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Original article

CAPACITY EVALUATION AND RESEARCH OF TRENDS IN THE MARKET FOR ORGANIC PRODUCTS IN KAZAKHSTAN BASED ON SOCIAL RESEARCH TOOLS

D.S. Samenbetova, O.Yu. Patlasov

Background. *Recent years have seen the demand for organic products steadily growing both in the domestic and foreign markets. This makes it relevant and important to identify specific factors that will affect consumer behavior in the future, using the example of the local market. The purpose of the study is to determine the factors for promoting environmentally friendly products and to identify consumer demand patterns through social research tools. The article deals with research of market capacity for organic products based on an analysis of consumer behavior across the Republic of Kazakhstan, with sociological survey serving as a basis.*

Purpose. *The purpose of the study was to gauge the capacity of the consumer market for organic products in Kazakhstan. In order to identify the factors driving consumer behavior, sociological studies were done based on a survey of Internet users focused on the consumption of organic food, as well as polling of customers of specialized stores of organic products in Astana.*

Methodology. *The study utilized general scientific methods of cognition of socio-economic phenomena and processes: logical and analytical methods, classification, systemic and holistic approaches, ways of synthesis and comparative analysis, sociological survey and polling.*

Results. *The sociological surveys made it possible to identify what consumers of organic products looked like and to generate proposals on how producers should further develop organic farming.*

Conclusions. *Primary cities of organic products consumption in Kazakhstan are Almaty and Astana. The main reasons for this pattern are local population's high purchasing power, high population density and quite high environmental pollution. Residents of urban areas are more aware of the rapidly developing segment of the food market. Yet, until now, consumers have failed to distinguish pseudo-labels from certified products. The legislators have taken a number of steps to legally interpret* *and regulate the organic market. Market research has confirmed the need to promote awareness among producers and shape consumer behavior.*

Keywords: *organic products market; consumer behavior; market capacity; sociological survey; food products*

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Научная статья

ОЦЕНКА ЕМКОСТИ И ИССЛЕДОВАНИЕ ТРЕНДОВ РЫНКА ОРГАНИЧЕСКОЙ ПРОДУКЦИИ КАЗАХСТАНА НА ОСНОВЕ ИНСТРУМЕНТОВ СОЦИОЛОГИЧЕСКИХ ИССЛЕДОВАНИЙ

Д.С. Саменбетова, О.Ю. Патласов

Обоснование. *За последние годы спрос на органическую продукцию стабильно растет как на внутреннем, так и на внешних рынках. Поэтому становится актуальным вопрос выявление конкретных факторов, которые будут влиять на потребительское поведение в будущем, на примере локального рынка. На основе социологического исследования рынка потребительской органической продукции Казахстана дана оценка состояния и перспектив расширения емкости рынка органических продуктов питания, выявлены закономерности потребительского спроса, а также предложены меры государственной поддержки.*

Цель. *Выявить факторы, влияющих на потребительское поведение с помощью социологических исследований на основе опроса пользователей сети Интернет, ориентированных на потребление органических продуктов питания, а также опроса покупателей специализированных магазинов органических продуктов в г. Астана.*

Материалы и методы. *В процессе исследования применялись общенаучные методы познания социально-экономических явлений и процессов: логический, аналитический методы, классификация, системный и комплексный подходы, методы синтеза и сравнительного анализа, социологический опрос и анкетирование.*

Результаты исследования. *Проведенные социологические опросы позволили выявить особенности потребителей органической продукции и сформировать предложения для производителей по дальнейшему развитию органического сельского хозяйства.*

Заключение. *Как показало исследование, основными городами потребления являются г. Алматы и г. Астана. Главными причинами такой тенденции являются высокая платежеспособность населения, высокая плотность населения и достаточно высокая загрязненность экологической среды. Жители мегаполисов более проинформированы о быстро развивающем сегменте продовольственного рынка. Но до сих пор население не отличает псевдо-маркировку от сертифицированного продукта. Таким образом, необходимо проводить информационную политику среди производителей и покупателей.*

Ключевые слова: *рынок органической продукции; потребительское поведение; емкость рынка; социологический опрос; продовольственные товары*

Для цитирования. *Саменбетова Д.С., Патласов О.Ю. Оценка емкости и исследование трендов рынка органической продукции Казахстана на основе инструментов социологических исследований // Siberian Journal of Life Sciences and Agriculture. 2023. Т. 15, №4. С. 446-467. DOI: 10.12731/2658-6649-2023-15-4-446-467*

Introduction

Kazakhstan gained new opportunities in the development of the market for organic products in 2013, following the approval of the Concept for the Transition of the Republic of Kazakhstan to Green Economy for 2013-2020 [249]. In the shortest possible time, the Government developed standards for agricultural produce.

In accordance with the Concept and based on international standards, in 2015 the Parliament of the Republic of Kazakhstan adopted the law “On the Production of Organic Foods”. The law governs production of organic output, which in turn will enable Kazakhstan to join the international market for organic products; thus, the state will be able to regulate the import and export of domestic products. Kazakhstan has huge lands that are still traditionally cultivated without the use of synthetic fertilizers and pesticides [912]. In this case, Kazakhstan has more advantages compared to other CIS countries.

The production and sale of organic farm produce is an objective national competitive advantage offered by the agro-industrial complex of Kazakhstan. The law meets the rules and regulations of the international law of the IFOAM, and, hence, complies with international quality and control standards for organic products (The Food and Agriculture Organization (FAO) [2121]. The adoption of this law enables Kazakhstan to join the world organic trade market and provides positive trends for the development of farming in Kazakhstan. Thus, the Government is interested in the development of this segment in the agro-industrial complex and is ready to support the initiatives of agricultural producers that switch from traditional farming to organic farming. Accordingly, a constructive analysis is needed into whether consumers are willing to buy organic products at a higher price.

Objective

The purpose of the study was to gauge the capacity of the consumer market for organic products in Kazakhstan. In order to identify the factors driving consumer behavior, sociological studies were done based on a survey of Internet users focused on the consumption of organic food, as well as polling of customers of specialized stores of organic products in Astana.

Materials and methods

Growth of popularity of organic food fuels scholars' interest towards various aspects of the organic food market (customers' trust towards organic labels [11, 2121], governance structures used for distribution of organic food [17423], place of organic agriculture within modern trends of evolution of food market [12, 15, 18, 19, 23, 242222, 1424, 1525], legal regulation of organic food market [20] etc). The problems of comparative analysis of the influence of key factors on the consumer behavior in relation to organic products in the regional markets of the CIS were reflected in the studies of such researchers as V. Blagoyev, Y. Shustova, and I. Mishchenko [21]. Scientists V. Grigoruk V and Y. Klimov described a detailed analysis of the organic market in Kazakhstan, as well as the potential opportunities for the country [45]. Article by J. Costa et al., K. Morgado, A. Fernandez, M. Guerra, S. Brandao conducted a study, which was based on a sociological survey of Internet users and the population of the Portuguese city of Almada [310]. The survey focused on the buying habits and consumption of biological products, as well as a motivation to purchase them. Researching the market capacity for organic food products was also addressed by P. Illukpitiya [16109].The authors analyze the US organic food market, which has been growing steadily since 2002 when national standards for organic output and processing were enacted with the support of the US Department of Agriculture (USDA). In a review by M. Basha, S. Mason, M. Shamshudin, et al. «Consumers' Attitude to Organic Products», the authors also did an empirical study to identify factors of consumer behavior. The study showed that interest in organic products is growing every year, and the main factors driving the purchase are concern for the environment, health and lifestyle, food quality and judgment towards organic food [19].

The study utilized general scientific methods of cognition of socio-economic phenomena and processes: logical and analytical methods, classification, systemic and holistic approaches, ways of synthesis and comparative analysis, and sociological survey. The sociological surveys made it possible to identify what consumers of organic products looked like and to generate proposals on how producers should further develop organic farming.

The study analyzed the following regulatory documents that provide official data on the development of an organic products market: “State Program for the Development of the Agro-industrial Complex of the Republic of Kazakhstan for 2017-2021”, Law of the Republic of Kazakhstan No. 423-V from November 27, 2015 “On the production of organic foods” (as amended as of October 28, 2019) [6]. A number of Russian authors should also be noted for their focus on the issues of the methodology for the formation of the organic foods market: Y. Varavin [223] [22], Kotliarov I. [10], T. PolushkinaT. [158].

Marketing experts emphasize several types of market capacity: actual, available and prospective. Ways of calculating the market capacity include:

In a bottom-up method, market capacity is calculated as the sum of all potential purchases of goods or services in a specific target market segment for a specific period, usually for a year, in three ways

– In quantitative terms - market capacity for the reporting period X (thousand dollars) is the volume of the target audience (thousand people) × the rate of purchase of goods for the reporting period X (pcs.)
– In monetary terms - market capacity for the reporting period X (thousand dollars) is the volume of the target audience (thousand people) × the rate of purchase of goods for the reporting period X (pieces) * an average price of a unit in the market (rubles)
– In terms of volume - market capacity for the reporting period X (thousand dollars) is the volume of the target audience (thousand people) × the rate of purchase of goods for the reporting period X (pieces) * an average volume of a product unit (unit of volume)

A top-down method defines market capacity as the sum of retail sales of all competitors in a given segment. It is enough to estimate the sales of several industry leaders, whose share will be around 80-90% of the total market capacity.

When calculating existing sales, research companies contract with the largest chain retailers to furnish information and analyze the sales in certain categories of goods, which helps them make conclusions about the volume of certain categories.

Market potential analysis is delivered by the Category Development Index, or CDI; Brand Development Index, or BDI, and Growth Potential Index, or GPI.

Sociological methodologies have been utilized in a number of studies dealing with organic agriculture. Studies in 2013 - 2018 show that the main driver for consuming organics is health concerns. As research by TNS and Yandex-Market for Russia shows, it is mostly homemakers who buy organic food for their households and relatives – and mothers for their children – making up 40% [24192]. Regular advocates of a healthy lifestyle among buyers make up about a third. Only one tenth of such buyers are told by a doctor to do so, with the so-called luxury segment making up the same number. The remaining 5% of organic food buyers do it as a tribute to fashion. Well, in 2007-2008 the luxury segment was the main purchasing audience, accounting for more than 90% of buyers. It can be concluded that the target segment took shape in this variant, and, in the future, it will continue to develop. Tired of marketing tricks, up to 80% of staunch adherents of organic food today in the Russian Federation buy it only from trusted producers (which also hinders the development of the market) [1924].

In 2014, the Statistics Committee of the Ministry of National Economy of the Republic of Kazakhstan delivered a one-off large-scale social study – “Quality of Life” – which surveyed (interviewed) 12 thousand households, aimed to identify the correlation between the commitment to organic food and income of households as divided into 5 conditional social groups: low-income; not poor, but not the middle class either; middle class; upper middle class; well-off (wealthy). In the survey, 42% of households who consider themselves to be in the upper middle class replied that they steadily consume environmentally friendly products, and 46.8% partially consume them, in contrast to low-income families, of which only 18% consume environmentally friendly products [213].

The authors did an online survey of food consumers in Kazakhstan to assess the capacity of the market for organic products. The survey was conducted using Google Drive - the respondents filled in questionnaires in Google Drive. This ensured complete anonymity of the study and the objectivity of statistical results. This survey can be repeated, because all data is stored on the Google Drive, therefore, in the future, new data can also be analyzed. A survey was conducted among buyers of specialized stores focused exclusively on the sale of organic products in order to draw up a more accurate profile of a consumer of eco-friendly products and to identify factors of consumer behavior.

Results of the research

Total retail sales, according to the FiBL survey [6713], amounted to almost 125 billion euros in 2021, representing an estimated increase of approximate 3 percent and thus a considerably slower increase than in 2020, when due to the Corona pandemic the market increased by more than 10 percent. The country with the largest market for organic food was the United States (48.6 billion euros), followed by Germany (15.9 billion euros), France (12.7 billion euros) and China (11.3 billion euros).

By region, Europe had the lead (54.5 billion euros), followed by North America (53.9 billion euros) and Asia (13.7 billion euros) (Fig. 1). (FiBL & IFOAM – Organics International (2023) [7814]: However, in terms of the amount of organic food consumed per capita, European countries are well ahead of others in the world (Fig. 2). Whereas the highest per capita consumption by region was in Northern America (143.7 euros), by country, it was highest in Europe. In 2021, Switzerland had the highest per capita consumption (425 euros) worldwide, followed by Denmark (384 euros), Luxembourg (313 euros) and Austria (268 euros).

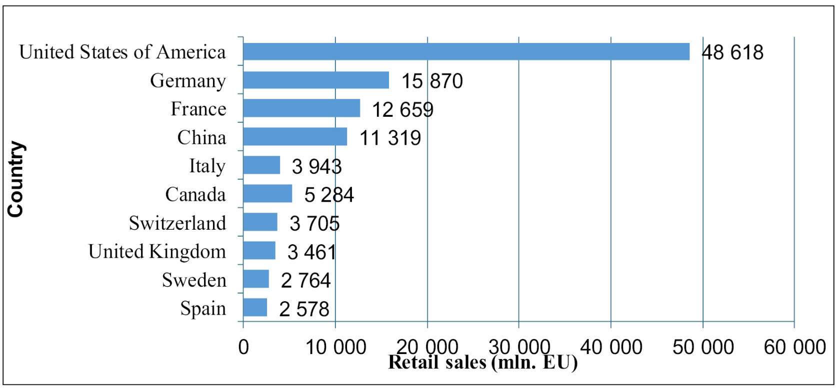

Fig. 1. The ten countries with the largest markets for organic food 2021
Source: FiBL & IFOAM – Organics International (2023): The World of Organic Agriculture. Frick and Bonn [1487]

There is no official statistics on the production of organic food in Kazakhstan, with no public register of organic producers available. According to the National Accreditation Center, in 2019 Kazakhstan ranked ninth in the export of organic food products to the EU, having increased supplies to 85,675 tons, although in 2018 exports amounted to 50,250 tons [6713].

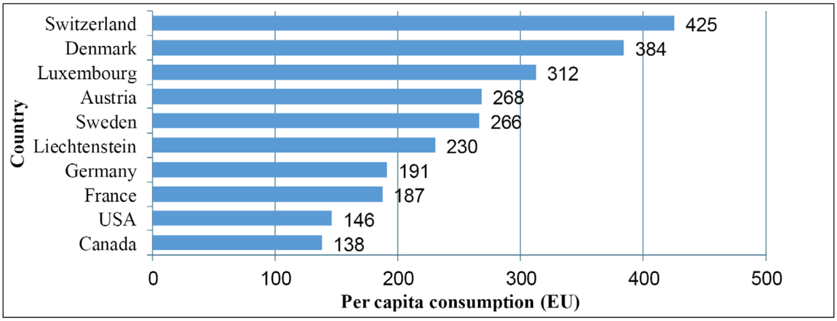

Fig. 2. The ten countries with the highest per capita consumption 2021 (in Euros)
Source: FiBL & IFOAM – Organics International (2023): The World of Organic Agriculture. Frick and Bonn [1487]

This being said, Kazakhstan ranks sixth in Asia in terms of the total area of organically certified land, but in the future the country may rank third in Asia after China (3,135,000 ha) and India (1,938,221 ha). The following countries became the main exporters: Great Britain, Italy, Germany, France, Belgium, the Netherlands, Poland, Russia, Ukraine and other countries (State Program for the Development of the Agro. 2017). According to the annual statistics of FiBL & IFOAM - Organic International (2020) - FiBL survey 2021 [6714], Kazakhstan joined top 10 countries at year-end 2019 with a high increase in the use of organic lands (Fig. 3).

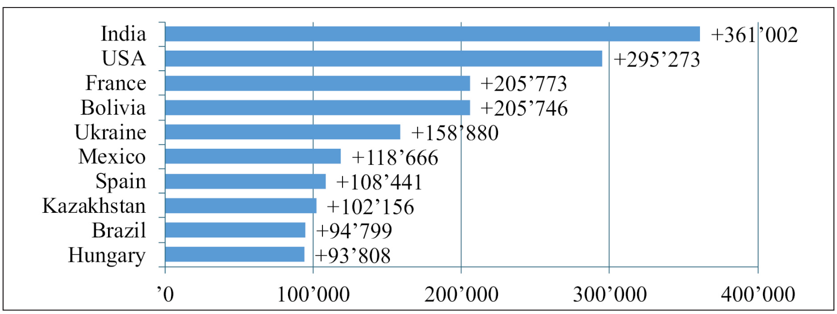

Fig. 3. Top 10 countries with the highest increase in organic lands in 2019 (ha)
Source: FiBL & IFOAM – Organics International (2021): The World of Organic Agriculture. Frick and Bonn [614]

According to the annual statistics of FiBL&IFOAM - Organic International (2020) - FiBL survey 2021, at year-end 2019, Kazakhstan joined countries from the DAC (Development Assistance Committee) list with the largest areas of organic agricultural land in 2019 (Fig. 4) [6713].

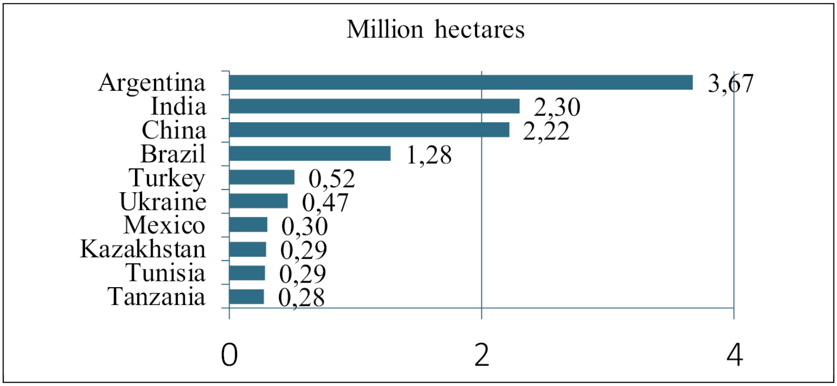

Fig. 4. Top 10 countries with the largest areas of organic farming lands in 2019
Source: FiBL & IFOAM – Organics International (2021): The World of Organic Agriculture. Frick and Bonn [6714]

FAO defines it the following way: organic refers to a product that has been produced in accordance with certain standards throughout the production, handling, processing and marketing stages. Once confirmed by a certification authority that a product complies with organic standards, the product receives a label [1011].

There are not any uniform standards and requirements for certification of organic food products in Kazakhstan yet, but international certification bodies are actively operating in the market. Each group of organic products, which will be presented below, has its own certification standards. If a producer plans to export its food products to the European market, the products must comply with the standards of EU 834/07, and if it is the North American market, then the NOP conditions have to be followed [5, p. 153].

The organic food market in Kazakhstan may be divided into four major groups:

1. Food items certified according to international standards

2. ECO labelled products are items certified according to international standard ST RK 1618-2007 "Environmentally safe product". In accordance with this labeling policy, International Academy of Ecology offers producers the trademarks "ECO", "Bio", "Organic", "Non GMO". Thus, in accordance with the requirements of the International Academy of Ecology, ECO, "Organic", "Bio", "Non GMO" are products made without synthetic pesticides and herbicides, chemical and synthetic mineral fertilizers, growth regulators, artificial food additives, antibiotics, radiation

of heavy metals, as well as without genetically modified products (GMO) [62] This international standard has nothing to do with the certification of organic products according to the standards of the Republic of Kazakhstan.

3. Bio-farmers' non-certified products. This is all produce from local farmers that is not certified, but, at the same time, the production, processing, storage and transportation of such produce take place in accordance with organic requirements. This group may include "spontaneous bio-farmers". These organic producers use land that has not been treated with synthetic substances. However, as they cannot provide extra finance, special organic fertilizers are not used. This category is not organic producers, but any uncultivated land at their disposal may become such in the future. An example of this group of producers is the Aul Berekesi Company. The company is a retail and online store of farm produce in the cities, i.e. is merely an intermediary between consumers and farmers, but does not produce organic food. Thus, the company sells natural GMO- and chemical-free products that are not certified or labelled. An example of this format of cooperation between a farmer and a producer is available in Russia, an example being lavkalavka.ru.

4. Pseudo-natural products. These products are labeled as organic only as part of a marketing strategy, i.e. labels are not confirmed by the certificate. An example is a product with "GMO-free", "preservative-free" and "chemical-free" labels. This segment of products only harms the suppliers of certified products since it misleads ordinary consumers.

Over the last five years, consumers and farmers have been concerned about the development of natural produce market. There is a plenty of factors for the organic foods market to be developed. First, this is high added value due to the cost of fertilizers, and then the cost of processing and storage. Producers have been offered another opportunity to occupy and develop a new niche in the consumer market, with consumers increasing their demands to improve the quality of life. This is evidenced by both surveys of farm producers and consumers. The survey results will be presented below. Likewise, possible governmental support at the initial stage in the form of preferential lending and grants, and access to the foreign market provide a certain incentive for farmers. Setting up points of sale for organic food, increased interest of organic food suppliers, and consumer surveys indicate that there is more and more consumer demand for organic products.

Discussion

As part of the study, a social survey "Analysis of the Organic Market of Products in Kazakhstan" was conducted among online users. The polling comprised around 500 respondents over the age of 20 as part of the working population from government and business structures. Using sociological study as a basis, the authors made conclusions about the attitude of Internet users to the organic food market.

Based on the data produced from the sociological survey, it can be argued that online users across Kazakhstan have different ideas about organic produce. Only 45% of the respondents have general information about this category of the food segment. A small number of respondents have heard about organic food from friends and family (2.9%). However, almost every tenth respondent in Kazakhstan is not familiar with these products at all. This must be factored into public outreach efforts and information strategies to promote this segment.

The survey revealed a category of people who consume organic products and know about them. In our survey, less than 10% of respondents completely trust the food labels. Further, the authors tried to find out how often local consumers consume organic products. In Kazakhstan, the largest share of respondents (49%) buy these products quite often and 4.9% - almost every day.

The following data made it possible to reveal the following pattern. Since traditional food products are less expensive than organic food, there is a link between the demand for organic food and the growth of incomes of the population. According to the pattern of consumer behavior, as first described by German scientist Ernst Engel in 1857, as the population's income increases, food expenditures increase to a lesser extent, and the consumption pattern changes towards higher quality products.

It should be kept in mind that, in general, the demand for food is inelastic in terms of both price and income. As far as methodology, what concerns us is the effect of cross elasticity of demand as the ratio of the percentage change in demand for one good to the percentage change in the price of some other good. A positive value means that these goods are interchangeable (substitutes), and a negative value shows that they are complementary (complements). Typically, organic food products and conventional food products are complementary products that satisfy the same taste preferences but differ in quality.

It should be noted that organic food has a short shelf life and must be transported in a special way, which makes added value for these products higher.

I would like to note the relationship between consumers of organic products and monthly income. Around 26% of respondents said their monthly salary was about 100 thousand tenge (rough rate of 1 Kazakhstan tenge (KZT) is 0.0023 Dollar (USD) as of May 10, 2023). Only 12% have a monthly income of more than 250 thousand tenge per person. Fifteen percent of respondents have an income of 200 thousand tenge and 17% have an income of 150 thousand tenge.

The sociological survey has revealed a certain group of consumers in Kazakhstan who know about organic food (11.8%) and are ready to pay more than 5 thousand tenge per day for them per person (27%). More than 60% of respondents follow proper nutrition habits and consume organic products from time to time. Nineteen percent of respondents said that they do not have the financial ability to buy these products.

Almost 65% of Internet users said that the main factor in the consumption of organic products was its health value. Seventeen percent of respondents noted concern for the health of children as the main factor in consumer behavior. Nine percent consume organic products due to health problems (gastrointestinal problems and the likelihood of allergies).

The main segment for consuming natural produce – as the polling has revealed – is Astana (55% respondents) and Almaty (30%).

The observations have established that the main consumers of organic products are, first, people with a high level of income and families with children under the age of seven.

Based on the analysis of the respondents' replies, we can present the main factors influencing consumer behavior (Table 2).

The study revealed the following point. The percentage of the population that understand the idea of organic products is small, making it 11% of the respondents. As there is no regulatory framework and no clear understanding of how producers are classified (pseudo-labels, "spontaneous producers", "certified products"), consumers do not yet understand what products are considered organic. Completely distrustful of "organic products" labels are 18.6% of respondents in Kazakhstan, with 31% characterizing organic products as a sales pitch to increase value.

In order to determine the market capacity in the course of the study, we tried to find out where consumers of the country under analysis buy natural bioproducts available in retail outlets in a particular region.

The following figures characterize this fact. Thirty percent of respondents purchase organic products at markets and fairs (i.e. in places where products do not have special certificates, etc.). Thirty nine percent of respondents trust specialized shelves in regular supermarkets (therefore, this group buys pseudo-natural products with BIO labels more often). I would also like to note that there is no mandatory certification system for national products in the Republic of Kazakhstan, which results in consumers associating eco-friendly products with products free of chemicals and GMOs. Sixteen percent of interviewees trust organic products grown by friends or special farms. Only 11% trust specialized stores with certified products.

Table 2.

Factors that put together the profile of a potential retail buyer in an organic market

Factor	Profile	Degree of influence
Purchasing power	People with an income above average find themselves increasingly reflecting about the quality attributes of products rather than their quantitative attributes.	Crucial
Family status, parental status	Families with children under the age of 7	High
Health condition	People with health problems, especially with GIT disorders, consume organic foods in accordance with their diet	High
Place of residence	Cities with population of over 1 million residents, in part – regional centers	High
Awareness	Active users of Internet and social networks know organic products better.	Medium
Education	People with higher education are more informed and concerned about the green economy, so they are more deliberate in their choice of products	Medium
Food preferences	When picking food products, they scan through the packaging, specifically the producer, composition, GOST and compliance with certification standards	Medium
Age	Young people find it fashionable, older people do it out of health concerns	Medium
Gender	There is a slight dependence relating to the fact that women give consideration to organic products	Low

**The table has been compiled by the authors*

For the purposes of this study, it is important to determine what mechanisms for identifying the quality of organic products can be used to build a strategy in the future and what tactics of taking these foods to the consumer market can be utilized, and which channels for promoting organic products are most effective for the countries in review. Thus, as the next stage of the study, a sociological survey was conducted among buyers of organic products in specialized stores.

At present, there are about 20 stores of organic products nationwide that sell food products, food supplements, and household care products.

Nowadays, it is common to find specialized organic food shelves. A group of “non-certified organic products”, for example, of the Aul Berekesi company, is represented in the supermarket chains such as “Green”, “Becker and K”, “Yubileiny”, and “Ramstore”. In Astana, specialized stores of imported organic products have been around since 2012.

The main customers of these stores are premium customers, because prices for these products are quite high. Main product line used to be berries and exotic fruits, and now the range has extended to farm produce that has passed laboratory tests. Almost all sellers do their business through an online store. Now e-commerce is the most simple and popular channel to sell organic products. The main advantage is that there is only one intermediary charged with prompt delivery of goods to the buyer.

Non-certified bio-farmers unwilling to bear product certification costs maintain the most transparent production system for a consumer, and, therefore, they work directly through social networks.

In order to analyze behavior of buyers of organic products, we picked one of the popular specialized stores of organic products in the capital - ASTANA-EcoShop. At the information desk and with the help of Google Drive, we surveyed store buyers, and identified primary factors for consumption of organic products, as well as product characteristics.

Vegetables and fruits (36%) joined the top three in the ranking of most wanted organic products, followed by meat and fish products (25%) and dairy products in the third place (22%). The analysis of the respondents' replies helped yield the following data.

Half of the respondents said that they bought products in this store 1-2 times a week. Only 10% of buyers buy food every day, with 31% noting that they consume organic products quite rarely. Almost 45% of respondents said that they would like to buy these products more often.

Thirty five percent of shoppers said that they could not buy groceries in this store more often because of low pay. Fifteen percent noted that the location and traffic challenges make it impossible to shop en route, so a trip to the store happens once a week. Ten percent noted the high cost of delivery.

The country and reputation of the producer have a great influence on the consumer choice, and this is especially important for food products. The majority of respondents in Kazakhstan carefully read who is a food producer and give preference to those who are well known to this market. Eighty four percent of consumers pay attention to the label, reading the composition and looking at who the producer is. Only 11% of respondents in Kazakhstan, when they buy food, do not pay attention to who the producer is and do not read the labels, with 4.9% looking only at the price of the product. Thus, not all respondents agreed with the phrase "expensive means good quality". Around 50% said that they match information about the product, which is its benefits, to price.

The study helped identify the following point. Out of general variety of food products available in the market, including products from foreign countries, majority of respondents give preference to domestically produced products, considering them to be of the highest quality and at affordable price. Sixty-five percent of the respondents prefer “Made in KZ” products, and 8% said that they would buy what is cheaper, with 22% failing to notice the difference between imported and domestic products.

When the respondents were asked to note the main factors affecting what product they would choose, almost 64% said that they look at benefits and safety of consumption when choosing food. Only 8% do not think about it. Thus, majority of consumers pay attention to information about the health benefits of a particular product, and this information should be available to consumers at the time of purchase, which means it is necessary to deliver information and marketing campaigns in such a way that a potential buyer knows everything about the benefits of an organic product.

Thus, the organic products industry in Kazakhstan has been evolving almost since 2012, but has not yet achieved big results. The industry is quite new and specific, so the mechanism of interacting with both potential producers and consumers has not yet been clearly developed.

Product awareness has not yet been shaped. Residents of Kazakhstan learn about most of the benefits of organic products from the Internet, with the consumer failing to understand the difference between “organic”, “organic products”, “BIO”, “GMO-free”, “eco-products”, “natural product”, unaware of strict requirements for the production and labeling of organic products. For some, all organic products are just a sales pitch.

Hence, the issue of certification and labeling becomes relevant. After all, only the “organic” label and a conformity mark give 100% confidence to the consumer about the natural origin of raw materials, and the high quality of the product without the use of any chemicals, preservatives, GMOs, etc. [419, P. 14]. Moreover, a large proportion of consumers in Kazakhstan are unaware of the labels of organic products incorporating a special conformity mark. In most cases, consumers will read the information on the packaging that this food product complies with the established GOST.

Kazakhstan does not have a unified certification system in accordance with an international certificate, while it is expensive to undergo certification with an international certification authority. This is why it will be unrealistic for a local producer to enter the international marker without state support.

Conclusion

The analysis of development patterns in consumer demand for eco-friendly products has shown that primary cities of organic products consumption in

Kazakhstan are Almaty and Astana– large urban centers. The main reasons for this pattern are local population's high purchasing power, high population density and quite high environmental pollution. Residents of the urban areas are more aware of the rapidly developing segment of the food market. Of course, the study revealed that the population of Kazakhstan – at least in part – understands what an organic product is. Overall, buyers describe these products as natural products free of chemical substances, GMO and others, and may decide to choose such food products for themselves and their families. Thus, the estimate of the consumer market's capacity reveals the following findings:

1. Public in Kazakhstan, especially in the regions, is almost not informed about the consumption and marketing of organic products. The public has no idea about the points of sale, and there is no information support. It should be noted that every year the issue of green economy development is relevant in both the President's Address and State Development Strategies, i.e. at the governmental level, the efforts to inform the public about the development of the organic products have not been delivered. Producers are unable to realize their own marketing strategies. Farmers and small businesses do not even know how to enter the regional, and even more so, the international market.

2. At first glance, the consumer is not always able to distinguish a pseudo-label from a real organic product, because the survey has made it clear that buyers are not always willing to spend time on studying the label and the composition of the product. The price, as the study has found, does not always match the quality of the product, from the point of view of the consumer. Therefore – with regard to eco-friendly products – the main proof remains to be the certification and labeling of products with generally accepted marks and images confirming the quality of the product. This is why these aspects are a kind of trigger for consumer behavior.

3. A large number of pseudo-labels and absence of uniform national certification standards mislead consumers. Kazakhstan does not have a register of organic producers, which is actually prescribed by the Law "On the production of organic products". The survey showed that there is a share of consumers who think that the "organic" label is just a sales pitch. These factors hinder the development of the domestic market.

Organic products are mostly targeted at the premium group of people, i.e. for these consumers pricing is not the most important in their choice. A consumer who makes a purchase based on quality is less price sensitive. Hence, both outreach policy and advertising should be structured differently. Producer must establish itself in the market, i.e. the word-of-mouth effect comes into play. People are ready to trust recommendations and references, and live examples. Over time, high prices become a norm, but the first thing a customer remembers is quality.

Accordingly, based on the above conclusions, the authors have made the following recommendations. First, domestic organic producers in Kazakhstan should boost public awareness of the benefits of eco-friendly products. The public should distinguish between pseudo-labels and special marks (approved at the legislative level). The public must understand the difference between a pseudo-label and a certified product.

Secondly, there is no register of organic producers in Kazakhstan and, in essence, the state does not provide adequate support to them. As the survey shows, many respondents trust domestic producers more due to the proven benefits of natural products. "Made in Kazakhstan" State Program is gathering pace, and the communications and outreach policy to promote organic products must be arranged in such a way as to allow the local public to become familiar with domestic producers and trust them just as they would trust foreign producers.

Thirdly, the evaluation of the organic market capacity allowed the authors to determine that the main consumers are upper income families with children. Hence, the communications and outreach policy must emphasize the benefits of consuming organic products on a daily basis. Family shopping is not a spontaneous act, so the sales points need to be conveniently located and be on everyone's lips. Availability of online stores and delivery channels increases the probability of purchase. In their marketing strategies, organic producers should place the right emphasis, accommodating the preferences of married couples with children. Thus, we believe that these results of the sociological survey and measures will increase the share of organic food, and can be used for further research.

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