacts statistically important (p-value <5%) is the lack of confidence in food labels (0.007).

5. CONCLUSIONS

This study emphasize that results same as it is mentioned in the previous studies, that food labels have to be clear and comprehensible in order to be useful for consumers wanting to make better-informed food and diet choices. They are of little benefit if difficult to read and indeed there are studies that show that legibility is an important element in "maximizing the possibility that labelled information will influence its audience".

From the analysis of data it is noticed that Albanian consumers pay attention to the reading of labels. The format of labels should be mandatory by legislation so that the degree of customer confidence is higher. It is proven that the reading of labels affects consumer purchasing. As is well known, even from data analysis, women are the ones who pay more attention to reading labels, but it is worth mentioning the fact that there is a growing trend on the part of men.

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