Saint Petersburg State University
Graduate School of Management

MASTER THESIS

The impact of retailer's CSR activities on the formation of loyalty to organic products under the private label

Done by
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ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

Я, Назаренко Екатерина Андреевна, студент второго курса магистратуры направления «Менеджмент», заявляю, что в моей магистерской диссертации на тему «*Влияние КСО мероприятий ритейлера на формирование лояльности к органической продукции под собственной торговой маркой»,* представленной в службу обеспечения программ магистратуры для последующей передачи в государственную аттестационную комиссию для публичной защиты, не содержится элементов плагиата.

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_____________________ (Подпись студента)

3.06.2021____ (Дата)

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I, Ekaterina Nazarenko, (second) year master student, MIM program «Management», state that my master thesis on the topic *«The Impact of Retailer's CSR Activities on the Formation of Loyalty to Organic Products under the Private Label »,* which is presented to the Master Office to be submitted to the Official Defense Committee for the public defense, does not contain any elements of plagiarism.

All direct borrowings from printed and electronic sources, as well as from master theses, PhD and doctorate theses which were defended earlier, have appropriate references.

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ABSTRACT

Master Student's Name	Ekaterina Nazarenko
Master Thesis Title	«The impact of retailer's CSR activities on the formation of loyalty to organic products under the private label»
Educational Program	MiM
Main field of study	Management
Year	2021
Academic Advisor's Name	Sergey A. Starov
Description of the goal, tasks and main results	**Goal** is to find out whether there is connection between CSR activities and customer loyalty to organic products under private label **There five objectives:** -Analyze and highlight the main trends of organic food market in Russia -Test the validity of a model that links the loyalty to organic food under private label and CSR activities of retailer - Identify consumer segments of organic food under private label -Develop recommendations for retailers that sell organic food under private label -Develop recommendations for retailer about segments of consumers of organic food products under private label in form of 4P **Main results:** -Model that connects CSR activities of the retailer with brand loyalty via trust -Segments of the consumers of organic products under private label
Keywords	Private label, loyalty, trust, CSR

АННОТАЦИЯ

Автор	Назаренко Екатерина Андреевна
Название ВКР	«Влияние КСО мероприятий ритейлера на формирование лояльности к органической продукции под собственной торговой маркой»
Образовательная программа	MIM (Master in Management)
Направление подготовки	Менеджмент
Год	2021
Научный руководитель	С.А. Старов
Описание цели, задач и основных результатов	**Цель** - выяснить, существует ли связь между мероприятиями КСО ритейлера и лояльностью потребителей к органическим продуктам под частной торговой маркой. **Установлены пять задач:** -Анализировать и выделить основные тенденции рынка органических продуктов питания в России. -Проверить валидность модели, которая связывает лояльность к органическим продуктам питания под собственной торговой маркой и деятельность розничного продавца в области корпоративной социальной ответственности. -Определение потребительских сегментов органических продуктов питания под СТМ -Разработка рекомендаций для ритейлеров, продающих органические продукты под СТМ -Разработка рекомендаций для ритейлеров в отношении сегментов потребителей органических продуктов питания под СТМ в форме 4P **Основные результаты:** -Модель, которая связывает деятельность ритейлера в области корпоративной социальной ответственности с лояльностью к органическим продуктам под СТМ -Сегменты потребителей органических продуктов под СТМ
Ключевые слова	СТМ, лояльность, доверие, КСО

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INTRODUCTION

These days the impact of Corporate Social Responsibility activities is becoming quite huge in all sectors of the economy. Retailers in this case are not the exception since they also devote part of their routine to the social and environmental activities. Moreover, more and more retailers start to offer not only economy private labels but also smart private labels that could have the same or even higher quality than national brands. Organic private label could be attributed to smart private label since they provide exertional quality for the consumer due to the process of their production. That is why this paper is dedicated to the study of the impact of the Corporate Social Responsibility activities and loyalty to the organic products under the private label. The issue will be studied on VkusVill example since its 95% of its assortment consist consists of private labels. Moreover, the retailer is involved into various CSR events such as environmental and social activities that would be mentioned later on. Besides, the company introduced its new private label named «Ugleche pole» that is 100% organic by all means. Hence, all of these points make VkusVill retailer a perfect example for the study of chosen phenomenon.

Fair to mention that this paper was done with the collaboration with professor of the Department of the Marketing in GSOM SPbU. The results of the work will be published in the Scientific Journal «Marketing and Marketing Research». There will be two articles sue to the volume of the research that was in the process during the whole year from September 2020 to May 2021. The author has a contribution in this work as well as the other participant. Moreover, the work is supported by the expert opinion that is grocery director of VkusVill retailer.

The paper covers several fields of study such as Branding, Consumer Behavior and CSR. that why the work could be called interdisciplinary study. The object of the study are consumers of organic private labels. The subject of the study is formation of loyalty through the trust to organic products under private label via SCR activities. The scope of the food categories are dairy and meat products. In order to have a focus in the research, it will cover only the market of Russian Federation since in different countries the labeling procedures could vary.

This paper covers a research gap that implies several dimensions. First of all, the market of the organic food has just started to develop with introduction of the law in 2020 according to what all the organic product should have a certification. Now the industry is regulated but not developed well enough compared to the western counterparts. Besides, there is lack of Russia producers that have organic certification now due to high cost of initial investments and lack of support from the government. Hence, there is still high price for organics and little amount of them in the market. Moreover, the is lack of knowledge between sustainable labeling such as eco, bio, organic, fresh, natural since some of them are not regulated by the Russian law. The majority perceive them as synonyms. Hence, the trust and loyalty that could be built via social and environmental events could be quite weak sine organic food especially under the private label are considered to be credence goods. Finally, the chosen model will not work on all the population of the Russian people because of different mentality compared to European and American consumers. Hence, special segments need to be identified to prove the link between loyalty and CSR activities.

The main *goal* of this paper is to find out whether there is connection between CSR activities and consumer loyalty to organic products under private label. In order to achieve the research goal, it is necessary to tackle the following *objectives* such as:

1. Analyze and highlight the main trends of organic food market in Russia
2. Test the validity of a model that links the loyalty to organic food under private label and CSR activities of retailer
3. Identify consumer segments of organic food under private label
4. Develop recommendations on 4P to retailers that sell or have an intention to sell organic private labels and involved into the SCR activities
5. Develop recommendations to the retailers about communication with the segments of consumers of organic food products under private label

This research has several *limitations.* First of all, socio-demographic limitations. Basically, the model would work only based on the certain consumer segments. Secondly, the phenomenon of loyalty toward organic food under private label studied based only on one retailer that is called VkusVill. Thirdly, in this research only two food categories will be used to test the model. Finally, employee dimension was not included to the social SCR in this research.

The work has theoretical as well as practical value. Speaking about theoretical value, there will be chosen, modified and tested the model and the hypothesis about the link between CSR activities and formation of loyalty to organic food under private label via trust. The model will show whether practices of SCR could have a positive impact in Russian market or it is still not ready for it. To support the model, main consumer segments will be revealed since the model will only work correctly on certain customer groups. The portraits of consumers could be also compared with the profiles of the western consumers. Considering practical value, some managerial implication could be developed for retailers that are involved into CRS events and provide organic products under their private labels. Moreover, particular recommendations could be formed for consumer segments of organic food that could be used by all retailers that offer organic goods under their private labels. Better targeting could be developed as well as the positioning of the store based on the data of this study.

In the paper several methods will be utilized to achieve stated goal and objectives. There will be a combination of qualitative and quotative methods. Firstly, 24 in-depth interviews will be held in order to obtain consumer insights about their attitude to the organic food under private labels. Later on, to structure information, buyer personas would be used in order to create preliminary segments of the consumers. Interview data would be the basis for the quantitative method such as online survey. The survey will be dedicated to get about 300 respondents in order to provide statistically significant results. Collected data will be processed with Exploratory factor analysis (later EFA), Confirmatory Factor Analysis (later CFA) and Cluster analysis. EFA will be used to test chosen factors while CFA will be utilized to verify chosen model. Finally, Cluster analysis will help to highlight main consumer segments of organic food that could be targeted by retailers.

During the working on this paper, the author will rely on some primary and secondary data. Primary data refers to the interview, personas and survey results. This data will be used to check stated hypothesis. Based on primary data, all calculation will be executed and main recommendations and managerial implications will be developed. The secondary data will include international and Russian academic and non-academic articles. Academic articles will be included in the literature review while non-academic will form practical background for the study. Finally, company website will also include to the list of secondary data for better analysis of the studied problem.

In the first chapter of this study, there will provided theoretical and practical background of the topic. After the literature review, analysis of the market and VkusVill company the author will turn to the chapter two. In the second chapter there will be shown explanation of the chosen model and methods of the research as well as the main findings from qualitative and quantitative methods. Finally, the last chapter will cover some managerial implications of the chosen model and consumer segments of the organic food. The third chapter will also include limitations of the study and needed development in the further research.

CHAPTER 1. THEORETICAL AND PRACTICAL BACKGROUND OF THE TOPIC

1.1. SCR in retailing

Corporate social responsibility is part of the strategy of many companies today. In order to study this phenomenon in more detail, it is necessary to refer to the interpretation of the International Standard ISO 26000: 2010, where social responsibility is the responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that contributes to sustainable development, including the health and well-being of society, taking into account the expectations of stakeholders, complies with applicable law, is consistent with international norms of behavior, and is also integrated into the activities of the entire organization and applied in its relationships[1].

More and more companies are introducing CSR principles into their activities, the food retail industry is no exception. *The Triple Bottom Line model* has been specifically designed to adapt sustainable development to the business environment. The concept is represented by three components: economic, environmental and social aspects. A recent literature review showed that the topic of sustainable development remains poorly understood in research on retailers. Retailers act as intermediaries between producers and consumers. By taking this position, retailers can contribute to the development of resilience in their supply chains, for example, by catalyzing changes in production processes and consumption patterns, considering social and environmental concerns. Since retailers are responsible for their supply chains, any disruptions can lead to scandals that could lead to companies losing their reputation. However, corporate responsibility can be used to gain *competitive advantage*, for example, by achieving a unique sustainable sales position. Retail sustainability studies can be structured according to the type of sustainability action being taken. Retailers can address sustainability challenges by providing greener products, implementing more sustainable business models, and motivating customers to behave in a more socially responsible manner. Considering products, by labeling them retailers can address not only environmental (organic labels) but also social issues such as fair-trade products or products from suppliers that care from working conditions and child labor issues. Research in retail trade should not only focus on analysis of the acceptance of and willingness to pay for organic products but also on analysis about how these products could affect retailers' image, loyalty, an increase of shopping bracket and attraction of new customer segment. These actions can be further structured

[1]Yurina, A.S. (2019), «The specificity of corporate social responsibility in retail», Sociological Science/ Colloquium-Journal, No 2(26)

based on the sustainability issues being addressed, in particular whether they address environmental or social issues.[2].

SCR activities of the retailer could be divided into two categories such as external and internal SCR activities. Internal and external CSR initiatives of retailers in their totality are the contribution of these companies to the well-being, safety and sustainable development of society. The examples of these initiatives are represented in the Table 1 below[3].

Table 1. Internal and external SCR activities of the company

Internal SCR activities	External SCR activities
Ensuring the safety of workplaces of company employees	Social investment and philanthropy
Fair and decent pay for all employees of the organization	Protection and care for the environment is not
Providing guaranteed social and health insurance for employees	Responsibility of the company to customers and consumers of its products
Providing the opportunity for personnel to study additionally under training and retraining programs, advanced training	Constructive interaction with authorities and public organizations.

Source: [Директор по персоналу, https://www.hr-director.ru/article/66547-qqq-17-m2-10-02-2017-korporativnaya-sotsialnaya-otvetstvennost-organizatsii, 2021]

Retail trade in the Russian market is also of *high social importance*. The active development of this concept occurs for a number of reasons. First, the introduction of CSR activities can become a source of competitive advantage. In addition, Russian companies are often forced to compete with foreign retailers, which often meet high CSR standards. Second, due to the fact that the activities of Russian companies are connected with international economic relations, retailers are forced to comply with international standards in the field of CSR. Third, the social component of the business of Russian retailers is attracting more and more interest from consumers due to increased income, changes in the system of values and expectations. At the moment, the dominant approach to CSR is the theory of reasonable egoism, according to which the introduction of CSR principles allows a company to obtain additional economic benefits associated with the creation of a stable business reputation. During the study, Ivanov G.G. And Maiorova E.A., the significance of five *CSR directions for consumers* was tested: responsibility to the state, responsibility to employees, responsibility to customers, environmental responsibility and charity.

[2] Wiese, A., Zielke, S. and Toporowski, W. (2015), "Sustainability in retailing – research streams and emerging trends", International Journal of Retail & Distribution Management, Vol. 43 No. 4/5

[3] «Корпоративная социальная ответственность организации» , Директор по персоналу, accessed April 24, 2021 https://www.hr-director.ru/article/66547-qqq-17-m2-10-02-2017-korporativnaya-sotsialnaya-otvetstvennost-organizatsii

The most significant components were the sales of *quality goods and the provision of quality customer service* (that is, responsibility to customers) and the characteristics of the company in the field of personnel management (responsibility to employees). However, consumers attributed charity to the least important factor for the retailer. Thus, it could be concluded that the implementation of CSR principles should begin with the presentation of a quality product to the consumer, which should be supported by quality service. It is necessary to conduct charity events exactly when the first two points are implemented. In addition, it is worth noting that customers often have no idea about the existence of charitable events, and also do not assume that retailers have them[4]. To support the theory with examples of large Russian retailers that are involved into social and environmental activities there is a table 1 below.

Until now, no answer has been found to the question of why business needs charity. In order to answer this question, it is worth considering the areas of social investment of leading foreign retailers such as Tesco (UK), Asda (UK), Walmart (USA), Metro group (Germany) and Aushan (France). The first group relates to ensuring food well-being, namely the *fight against poverty*. The second group is responsible for *helping socially vulnerable people* by providing food, education, and participation in various rehabilitation programs. The third group is aimed at creating a *culture of responsible consumption*, that is, the rational use of products and implementations of a healthy lifestyle practices. The fourth group relates to *supporting agriculture*, evolving small producers and farms. The fifth group is devoted to ecology or *rational use of natural resources and energy conservation*. The sixth group is responsible for helping *local communities* where retail outlets are located or production of products is established[5].

Charity activities in retail mainly refer to organizing the transfer of products to those in need using certain technologies. First of all, retailers are engaged in the transfer of food products to food banks and charity organization. Moreover, many retailers install grocery collectors on their retail space, which consumers can replenish with the necessary products or goods to help those in need. In addition, retailers are setting up special outlets where people referred by a social welfare or nonprofit organization can purchase food at a reduced price. It should be noted that not all Russian companies are involved in the implementation of the main areas of social investment, but retail chains in Russia have great potential for development in this area. Moreover, buyers tend to choose socially responsible companies, that is, those companies that deal with environmental and social issues. However, not all consumers are informed about the company's CSR activities implemented. Thus, the development and implementation of an effective communication policy

[4] Иванов, Г.Г., Майорова, Е.А. (2015). Корпоративная социальная ответственность в торговом бизнесе. Российское предпринимательство, 16(20), 3569–3582.

[5] Yurina, A.S. (2019), «The specificity of corporate social responsibility in retail», Sociological Science/ Colloquium-Journal, No 2(26)

can help socially responsible companies to receive additional benefits from increasing consumer awareness of socially significant events[6].

Considering all possible variants of SCR activities, in this paper the author will have a closer look on two particular aspects such as the *responsibility of the retailer to the consumers of provided products* and *provision of the safety* and *care of the environment.*

The social responsibility of the retailer to the consumers of the goods sold is a key element in the structure CSR activities of the retailer. To be more specific, introduction of CSR activities should start with the provision of a quality product to the consumers, supported by quality service. Moreover, the social responsibility of retailers ensures consumers that their risks are minimized by providing reliable information about products, effectively utilizing technical support services, and possessing procedures for compensation of damage when quality is considered unsatisfied. The implementation of social SCR activities is represented in the Table 2 below[7].

Table 2. Social SCR initiatives

Direction of implementation	Social SCR initiatives
Socially Responsible Consumer Practices	Production and provision of quality goods that do not pose a threat to the health and life of consumers
	Assessment of risks to human health in the production of new products, the introduction of new materials and technologies
	Good Marketing Practices - Providing product information in a way that consumers can understand
	Conscientious and truthful information about the properties of products
	Availability of procedures for compensation for damage in case of providing goods of unsatisfactory quality
	Production and promotion of goods with social and other benefits to buyers

Source: [Донскова 2013, p. 72]

Environmental CSR activities are also quite important area for retailers' development. According to experts, implementation of these principles is one of the key directions of retail development. It has been revealed that consumers are more likely to visit retail chains that introduce their own environmental initiatives. Consumers pack goods in containers they

[6] Yurina, A.S. (2019), «The specificity of corporate social responsibility in retail», Sociological Science/ Colloquium-Journal, No 2(26)

[7] Донскова Л. (2013), «Ответственность перед потребителями – приоритет социальной ответственности бизнеса», Управленец № 4/44, p. 72

themselves bring, utilize reusable bags for fruits and vegetables, collect and bring back plastic containers for recycling[8].

To support the theory with examples of large Russian retailers that are involved into social and environmental activities there is a Table 3 below.

Table 3. Examples of SCR events of large Russian retailers

Retailer	Environmental SCR	Social SCR
Lenta	- Cups of kindness (from plastic bottles) - Collection of batteries for recycling - Collection of plastic boletes and cans for recycling - Offer of biodegradable plastic bags	- Special boxes for collection of food for charity (in the store) with collaboration «Dari edu» -Low prices and customer satisfaction -Focus on working with local producers -Investments in regional economies and support of local communities Occupational health and safety
Metro	-Collection of batteries for recycling - New refrigerator installation that saves electricity - Recycling of plastic bag if people had online order - Offer of multiuse bags for carrying purchases	-Fair working conditions and adherence to social standards in the supply chain -Avoid using forced labor, child labor, or any other form of exploitation -Charity events for children in difficult life situations «Chelovek cheloveky Ded Moroz»
X5 Retail Group	-Offer of reusable eco bags, bags for weighing fruits and vegetables -Use of recycled materials for the manufacture of bags and shopping baskets -Collection of batteries and accumulators for recycling	- Offer of charity sweets -Help lost people -Support of people with disabilities - «Korzina dobroti» - social project for needful people

Source: [Official websites of Lenta, Metro, X5 Retail Group, 2021]

One of the promising areas for the utilization of CSR that could be implemented by a retailer is the introduction of organic food products under private label. This happens because of increased concern about health, preference of healthy products, which is forcing retailers to follow the new trend, adding more organic products under private label to the assortment. Health care sis

[8] Зайцева Дарья. 2019. «Ретейл зеленеет. Торговые сети вслед за небольшими магазинами озаботились экологией», dp, November 26, 2019. https://www.dp.ru/a/2019/11/25/Retejl_zeleneet,

considered to be the most important reason for purchasing and consuming organic food. Caring for the environment also has an impact on consumer behavior towards organic goods.[9]

1.2. Origin and types of private labels

Private label brands, also could be defined as private brands, or store brands. Private brands are characterized as products that have a brand name of a choice of retailer and are entirely possessed, regulated, and marketed exclusively in a particular retailer. Compared with *national brands*, the retailers take full responsibility for their private labels. To be more specific, retailers are in charge of positioning of the product, design of the package and product, sourcing or manufacturing, pricing strategy, placement on the shelf, and promotion campaigns. Private labeled brands have surged in the past 20 years and become competitive threats to national brands. A great number of global retailers now believe that the adoption and distribution of private labeled brands is one of the *most important tasks for them*. Private-labeled brands' value market share was equal to 16.7% in 2016 worldwide[10]. According to nationwide survey conducted for the Private Label Manufacturers Association, 67% of the respondents believed that the private label products have the same quality, if not better than, the national brand offered in the same category. Market share of private labeled product in Europe is equal to about 40% in some countries. However, some experts supposed market shares of private labels were reaching a plateau. Private labels are also gaining popularity in Asia and Latin America now[11].

There are several types of developing private label such as *Economy, Value, Premium and Smart*. The table 2 depicts all four types of private labels. *Economy private labels* appeared in the middles of 20th century as economy brands being as lower-priced with acceptable-quality compared to national brands. Marketing of economy private labels had several strategies such as product, price and promotion. *Product strategy* refers to private labels that proposed in categories that are characterized as highly commoditized with use of little quality differentiation (for example salt). The other option is branded items that are extremely expensive for particular consumers (for example, cereals, chips, nonprescription drugs). Moreover, these types of products are sold in high-volume, had high-turnover items and are dedicated to a price-sensitive segment of consumers. The package of these economy private labels is considered to be and simple (black and white, or with usage of 4 colors). *Price strategy* of economy private labels require economy pricing. The main idea of this strategy is "the lower the better," with minimum quality levels that could be accepted

[9] Magnusson M.K., Arvola A., Hursti U., Aberg L., Sjoden P. (2003). «Choice of organic food is related to perceived consequences for human health and to environmentally friendly behavior», Appetite, Vol. 40 (2), pp. 109-117.

[10] Wu L., Yang W., Wu J. (2021), «Private label management: A literature review», Journal of Business Research, Vol. 125, p. 368-384, ISSN 0148-2963

[11] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

by consumers. To be more specific, economy private labels have a price that is roughly 50%–75% lower than national brands have. Next strategy of economy private label is *promotion strategy*. In other words, this strategy does not require any spending on marketing or any kind of promotion. Retailers rarely offer discounts on these items or introduce advertising the private labels in-store or via TV. Private labels are often put on shelves or aisles are separated from where national brands are displayed in the stores[12].

Table 4. Types of private labels

Economy PL	Value PL	Premium PL	Smart PL
• Economy brands • Lower-priced • Acceptable-quality compared to NB	• Equal in quality or even better than NB • Priced lower than NB	• Target less price- sensitive consumer segment • Priced comparable/ more than standard NB • Offer lower social risk	• Aimed to follow core value proposition of retailer **Drivers:** • Consumer • Competition • Technology • Data drivers
1950	1980	2000	2020
• Product • Pricing • Promotion Strategies	• Product • Pricing • Promotion Strategies	• Extension Strategies • Tired PL	• Product • Pricing • Promotion • Place Strategies
«Kazhdy den» «365 dney» «To cho nado»	«Lenta» «Okey» «Metro»	«Prosto azbuka» «Market Collection» «Selection»	«Ugleche pole» «Nasha ferma» «Globus vita» «VkusVill»

Source: [Gielens et al 2021, 3; Official websites of the large Russian retailers]

Value private labels are brands that are offered at often equal in quality or even better than the quality of a national brand. However, this type of private label is always priced lower than comparable national brand. The value proposition of this private labels has gained popularity. Hence this brand stated to have a name of standard private labels. The strategies of value private

[12] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

labels are product and pricing and promotion strategies. *Product strategy* of value private labels require acceptable-quality alternatives at a lower price, or to increase store loyalty or achieve a better negotiating position with the national brands manufacturer. Hence, the retailer gets higher profits. The products of product strategy are health and beauty, bakery, and snack goods. They have the following characteristics such as high price comparability between national brand and private label, low advertising sensitivity, high category sales, high margin of private label. Value private labels have a focus on direct competition with national brands. As a result, to make consumers believe that their brands provide good value, retailers establish a position of private label value close to the value of national brands in several ways such as (1) increasing the quality of store brand and reducing the gap of perceived quality between national brand and store brand, (2) imitating national brand package, (3) putting the store brand on the shelf next to the national brand, and (4) utilizing shelf with slogans "compare and save" or similar ones. Private label has a target to get a particular national brand what is leading brand. However, private label gains only roughly 30% of the categories. Th *positioning* the private label utilizes is a copycat to the national brand but this is not always profitable because this positioning might decrease a retailer's category profit. *Pricing strategy* of value private labels implies finding the balance between too low price that is always utilized by economy private brands or relatively high price. National brand to private brand ratio needs to be around 50%. To be more specific, this ratio of price differential has to be between from 15% to 50%. Value private labels introduce less discounts. To be more specific, the discount depth of value private labels is usually lower than discounts of national brands. *Promotion strategy* of value private labels requires in-store non-price promotions (features and displays). Value private labels are presented dominantly in categories where value private labels could have more store traffic. Moreover, managers can increase trust of private labels by introducing trials via free samples, quality guarantee, and a liberal return policy[13].

Premium private labels are introduced because of increasing awareness of the profit potential via enhancing store image and gaining loyalty to retailer. To be more specific, the premium private labels could be seen as an active strategy the retailer in order to increase its market share and profitability of its portfolio of private labels. The less price-sensitive consumer segments are targeted by the premium private labels with the aim to gather higher margins. These premium private brands are sold at price that is comparable to, or even more than the price of standard national brands but below that of premium (higher-priced) national brands. Premium private labels are offered in categories with higher functional but lower social risk and that are defined by longer inter-purchase times and lower price sensitivity. Speaking about positioning, premium private

[13] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

labels do not have an aim to gather margins of premium national brands while but gain market share of lower priced goods. Hence, overall category profitability surges. Speaking from strategical point of view, with growth of width of portfolios of private labels branding challenges that connected with umbrella branding appear. Premium private labels are included to the portfolio of economy and standard private labels to create several private labels with differentiated prices and quality. Finally, with the appearance of premium private labeled product lines and more diversified portfolios of private labels, retailers got to know that private labels could be utilized to embrace several consumer segments, in more categories of product, and at higher prices[14].

The smart PL strategy carries to follow core value proposition of retailer that has led it to success, rather than become one more national brand. There are four factors that affect smart private labels such as (1) Consumer, (2) Competition, (3) Technology, and (4) Data drivers. Speaking about Consumer drivers, consumer mindsets and changing mindsets should be considered. Because of the consumer base becomes more and more fragmented, retailers will no longer use a strategy of medium in order to enhance the position of their private brands. Since attitudes of consumers about spending are going beyond price itself retailers need to add to the positioning multiple dimensions of value, such as transparency, health, and alignment with personal beliefs. This could happen only by reorganizing portfolios of private labels far beyond price. Changing mindsets of consumers if also a very important point to be highlighted. Consumers shoppers no longer desire to buy quality products at affordable prices. They want goods that are products that are affordable and experiential at the same time, affordable and sustainable, affordable and health-conscious with requirement to have convenience. Retailers will need to address this complex request of consumer needs with introduction of a broader tier of private brand products and product lines. While the main competitor of the private was considered to be the brands that was standing on the shelves of retailer close to the private label, new players are presented online and offline in the brick-and-mortar shops. Online, new direct-to-consumer (D2C) directions changes the price-quality barriers by cut of intermediaries. The other competitors that are called hard discount retailers are also changing consumers' attitudes about on the price to quality trade-offs. Tools of technology could allow retailers to provide better support for their smart private labels. There is a taxonomy of retail technology with classification of primarily cost-saving or service-enhancing technologies. Cost-saving technologies can increase, decrease, or have no effect on service of customers as well as service-enhancing technologies. The technology could not only allow retailers to serve their consumers in more effective way with their offers, but they also enable retailers to collect and analyze data for development and promoting of their

[14] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

private labels. Strategies of smart private labels also include product, pricing, promotion and place strategies[15].

Product strategy of smart private labels incorporates conductive categories, innovation and new product development, convenience/service infusion, development through acquisition, national brand collaboration, sustainable marketing, positioning and packaging. Speaking about conductive categories, any product category is fair game for introduction and even investment in smart private label if it improves image of retailer, store traffic, and add additional profits. Data-based thinking, new product innovation niche strategy, sustainable and social marketing, or product social preferences are the concepts now widely used by retailers as their strategies. Private labels embrace more product categories than the other types of private labels for example bioproducts, organics, health and beauty items, products with sustainable packaging, and electronic products (computers and tablets). Developing of innovation is a key to success of any brand. Until now, innovation was believed to be tool only for the national brands, however this pattern is changing fast. In the future Retailers will need to make prioritization and choose product categories to what innovation efforts could be applicable in more effective manner. Retailers will have to balance of assessment of new product, not complex implementation, and potential for wide distribution to other product categories and the store itself. A creation of successful new product with potential of development could be difficult in less-commoditized categories, where private labels are not perfuming as well as national brands. Convenience and service implies that more retailers are looking for more unique tailored offers of their private labels. That is why retailers are researching the possibilities of how they can provide convenience solutions that are entirely integrated to their consumers. In this case retailers could combine convenience and service, which are under their regulation. To be more specific, retailers offer their products with solutions that are able to satisfy unmet service needs. Development via acquisition is also a very important part of *product strategy*. Physical retailers try to mimic national brands, and they are in a process to capture and include de novo direct-to-consumer (D2C) players in their private labeled programs or provide them solely in the brick-and-mortar stores. Be of cause keeping digitally native or emerging brands, retailers are aimed to create more exclusive assortments and satisfy new needs. Possessing these unique, buzz-creating goods on the stores can cause surged store traffic by capturing a new digitally savvy segment of consumers, at the same time generating a positive effect when shoppers also purchase the other products. Considering collaboration with the national brands, retailers could collaborate with established national brands. In the case of smart private

[15] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

labels, collaboration with national brand producers can be presented in many forms in order to create a Win–Win-Win situation for the retailer, producer, and shopper, for example product innovation. Retailers could offer data and local market knowledge about behavior of consumers and new segments. Manufactures of nation brands could use their product know-how to capture new segments for additional profit. Sustainable marketing incorporates, retailers could have a better position to introduce new, less- tangible benefits than brand products in their goods offering. Moreover, well established brands may have a harder time in acquiring new claims and benefits in their brand setting. Speaking of private branding, retailers could better translate new beliefs in response to health, sustainability, and other social concerns in their private brand goods. Smart private labels need to have a positioning as "right-for-you" brands, incorporating that the need for copycat "as-good-as-national brands" positioning becomes less applicable. Smart private labels are shifting away from copycatting strategies to exclusive packaging strategy. This could be applicable to not only typical higher-price premium retailers, but also to low-cost discounters (for example, online retailing)[16].

Pricing Strategy of smart private labels incorporates that management the price gap is one of the most important decision of marketing mix that was studies by retailers when they were working with private labels. Maintenance of a comfortable price difference between national brand and private label was considered to driver for long-term viability of private label. By utilizing extra price-quality tier of private labels in the product category, the needs of other consumer segments could be satisfied, without jeopardizing the value promise of the standard product lines. Retailers need to avoid a catch situation when higher price could dilute its value promise and when lower prices is prohibitive in terms of the price. Via vice using of innovation, product development, cost control, and marketing of their smart private labels the trap could be avoided. Technology provide an opportunity to the pricing strategy of smart private labels. As omnichannel retailers could get and mix online and offline data about what consumers behavior in the store. Hence, retailers can make personalization of the private label price to direct consumers toward their brands[17].

Speaking about the *promotion strategy* of smart PL, changes in media and technology have resulted in new opportunities for promotion of their smart private labels. Besides, paid-media are considered to be the traditional ways of increasing awareness and sales, that belief is changing fast. Traditional advertising media such as TV, print, radio now play the role of non-traditional advertising media, such as digital banners and social media platforms. Moreover, a mixture of various technologies permit retailers to deliver their message in direct and flexible way to shoppers

[16] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

[17] ibid

while they are making purchases while they are shopping, on the brick-and-mortar store floor and online including social media[18].

Considering *place strategy* of smart PL, while exclusivity was one of the main reasons to promote strong private labels product lines, smart private labels are taking the other direction in venturing. Firstly, both traditional and pure-play retailers started to offer their private brands in the Internet. Moreover, some retailers are considering to sell their private labels to both online and offline channels transforming the private label into a real brand. On the of that, since retailers become international, they are looking for successful strategy because substantial heterogeneity still takes place in response to penetration of global private labels. Overall, place is becoming toll for reaching differentiation in strategic relations for private brands[19].

From the classification above there could be concluded that *organic private labels* could be defined as *smart private label* since they bring additional meaning to the product that is care for the environment and society. According to the literature, some private labels could be identified as national brands for several reasons. First of all, private labels are always in the process of development. To be more specific, due to constant change of external environment, retailer need to adapt to customer requests by acquiring the experience in the market. Secondly, there are financially powerful retailers that have enough recourses to have their own production or contract production. Thirdly, some retailers sell their private labeled products not in their stores or provide license to the other retailers. The other point that support the fact that private labels could not be considered as generics is that many retailers now provide private labels with additional value. In this case these private labels are turning into brands what allows retailers to set a premium price. Moreover, there is a need from consumer side to buy products that are not harmful for health (contain less fat, sugar, additives), for environment or have social impact (charity goods). All of this have created a new category of premium private labels (term smart private label is included to the premium private label)[20].

Producers develop high-quality premium private label products with very competitive in comparison with known national brands at a price as a result of cost reduction, raw materials and processing or decrease in marketing costs because of the characteristics of the premium private label promotion in informally protected network markets. Hence, premium private labels could compete with national brands. According to the experience of introduction of foreign premium private labels, it is obligatory to offer the added value to consumer. In this case, they should be

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[18] Gielens K., Ma Y., Namin A., Sethuraman R., Smith R.J., Bachtel R.C., Jervis S. (2021), «The Future of Private Labels: Towards a Smart Private Label Strategy», Journal of Retailing, ISSN 0022-4359, pp. 1-17

[19] ibid

[20] Старов С.А. и др. (2020), «Собственная торговая марка как бренд», Маркетинг и Маркетинговые исследования, 02(140), стр. 104-118

willing to pay a price premium. Though, the added value of a private label highly relies on the consumer perception. There are several requirements that help private labels to transform t into the category of premium private labels such as[21]:

- Guarantee of high quality of the products what could be achieved by meticulous choice of suppliers and quality control
- Set and maintenance of high price only in case if the quality is high
- Limited amount of private label in order to support the image by excusive place for commerce
- The package should have distinct package from the other private labels
- Premium private labels should be in the process of constant development in order to be actual for the consumers in long run. That is why innovations are needed
- Promotion of private labels should consist of integrated marketing communication that will require reasonable spending of funds, which requires a high level of professional training of brand managers.

All in all, smart private labels now are not just economy private labels as they were perceived before. They are becoming the competitors of the national brands slowly turning into the national brands themselves. Hence, this type of organic labels could provide competitive advantage for the retailer that introduce them.

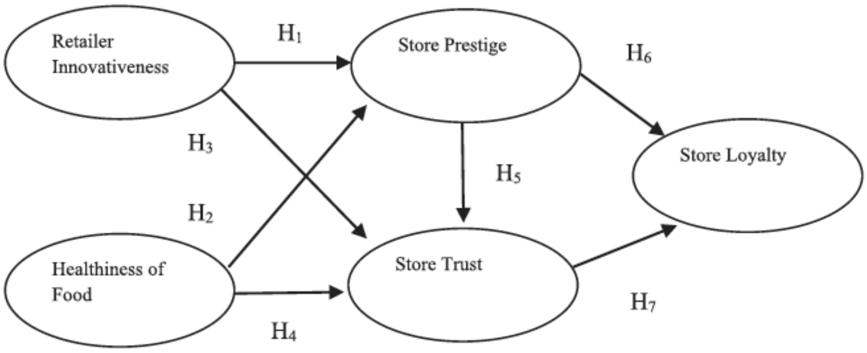
1.3. Overview of the models that measure loyalty to organic private labels

In the literature there are many models that connect attitude to organic food or healthy food and brand or store loyalty. Besides, there are some models that represent perception of SCR activities of the retailer and brand loyalty in the studied articles. Hence, in this section, there will be produced an analysis of the models that consist of the following variables such as organic private labels, trust, perceived value, perception of SCR activities of the retailer and loyalty and its components. There were studied about 100 articles and here there will be mentioned the most important ones

According to Konuk E.A., perceived healthiness of food with retailer innovativeness affect positively store loyalty. Here the loyalty is built via store prestige and store trust. To be more specific, store prestige and store trust play a role of the mediator in the studied model. It means that perceived retailer innovativeness and perceived food healthiness enhance store prestige what results into the higher loyalty. Moreover, there is impact of perceived retailer innovativeness and perceived food healthiness on store trust what also leads to higher loyalty. The model is considered

[21] Старов С.А. и др. (2020), «Собственная торговая марка как бренд», Маркетинг и Маркетинговые исследования, 02(140), стр. 104-118

to be interesting for the research but it includes general perception the freshness and healthiness of the food that retailer provides what does not allow to measure effect of the organic private label. Moreover, the model includes store loyalty without any specifications but the loyalty could be measure as wiliness to pay or to recommend. In this case, the measure for the loyalty will be more accurate. Despite some disadvantages, the model proves the link between trust and loyalty what could be used in the further research. The model is presented in the Picture 1 below[22].



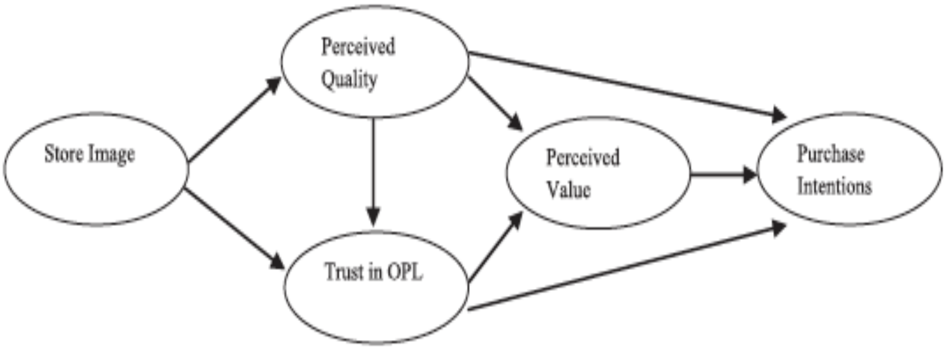
***Picture 1**. Model of the store loyalty via perceived healthiness of food and retailer innovativeness*

Source: [Konuk 2019, p. 512–526]

The other article is devoted to link between store image and purchase intention (behavioral loyalty). The model shows positive relation between store image and purchase via trust in organic private label and perceived food quality. Both of the factor leads to the purchase intention though perceived value. All of the variables have positive relationship between each other. In other words, this construct shows very important path dependency that starts with perceived quality then causes trust in organic private label and then leads to the perceived value and loyalty as a result. This path could be taken into the account in the further step if analysis. Besides, direct and mediating role of the perceived quality on perceived value and purchase intention was confirmed. Store image has a positive effect on the perceived quality and trust to organic private label. This model is quite complete since it consists of trust to private label, loyalty and some additional constancies. However, it does not include any SCR activities but only the store image what is quite broad term. Finally, the loyalty in this model cover only behavioral aspect but not general loyalty and attitudinal loyalty. The scheme of the model is depicted in the Picture 2[23].

[22] Konuk F.A. (2019), «The impact of retailer innovativeness and food healthiness on store prestige, store trust and store loyalty», Food Research International 116, p. 724-730

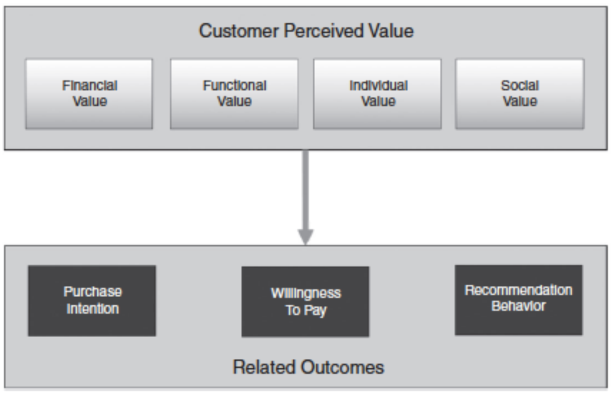
[23] Konuk F.A. (2018), «The role of store image, perceived quality, trust and perceived value in predicting consumers' purchase intentions towards organic private label food», Journal of Retailing and Consumer Services 43, p. 304-310



Picture 2. *Model of the purchase intention via store image*

Source: [Konuk, 2018, p. 304-310]

The next article reveals the classification of the perceived value. According to the Seegebath B. and the others, customer perceived value of organic food affects purchase intention, willingness to pay and recommendation behavior. All of these factors are components of the loyalty. People who have perception that retailer provides organic food that is valuable for him food would be happy to pay higher price even if the price on this type of food will increase. Consumers would love to by organic food next time they will visit the store and they would have a desire to share recommendations about positive experience of purchase with their inner circle of friends, relatives and colleagues. Moreover, customer perceived value could be described by financial value (perceived value of money), functional value (perception of the food quality), individual value (connection with environmental concerns) and social value (recognition of value by the social groups). This model basically shows the elements of the perceived value of the organic food but does not include the other important factors as SCR activities of the retailer and consumer trust. However, the classification of the loyalty and perceived value could be used in the further research. The scheme of the model is represented in the Picture 3 below[24].

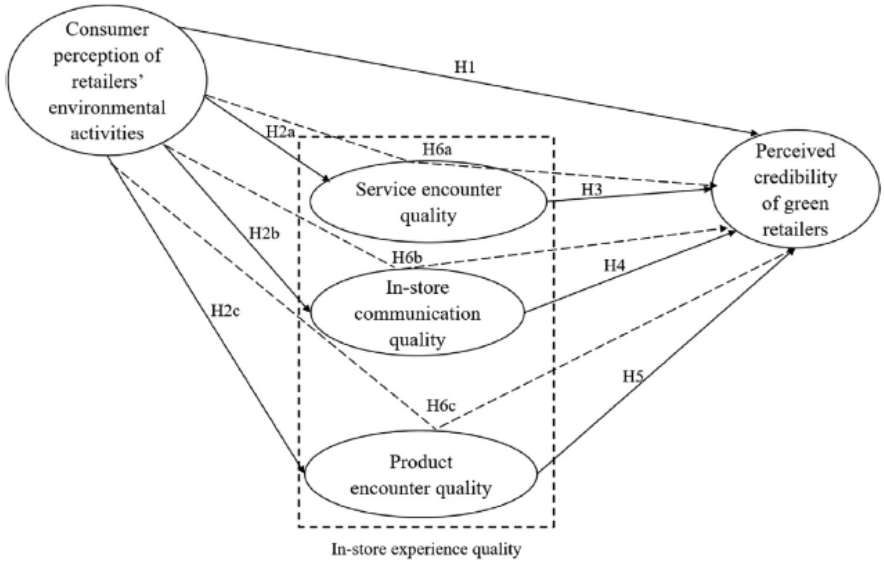


Picture 3. *Model that links customer perceived value and loyalty*

Source: [Seegebarth et al., p.396-411]

[24] Seegebarth B., Behrens S.H., Klarmann C., Hennigs N., Scribner L.L. (2015), «Customer value perception of organic food: cultural differences and cross-national segments», British Food Journal, vol. 118 No. 2, p.396-411

The other article is devoted to the link between consumer perception of the retailer's environmental activities with perceived credibility of green retailers. This relationship is built with help of the service encounter quality, in-store communication quality and product encounter quality. According to the paper results, the importance of consumer's in-store experience in forming perceived credibility (or trust) of green food retailers. All three types of the in-store experiences have positive connection with perceived credibility of green retailer. Moreover, consumer's perception of the environmental activities has direct and mediated effects on credibility via all three types of in-store experience. Despite that, the proposed model proved the link between green activities of the retailer and trust to the retailer, the other CSR activities could be included in the further research as well as the wide range of the consumer environment into the store interaction. The scheme of the model is presented in the Picture 4[25].



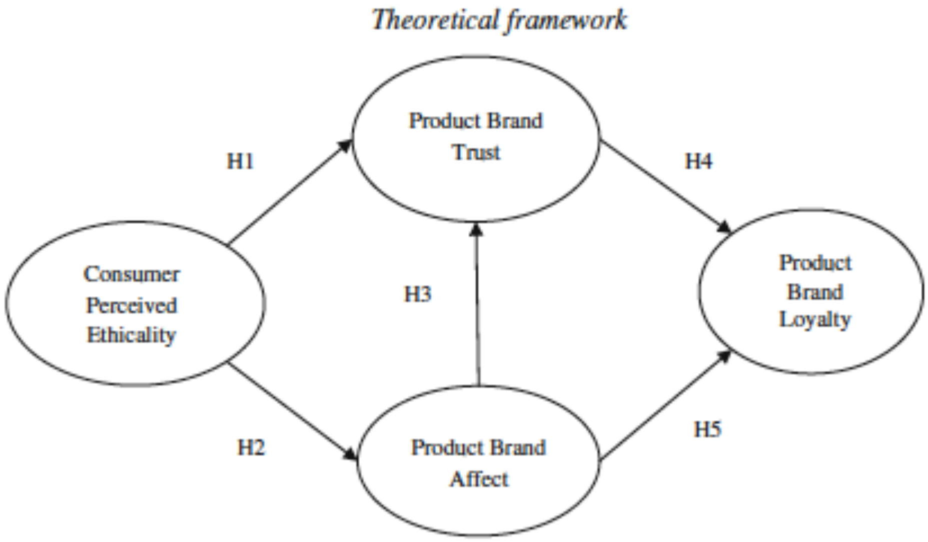
Picture 4. *The model of the formation of the perceived credibility of green retailer via consumer perception of the retailer's environmental activities*

Source: [Kumar & Polonsky 2019, p. 23-34, 2019]

Next article highlights the importance of the consumer perceived ethicality of the products of the FMCG goods that has an impact on the product brands loyalty. This relationship is built through establishing product brand trust and product brand effect. The brand effect has a mediating role on the product brand loyalty in the model as well as product brand trust. Despite, the fact the link between ethical activities of the FMCG company has positive effect on the loyalty and the loyalty is built via trust, there is needed more specification of the organic product in the further research. Besides, the loyalty was not broken down into the components like behavioral and

[25] Kumar P., Polonsky M.J. (2019), «In-store experience quality and perceived credibility: A green retailer context», Journal of Retailing and Consumer Services 49, p. 23-34

attitudinal loyalty. Finally, the other CSR activities should be included in the further research. The model in presented below in the Picture 5[26].



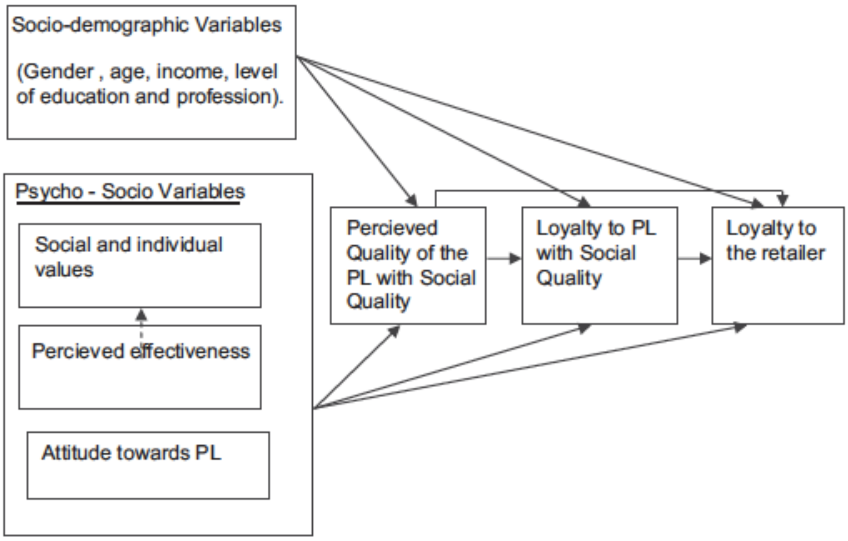
***Picture 5**. The model of the consumer perceived ethicality and product brand loyalty*

Source: [Batista-Foguet et al. 2012, p. 541-549]

The next model describes how perceived social quality effects the loyalty to the retailer. Social quality is respect for rights of the humans and employees via production and commercial process of the brand. First of all, the paper shows that socio-demographic characteristics such as gender, age, income, level of education and profession have an effect on perceived quality of the PL with the social quality. Moreover, psycho-socio variables such as social and individual values, perceived effectiveness of the retailer and attitude towards PL on perceived quality of the PL with the social quality. The latter visible have an effect on the loyalty to PL with social quality and its causes the loyalty to the retailer. This model seems partly suitable to the research problem since in implies one part of the SCR activities of the retailer, sustainable private label and formation of the loyalty to it through perception of the retailer. However, the model does not include the other SCR activities of the retailer and does not specify the time of the loyalty formed. Moreover, the PL is not particularly organic here what should be altered later on. However, the fact that socio-demographic characteristics and social and individual characteristics could have an impact would be taken into the account in further methodology development. The scheme of the model is presented in the Picture 6 below[27].

[26] Batista-Foguet J.M., Singh J.J., Iglesias O. (2012), «Does Having an Ethical Brand Matter? The Influence of Consumer Perceived Ethicality of Trust, Affect and Loyalty», Journal of Business Ethics 111, p. 541-549

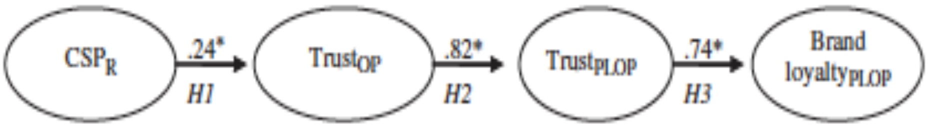
[27] Mejri C.A., Bhatli D. (2014), «CSR: Consumer Responses to The Social Quality of Private Labels», Journal of Retailing and Consumer Services № 21, p. 357-363



Picture 6. *The model that links Social quality of the PL and loyalty to the retailer*

Source: [Mejri & Bhatli 2014, p. 357-363]

The following paper is responsible for studying the path dependency that starts with Corporate Social Performance (CSP later) and results in brand loyalty private-label organic products. Brand loyalty to the organic products is formed with the trust in organic products of the retailer. Hence, trust in organic for leads to the trust to organic products under private label. This model is quite comprehensive but it implies of three dimensions of the CSR activities of the retailer (environmental, consumer and employee dimension). In fact, consumers could differently perceive all of these three parts of the CSR activities what would lead to the different attitudes and as a result to the different degree of loyalty. That is why in further study CSR activities of the retailer should be divided. Also, the loyalty to the organic food under private label could be specified, for example WTP (Willingness to Pay) or Intention to recommend (NPS). The model of the research is presented in the **Picture 7**[28].



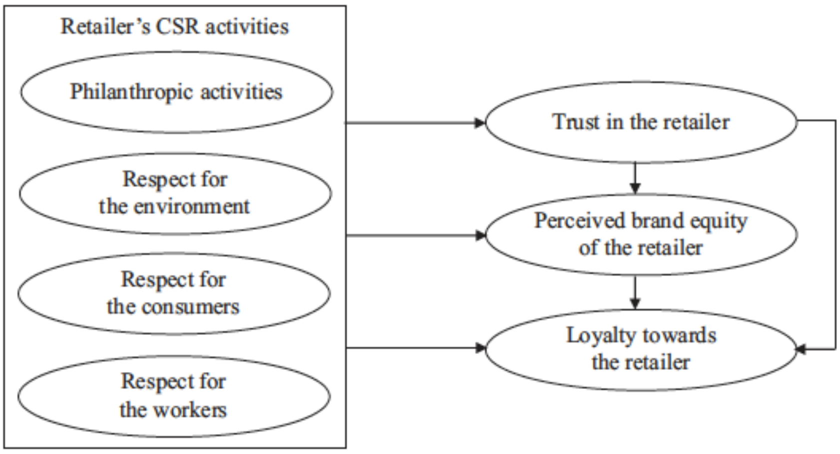
***Picture** 7. Model of path dependency of CSP and Brand Loyalty to the organic food under private label*

Source: [Privato et al. 2008, p. 3-12]

The following model represents path dependency of the retailer's CRS activities and loyalty to the retailer. Under retailer's CSR activities the authors of the paper philanthropic activities, respect for the environment, respect for the consumers and respect for the workers. All

[28] Privato S., Misani N., Tencati A. 2008, "The impact of corporate social responsibility on consumer trust: the case of organic food", Business Ethics: A European Review, volume 17, № 1, p. 3-12

the CSR initiatives leads to the trust to the retailer that has an effect on perceived brand equity of the retailer/. The final effect is loyalty to the retailer. This model partly satisfies the research goal since it includes several types of the SCR activities of the retailer, the fact that the loyalty built via trust with omission of the perceived quality of the purchased goods, perceived value of it, attitude to the retailer and the other variables what means that only by the perception of the CSR activities the loyalty to the retailer could be built. However, the would be more beneficial for the study if CSR activities could be assessed separately since they have different directions. Moreover, the loyalty needs to be divided into the categories for the better measure. Finally, in this model the loyalty is devolved to the retailer but not to the organic PL that should be modified later on. The model is represented in the Picture 8[29].



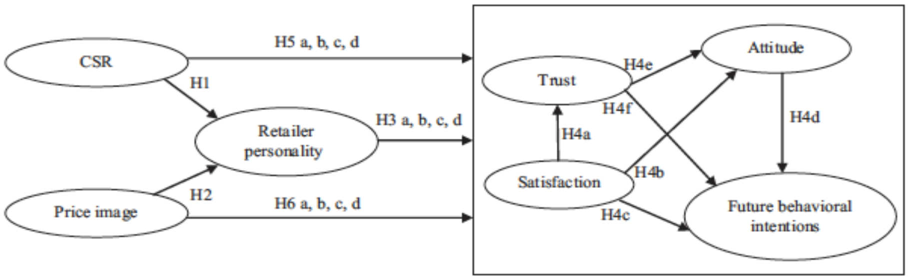
Picture 8*. Model of path dependency of CSP and Brand Loyalty to retailer*

Source: [Louis 2019 et al., p. 793-816]

The other article that will be analyzed is devoted to the complex model that links several factors that lead to the future behavioral intention of the retailer goods. CSR activities of the retailer and price image affects retailer personality. As a result, perceived retailer personality causes satisfaction of the retailer and forms trust to it, positive attitude and future behavioral intention (behavioral loyalty). Trust also leads to the positive attitude and future behavioral intention. Moreover, positive attitude has an impact on the future behavioral intentions. The model highlights very important factors such as CSR activities, trust, price image and loyalty that could be used in the further research but there should be mentioned specification of the SCR activities of the retailer. Moreover, food category could be also tested later as well as more types of loyalty

[29] Louis D., Lombart C., Durif F. (2019), "Impact of a retailer's CSR activities on consumers' loyalty", International Journal of Retail & Distribution Management, Vol. 47 No. 8, p. 793-816

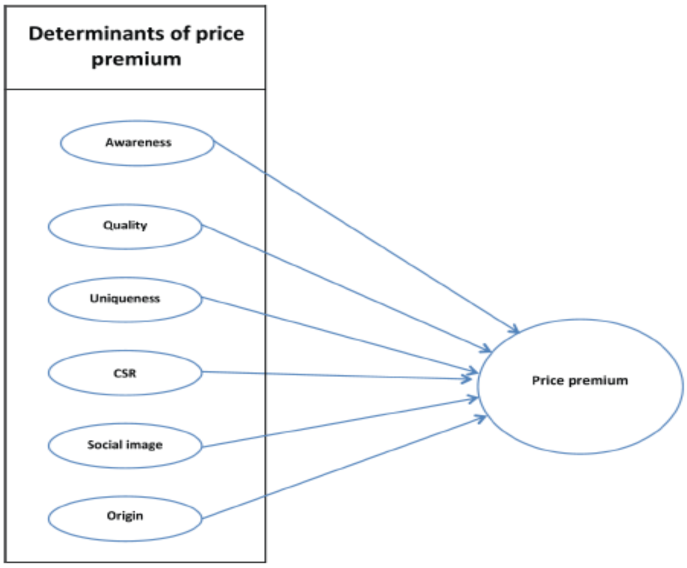
should be included in order to estimate the performance of the retailer. The model is shown in the Picture 9[30].



Picture 9. *The model of the link between CSR activities of the retailer, price image and future behavioral intentions*

Source: [Lombart &Louis 2014, p. 630-642]

Final paper is devoted to the determinants of the intention of the consumers to pay price premium. Among all the factor there are SCR activities, awareness, quality, uniqueness of the products, social image of the retailer and origin of the food. It means the link between SCR activity is proved here that is why it could be used in further research as well as awareness. Overall, the model shows the intention to pay price premium for food products could not be explained only by one factor. It is complex term that has several important determinants. Moreover, there should be more detailed information about particular SCR activities of the retailer. The model is depicted in the Picture 10 below[31].



Picture 10. *The model of determinants of the price premium*

Source: [Anselmsson et al.2014 p. 90-102]

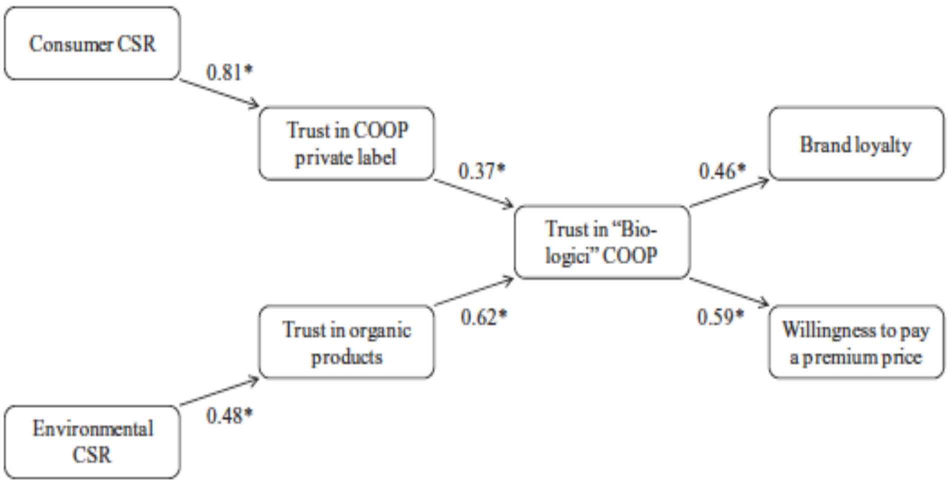
[30] Lombart C., Louis D. (2014), "A study of the impact of Corporate Social Responsibility and price image on retailer personality and consumers reactions (satisfaction, trust and loyalty to the retailer)", Journal of Retailing and Consumer Services 21, p. 630-642

[31] Anselmsson J., Vestman Bondesson N. and Johansson U. (2014), "Brand image and customers' willingness to pay a price premium for food brands", Journal of Product & Brand Management 23/2, p. 90-102

All in all, it is clear that all the analyzed models have advantages that is why some links from them there would be taken into account by the author by describing and modifying the most suitable model that will be shown in the next section of the paper.

1.4. Justification of the chosen model for research

In order to study the phenomenon of the connection between organic private labels, CSR activities of the company and brand loyalty of the customers there were revised many articles. However, the choice was made with article where CSR activities of the company are divided into two section: consumer and environmental CSR. Brand loyalty is achieved through trust to private label, trust to organic food and trust to particular organic food category that is sold under private label. As a result, trust results in brand loyalty and willingness to pay price premium. The scheme could be seen on the picture 11[32].



Picture 11. Model of the impact of SCR activities of the retailer to consumer loyalty via trust

Source: [Perrini et al. 2010, p. 512–526]

In the proposed article it is mentioned that trust the expectation of truster that promises will be kept and obligations will be fullfed by the trustee. The phenomenon of trust, which has gain popularity in researches in marketing and management fields has demonstrated that is valuable to study situations when the truster is considered to be vulnerable. Trust is a situation when one party has a desire to be vulnerable and to take risk. Hence, trust is required when the other systems of control are absent. There are several types of trust such as calculative cognitive and value based. *Calculative trust* is based on economic convenience. In other words, the truster is sure that the trustee has a personal interest in fulfilling the promise because trustee would love

[32] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment 19, p. 512–526

to avoid actions that could jeopardize its reputation or lead to the other unnecessary costs in case of failure. *Cognitive trust* is grounded on the certain knowledge of truster of the traits, behavior in the past and competencies that are related to the trustee. *Value-based trust* develops when the trustee and truster share values. At the same time truster is waiting that the truster will follow these values. This type of trust usually evolves when the parties know each other quite well and have high level of interdependence. There are three targets of trust for private-label organic products such as[33]:

- the retailer's private label
- the organic products as a category
- the single private-label organic product

To understand the phenomenon of CSR influence on trust, it is vitally important to consider that *CSR is a multi-dimensional term*. In other words, CSR incorporates various issues. People have a reaction towards CSR-based initiatives in response of the personal benefits they acquire from the company's involvement in CSR activities. Consumers, just like any possible group of stakeholders, will have an observation of how company treats them. This dimension of a retailer's behavior is defined as *'consumer CSR'*. To be more specific, this term means the commitment of a company to respect the rights of consumer. It is clear that a retailer that succeed in consumer CSR will develop trust in its private-label products for several reasons. Firstly, consumers experience a type cognitive type of trust. Secondly, in this situation calculative trust develops because retailers will be afraid to lose their reputation exploiting the consumers[34].

The second dimension of CSR, that is named '*environmental CSR'*. The definition is the following: environmental CSR is a commitment by a retailer to respect the natural environment. This type of the company will do its best to prevent pollution, decrease environmental harm that their goods could cause, and in generally be sustainable. If retailer actively implement environmental CSR activities and introduces private label to organic products, the consumer trust in its organic products as a category will be increased. This type of trust is called cognitive. To be more specific, consumers believe that a retailer behave in environmentally friendly way, they will trust retailer that organic labels are truly fulfill their promises[35].

The different private-label organic products are the goods that the consumers see on the shelves of retailer and that are the real objects of buying. Trust goes from a better-known source to a target that proves associations with that source. In many cases consumers will not possess any

[33] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment 19, p. 512–526
[34] ibid
[35] ibid

independent sources of information about the products. As a result, trust of consumer in the private label and in organic goods will be delivered to trust in each private-label organic product[36].

The key to success of a retailer in marketing activities of its own private-label organic products could be evaluated by two responses of consumers: (1) consumer brand loyalty, which refers to a preference of private-label organics of retailer over organic products under other labels; (2) consumer willingness to pay a premium price, because organic food is marketed at a premium higher than the other non-organic products. The literature has shown that trust is an antecedent of consumer loyalty. Hence, consumer trust will be transformed into intention to buy a product. This intention should be defined as brand loyalty where brand loyalty is 'the tendency to be loyal to a pivotal brand, which is showed by the intention to purchase the brand as a primary choice[37].

The impact of trust on consumer willingness to pay a premium price could also be proved. The trust that the product develops with the following of organic standards will make buyers think that the product of their choice is worth the premium. In other words, willingness to pay a premium price for organic food relies on trust in the organic food certification procedure and in the retailer that sell organic food[38].

From the theory perspective, the term customer loyalty could be defined as brand loyalty and store loyalty. In constant, customer loyalty usually consists of three approaches such as transactional, affective loyalty and combination of both approaches. Transactional loyalty is happening when consumers are buying certain goods on regular basis but they do not have emotional connection with goods they purchase. It means that consumer will switch to the other brands when they will be able. Affective loyalty is connected with interest of the consumer to purchase certain brand but not the other one. In this case consumers have affection to particular brand and are fully satisfied with the utilization of this particular brand. Consumers are ready to by certain brand during long period of time. That is why for this model affective loyalty is chosen as a part of cumulative loyalty. Affective loyalty could be measured with intention to buy a product in the future, intention to recommend the brand to the inner circle and intention to support the relationship in the future with the brands. Hence, in this paper intention to recommend would be used. This variable is measure with Net Promoter Score (NPS) from 0 to 10. People who have chosen 9-10 are considered to be «Promoters» of the brands that spread positive information about the brand and encourage the other people to use it to. People who have chosen the scores 7-8 are

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[36] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment 19, p. 512–526

[37]«Привет, «Органик»!», ВкусВилл, accessed April 24, 2021 https://vkusvill.ru/news/privet-organik.html

[38] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment Bus. Strat. Env. 19, 512–526

«Passive» consumers that are satisfied with product but are lazy to promote the company. Finally, the rest of the people that answered from 0 to 6 are «Detractors» or consumer that spread negative rumors about the company and encourage the other people to buy products of particular company. Besides, there will be used Willingness to pay price premium (WTP) since the price is considered the highest barrier to buy organics. It would be valuable to know how many people are ready to pay since if they are not ready there would not be any sales. In this case, the value of the product would not be understood and marketing would be able to help. However, if people are ready to pay, it means that retailer have not only people that promote them but also people who are ready to pay higher price for organic food product under private label[39].

Considering all of the considerations, the hypothesis of the proposed model will be presented below with thoughtful support from the other articles.

H_1*: *The perceived consumer CSR activities of a retailer correlates positively with trust in the private-label products of the retailer VkusVill.

It is true a retailer that is successful in introducing CSR activities has an aim at satisfying the social and economic interests of the consumers will attract trust to its products under private label. A retailer, if perceived by consumers as benevolent, concerned about the well-being of consumers and strived to find cooperation with them, will encourage consumers to trust in it[40]. The next reason for the development of trust has a connection with the stance of consumers that retailers with a good reputation in the field of consumer CSR will lose this reputation, including trust, if they follow only their own selfish interests[41]. Fair to mention that CSR associations help to improve attitudes towards private labels, adding some special characteristics to the personality of private labels[42]. The other point is that consumers perceive the company's CSR initiatives positively and develop a positive attitude towards its initiatives[43] . Hence, the retailer's SCR activities could be expected to create strong, distinctive and supportive associations with private labels.

[39]Старов С. А. (2007), «Лояльность к бренду: классификация методы оценки и программы формирования марочной приверженности», Вестник Санкт-Петербургского Университета сер. 8, выпуск 2, стр. 112-133

[40] Doney P.M, Cannon J.P. (1997). «An examination of the nature of trust in buyer–seller relationships». Journal of Marketing ,Vol.61 pp. (April), pp. 35–51.

[41] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment Bus. Strat. Env. 19, 512–526

[42] Madrigal R., Boush D. M. (2008). «Social Responsibility as a Unique Dimension of Brand Personality and Consumers' Willingness to Reward». Psychology & Marketing, Vol.25, pp. 538-564.

[43] Du S., Bhattacharya C.B., Sen S. (2007). «Reaping relational rewards from corporate social responsibility: The role of competitive positioning». International Journal of Research in Marketing, Vol. 24(3), pp.224-241.

H*$_2$*: The perceived environmental CSR activities of a retailer correlates positively with consumer trust in organic products under private label VkusVill

Consumers now are looking for food that is produced in environmentally friendly condition[44]. Following this, previous studies have shown that concern for the environmental issues could be seen as altruistic motivation to buy organic food[45]. Moreover, experts revealed that consumers' attitudes about the environment have positive associations with attitudes about organic food[46].

H*$_3$*: Consumer trust in a retailer's private-label products correlates positively with consumer trust in the private-label organic products under the name VkusVill

The reputation of a retailer as a socially responsible company, according to experts, increases the perceived quality of goods under private labels and enhances trust and a positive attitude towards them[47]. Moreover, some experts suppose that corporate social initiatives have an impact on the formation of favorable emotional, cognitive and behavioral responses from consumers[48]. Research depicts that introduction of certification labels for food under private label could not only enhance perceptions of product quality and perceived benefits such as hedonism, health, environmental friendliness and food safety, but also could increase trust in organic products under private labels[49] purchase intention and willingness to pay[50] a higher price[51].

H*$_4$*: Consumer trust in organic products under private label VkusVill correlates positively with trust in particular the private-label organic products under the name VkusVill

In order to satisfy growing demand of organic food, retailers are striving to expand their product portfolio including organic products under private labels. Development of the image of a socially responsible retailer, connecting to the actual needs of consumers in response to new

[44] Chen C.J., Jing-Wen Huang J. W. (2009), "Strategic human resource practices and innovation performance - The mediating role of knowledge management capacity", Journal of Business Research, Volume 62, Issue 1, pp. 104-114

[45] Magnusson M.K., Arvola A., Hursti U., Aberg L., Sjoden P. (2003). «Choice of organic food is related to perceived consequences for human health and to environmentally friendly behavior», Appetite, Vol. 40 (2), pp. 109-117.

[46] Chen C.J., Jing-Wen Huang J. W. (2009), "Strategic human resource practices and innovation performance - The mediating role of knowledge management capacity", Journal of Business Research, Volume 62, Issue 1, pp. 104-114,

[47] Du S., Bhattacharya C.B., Sen S. (2007). «Reaping relational rewards from corporate social responsibility: The role of competitive positioning». International Journal of Research in Marketing, Vol. 24(3), pp.224-241.

[48] Ellen P., Lois A., Deborah J. (2000). «Charitable Programs and the Retailer: Do They Mix?». Journal of Retailing, Vol. pp.76 (3), 393–406.

[49] Pivato, S., Misani, N. and Tencati, A. (2007). «The impact of corporate social responsibility on consumer trust: the case of organic food», Business Ethics: A European Review, Vol. 17(1),pp. 3-12.

[50] Bauer H., Heinrich D., Schäfer D.B. 2013. «The effects of organic labels on global, local, and private brands», Journal of Business Research 66 (8), pp.1035-1043.

[51] Larceneux F., Benoît-Moreau F., Renaudin V. (2021), «Why Might Organic Labels Fail to Influence Consumer Choices? Marginal Labelling and Brand Equity Effects», Journal of Consumer Policy 35(1), pp.85-104

trends and differentiation of food goods are the key driving reasons of the launching of organic product under private labels[52]. A number of researchers suppose that sales of organic products under private label should increase because they are supported by consumer trust in organic products generally.[53]

***H_5**: Consumer trust in the particular private-label organic product correlates positively with brand loyalty*

In a number of studies, it is shows that trust is a precursor to the formation of brand or company loyalty from the consumer side[54]. Hence, it could be proposed that consumer trust in products under private label grow into an intention to make a purchase, and then, in the case of repeated purchases, into loyalty to these goods[55].As a result, considering that trust under positive conditions is transformed into repeated purchases, it can be proposed that with a further surge in trust, it could enhance loyalty to organic products under private label[56].The other researchers have found in their research that the utilization of organic certification labeling increases consumer buying intentions[57]. Certification labeling of products ensures high product quality[58] which means established trust and loyalty to similar products under standard private labels without organic certification[59].

***H_6:** Brand loyalty has positive connection with WTP for organic food under private label VkusVill*

The organic products that imply added value (health benefits, naturalness, environmental friendliness, food safety), consumers are ready to pay a significantly higher price than for non-organic products under standard private labels, and are even ready to continue buying organic food with a price increase on them[60]. Private labels of organic products with certification guarantee a higher quality compared to similar products under traditional private labels[61], which

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[52] Jonas A., Roosen J. (2005). «Private labels for premium products – the example of organic food». International Journal of Retail and Distribution Management, Vol. 33(8), pp. 636–653.

[53] Pivato, S., Misani, N. and Tencati, A. (2007). «The impact of corporate social responsibility on consumer trust: the case of organic food», Business Ethics: A European Review, Vol. 17(1),pp. 3-12.

[54] Singh J., Sirdeshmukh D. (2000). Agency and trust mechanisms in consumer satisfaction and loyalty judgments. Journal of the Academy of Marketing Science, Vol.28(1), pp. 150–167.

[55] Oliver R.L. (1999). «Whence consumer loyalty?», Journal of Marketing, Vol. 63 (4), pp. 33-44.

[56] Pivato, S., Misani, N. and Tencati, A. (2007). «The impact of corporate social responsibility on consumer trust: the case of organic food», Business Ethics: A European Review, Vol. 17(1),pp. 3-12.

[57] Bauer H., Heinrich D., Schäfer D.B. 2013. The effects of organic labels on global, local, and private brands Journal of Business Research 66 (8): 1035-1043.

[58] Van Doorn J., Verhoef P.C. 2011. Willingness to pay for organic products: differences between virtue and vice foods International Journal of Research in Marketing 28(3): 167-180.

[59] Girard T., Trapp P., Pinar M., Gulsoy T., Boyt T.E. 2017. Consumer-based brand equity of a private-label brand: measuring and examining determinants Journal of Marketing Theory and Practice 25(1): 39-56.

[60] Bauer H., Heinrich D., Schäfer D.B. (2013). «The effects of organic labels on global, local, and private brands». Journal of Business Research, Vol. 66 (8), pp. 1035-1043.

[61] Bezawada R., Pauwels K. (2013). «What is special about Marketing Organic Products? How Organic Assortments, Price and Promotions Drive Retailer Performance». Journal of Marketing, Vol. 1, pp 31–51.

allows retailers to charge a higher price for these products. High prices[62] are also components of trust in organic food[63]. Willingness to pay a higher price for organic products under a retailer's private label depends on the degree of consumer confidence in the quality of organic products, the availability of certification labels, and the reputation of retailers proposing organic products in their distribution network [64].

H_7*: *Brand loyalty has positive connection with NPS of organic food under private label VkusVill

The loyal private label buyers of organic products become free advertising agents if they recommend the organic products under private label they love. Consumers who are more loyal to branded products are able to spread more actively information about these products, for example utilize more intensively such a marketing communication tool as viral marketing (word of mouth)[65]. Experts suppose that loyal customers are willing to be involved into in positive oral communication[66] and recommend this branded product to others[67].

All in all, modified model has a proof of the link between variables from various papers that means that this model is suited for the studying the link between SCR activities and loyalty to organic food product under the private label.

1.5. Consumer profiles of organic food

There is literature that is dedicated to consumer behavior of organic foods. The major studies on this theme are devoted on the profile of organic food shoppers. The great number of the studies depicts that buyers with higher levels of education have more positive attitudes and are more willing to purchase organic food. Gender is also considered to be a driver to buy and to consume organic food. In my studies it is indicated that females are more eager to buy and eat organic foods in higher amount, and have more positive attitudes toward organic foods rather than males. To be more specific, organic food consumers are younger than people who do not by organic food. Moreover, people of older age have less desire to consume organic foods. The other crucial demographical factor is whether people have children in a family. Families with offspring are more eager to buy organic goods. Grounded on the review of various studies, presence of

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62 Zander K., Hamm U. 2010 Consumer preferences for additional ethical attributes of organic food Food Quality and Preferences 21(5): 495–503.

63 Van Loo E., Pieniak Z., My N., Verbeke W. (2013). «Consumer attitudes, knowledge, and consumption of organic yogurt». Journal of Dairy Science, Vol. 96, pp. 1-12.

64 Krystallis, A., Fotopoulos C., Zotos, Y. (2006). «Organic consumers' profile and their willingness to pay (WTP) for selected organic food products in Greece». Journal of International Consumer Marketing, Vol. 19 (1), pp. 81-106.

65 Berger J., Schwartz E. (2011). «What drives immediate and ongoing word of mouth?». Journal of Marketing Research, Vol. 48 (5), pp. 869–880

66 Zeithaml V., Berry L. L., Parasuraman A. (1996), «The Behavioral Consequences of Service Quality», Journal of Marketing vol. 60., pp. 31-46

67 Reichheld F. F. (2003). «The one number you need to grow». Harvard Business Review, Vol. 81(12), pp. 46–54.

young children has an impact on consumption of organic product[68]. In Russia the main targeted segments of organic food consumers are representatives of the middle- and upper-class accounting for about 20% of Russian people. The most active consumers are women and men aged 25-45, with higher education, with an average and higher income. They are residents of Moscow and Saint Petersburg. The main reasons of purchase and consumption of organic food are health benefits, no artificial ingredients or preservatives, natural taste, and safety. According to the research published in «Vedomosti» newspaper, there are other reasons to buy organic food such as contribution to saving of the environment (65,4%), benefits for health (62,4%), ethical aspects of production (49,8), life stance (33,9%), absence of trust mass producer (33,3%), religious stances (1,6%), fashion (1,3%)[69]. Among the main barriers to buy this product there is its high price. Moreover, many consumers do not trust in the health benefits of environmentally friendly products, do not know anything about them or do not trust the manufacturer. The short shelf life of these products is also a limiting factor. The factors driving the purchase of organic products include: income growth, care for health and health of family members, involvement into sport activities, and a decrease in the number of available and free medical services. It is also important to disseminate information about the dangers of biotechnological "unhealthy" ingredients in food, as well as about the harmful effects of chemicals on traditional agriculture. In addition, the consumption of branded organic products is one of the most fashionable trends in the West[70].

According to various studies, a significant difference in the nutrition content or any extra health benefits of organic food are not observed in comparison with food products that were traditionally manufactured. However, organic food is perceived to be healthier, tastier and better for the environment than conventional food. Buying and consuming organic goods opinions about organic food were connected with perceived benefits foe health, concern for the environment, animal welfare and taste. All in all, the most wide-spread reason to purchase organic foods are concern for health and the environment[71].

Organic food consumers are more health conscious and aware of food risks compared to non-organic goods consumers. Healthy lifestyle plays a role of mediator on the positive relations between health consciousness and environmental concerns and consumer believes in response to organic foods. Different studies about organic food purchase indicates that values of consumers are vital if we speak about buyers' attitudes and perception of organic food. Consumers who buy

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[68] Aslihan Nasir, V., Karakaya, F. (2014), "Consumer segments in organic foods market", Journal of Consumer Marketing, Vol. 31 No. 4, pp. 263-277

[69] Бурлакова, Екатерина. 2019. «Крупные ритейлеры увеличивают долю полезных продуктов в ассортименте» *Ведомости*, March 31, 2019. https://www.vedomosti.ru/business/articles/2019/03/31/797851-dolyu-poleznih-produktov-v-assortimente

[70] Дворникова, Е. 2013. «Обзор российского рынка экологически чистых продуктов питания» Foodmarket 4: 2013. https://foodmarket.spb.ru/archive.php?article=1851

[71] ibid

organic food appreciate more internal values such as self-respect and enjoyment of life than external values belonging. Purchase decisions of organic food have a link with the following values such as security, hedonism, universalism, benevolence, stimulation, self-direction and conformity. Some studies depict that environmental and health beliefs in manufacture of food have and impact of willingness to pay of consumers. There are also researches, that are based on customer barriers to organic food purchase. To be more specific, people do not buy organic food because of its availability, mistrust, mistrust and poor presentation and extra time to search for organic food[72].

In this particular study with the use of cluster analysis there were identified 4 major segments of organic food according to difference level of importance and different opinions about:

- health orientation
- socially responsible consumption
- environmental responsibility
- values and lifestyles

Segment that is called *favorable* implies buyers who have positive attitudes toward organic food. The majority of this segment is composed of mostly young females who has higher education degrees. Speaking about income, this segment mostly includes low-and mid-income consumers. These people truly believe that organic food is healthy rich in vitamins and minerals, and has less chemical residue. Besides, consumers in favorable segment think that organic food is not so easy to get in the shops and product selection of it is limited. People from this segment appreciate the most values such sense of accomplishment and sense of belonging. These consumers have health orientation and they are following the principals of socially responsible consumption the most. People of this segment buy organic food more often that shoppers from the other. Final point is that, favorable segment is ready to go to stores that located far away to buy the organic products[73].

Neutral segment consists of byers who have neutral attitudes toward organic foods. The profile that implies demographic traits is young and middle-aged males with higher education. This people have mainly mid-and low-income consumers. They find organic foods healthy and think that organic product is rich in vitamins and minerals. For this segment it is the most difficult to find organic goods. Moreover, buyers from this segment do not believe that organic products are attractive in response of physical appearance. Besides, these people have an attitude that organic foods are very expensive to buy. Finally, consumers in the neutral segment value the most environmentally responsible behavior and purchase organic food less frequent[74].

[72] Aslihan Nasir, V., Karakaya, F. (2014), "Consumer segments in organic foods market", Journal of Consumer Marketing, Vol. 31 No. 4, pp. 263-277

[73] ibid

[74] ibid

The segment that is called *unfavorable*. It implies people whose attitude towards organic food is negative. Males and females have low-and middle-income. Speaking about age, about 35% of the byers in this segment are older than 35 years. Moreover, 40 % of the segment represents people from 18 to 25 years. People in this segment believe that organic foods are least healthy and rich in vitamins and minerals. They do not hold a view that organic food is fresh because of shorter shelf lives and has less chemical residue. Buyers from the unfavorable segment do not think that the price of the organic foods is expensive. Additionally, these consumers do not have problems with finding organic food in the store and find least inadequacy about organic food. These consumers are considered to be less health oriented, socially responsible, environmentally conscious. These group of people show the lowest level of sense of accomplishment[75].

Later on, based on these findings, there will be formed several consumers segments of organic private labels in Russia Federation as well as the portrait of the consumer in form of the buyer persona.

1.6. Analysis of organic food market in Russian Federation

In this section there will be provided in-depth analysis of the market of organic food in Russia. To be more specific, the definition of organic food will be stated as well as legitimate conditions of this phenomenon. Moreover, the main trends of the organic food market will be identified as well as main players will be stated. Finally, there will be provided the data about the predictions of organic food market development in the future.

1.6.1. Main characteristics of the organic food in Russia

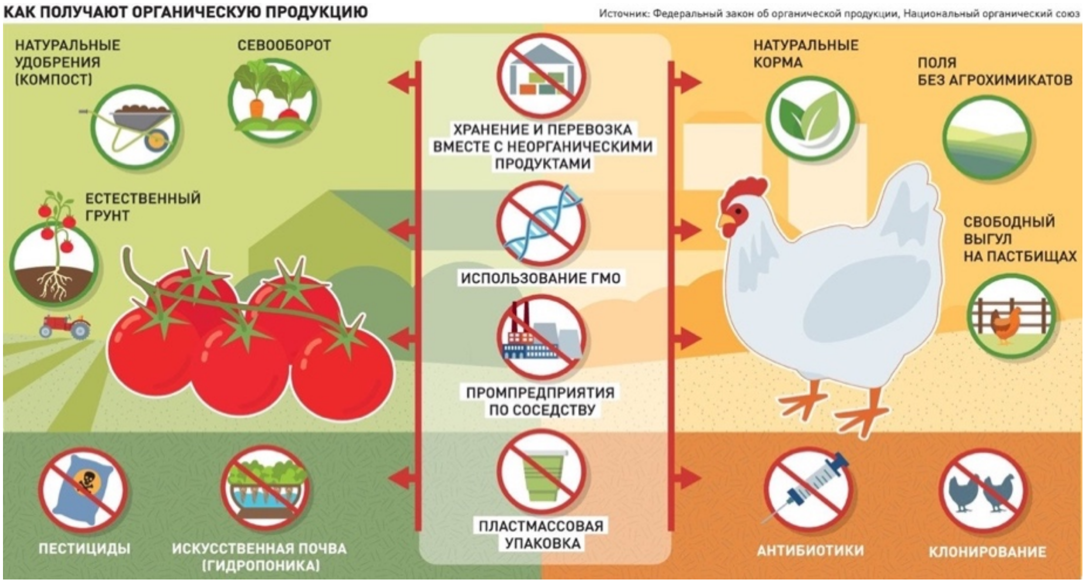
Organic products are considered to be products that were manufactured in accordance to established standards. Organic food of any product category could be kept and transported with products that are not organic. There is not allowed to utilize genetically modified additives to organic goods production process. Industrial companies could be placed near the manufacture of organic food. Finally, plastic packaging is forbidden to be utilized as packaging of organic products[76].

Organic food could be separated on *two product categories* such as fruit and vegetables and meat production (including chicken, pork, beef and the other type of meat). Speaking about fruit and vegetables, there are several requirements that should be met. First of all, artificial soil and pesticides could be used in growing these types of food. Secondly, natural soil and natural fertilizers should be utilized in organic food production. On the top of the, crop is required to be used by farmers of organic food. Now it is necessary to say about the requirement for meat

[75] Aslihan Nasir, V., Karakaya, F. (2014), "Consumer segments in organic foods market", Journal of Consumer Marketing, Vol. 31 No. 4, pp. 263-277

[76] Узбекова, Алена. 2020 «Как распознать органическую продукцию?» *Российская газета*. February 3 2020. https://rg.ru/2020/02/03/kak-raspoznat-organicheskuiu-produkciiu.html

production. Firstly, antibiotics and cloning are forbidden to be utilized in meat production of organic food. Moreover, free range on pastures are required to be introduced in organic farming. Finally, fields should be utilized without agrochemicals as well as nutrition of animals should be natural in its composition[77]. The picture 12 that depicts the show all the requirements in the form of scheme.



Picture 12. *How organic food is produced in Russia*

Source: [Российская газета, 2020]

Organic food costs more than not organic food for several reasons. In animal husbandry, certified organic feed must be used, this surges the cost of the production by 30-50%. The broiler chicken in the store costs about 200 rubles while organic chicken price is equal to about 600-800 rubles. The average broiler is raised during 28 days while organic chicken is raised during 81 days. That is why the meat has a distinct protein, richer in the composition of minerals and trace elements what cause the price to be higher. Fair to mention, organic raw materials for planting cost 25-30% higher than traditional one. Now demand exceeds supply, and the stores can set any price. In cities such Krasnodar and Krasnoyarsk regions, Tomsk, Voronezh regions fully or partially reimburse certification costs for small and medium-sized enterprises producing organic products. This will keep the margin on it within 30-50%[78]. According to experts, organic milk in Russia could be prices twice as much as industrial milk, but the situation will change. Now in Russia, only about 100 companies are certified according to organic standards but is not enough in a market with a population of 145 million people. Moreover, the experts define a significant amount of the cost is formed due to the import of biological products and fertilizers. Besides, there are predictions of the experts that with the development of the market in Russia, organic products will cost on

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[77] Узбекова, Алена. 2020 «Как распознать органическую продукцию?» *Российская газета*. February 3 2020. https://rg.ru/2020/02/03/kak-raspoznat-organicheskuiu-produkciiu.html

[78] ibid

average 15-30% more expensive than traditional ones. The success in the development of the market of organic products in the Russia can be obtained only with a surge in the standards of living[79].

Despite of the higher price of the organic food, consumption of it is considered to be an investment in health of people and saving of environment. Hence, there are *advantages* of organic farming. First of all, organic farming provides sustainability in the long term. To be more specific, organic agriculture pays attention at the medium to long term has an impact of agricultural interventions on the agroecosystem. The aim of organic farming is to produce food while establishing an ecological balance to prevent soil fertility, pest and disease problems. Secondly, tillage practices such as crop rotations, mixed crops, symbiotic crop associations, cover crops, maintaining high soil organic matter and minimizing tillage are central to organic practice. They stimulate the development of soil fauna and flora, improving soil formation and structure and creating more stable systems. As a result, the circulation of nutrients and energy substances increases and the soil's retention capacity for nutrients and water increases, compensating for the non-use of mineral fertilizers. Thirdly, in many agricultural areas, pollution of groundwater with synthetic fertilizers and pesticides is a serious problem. Because of their use is forbidden in organic agriculture, they are replaced by organic and microbiological fertilizers and through the use of more biodiversity, soil structure and water infiltration are improved. Well-managed organic systems with better nutrient retention capacity significantly reduce the risk of groundwater pollution. Moreover, organic farming decreases the utilization of non-renewable energy by reduction agrochemical. Organic contributes to mitigation of the greenhouse effect and global warming through its ability to bind carbon in the soil. Besides, organic farmers are the keepers and users of biodiversity at all levels. At the genetic level, preference is provided to traditional and adapted seeds and breeds for their better resistance to disease and resistance to climatic stress. At the species level, various combinations of plants and animals optimize the nutrient and energy cycle for agricultural production. At the ecosystem level, the conservation of natural areas within and around organic fields and the absence of chemical inputs create environmentally appropriate conditions for the conservation of local nature. On top of that, since the potential impact of GMOs on both the environment and health is not entirely clear, organic farming takes a cautious approach and opts to promote natural biodiversity. As a result, the organic label provides a guarantee that GMOs have not been used in the production and processing of organic food. Finally, the impact of organic agriculture on natural resources fosters interactions within the agroecosystem, which are vital for both agricultural production and conservation. Environmental services include soil

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[79] Анатолий Жданов, «Покупатели распробовали ЗОЖ», *Коммерсант* no 60 (2019):10. https://www.kommersant.ru/doc/3933095

formation and conditioning, soil stabilization, waste recycling, carbon sequestration, nutrient cycling, pollinators and healthy habitats[80].

Hunger is driven by socio-economic and political conditions rather than by constraints on agricultural production capacity. Organic farming helps farmers improve food security by:

- Reduction of dependence on external factors of production and food distribution systems over which they have little control
- Reduction the decrease in production or crop failure due to crop diversification
- More stable yields, better to traditional agricultural systems, in the event of unfavorable agro-climatic conditions.

Worldwide organic agriculture yields are in some cases at least 20% lower than conventional agriculture. To be more specific, many multiple cropping systems, such as those developed by smallholders and subsistence farmers, even show higher yields in terms of total yield per unit area. These yield benefits are attributed to more efficient use of nutrients, water and light, as well as a combination of other factors such as the introduction of new regenerative elements into the farm and lower losses from pests and diseases. In addition, organic agriculture has the unique ability to reverse soil degradation and desertification and help keep global production potential[81].

1.6.2. Characteristics of the market of organic food and main trends in Russian Federation

According to IFOAM-International Federation of Organic Agriculture Movements, organic agriculture is a production system that maintains the health of soils, ecosystems and people; relies on ecological processes, biodiversity and cycles adapted to local conditions, avoiding the use of resources with adverse consequences. Organic farming combines tradition, innovation and science for the benefit of a common environment and the promotion of fair relationships and improved quality of life for all involved. The *main principles of organic farming* are Health, Ecology, Fairness and Care[82]. *The principle of Health* implies that organic agriculture must maintain and improve the health of soil, plants, animals, humans and the planet as one and indivisible whole. According to this principle, it is necessary to avoid the utilization of fertilizers, pesticides, veterinary drugs for animals and food additives, which may have an adverse effect on health. The principle of Ecology requires that organic farming must follow the principles of natural ecological systems and cycles, working, coexisting with and supporting them. Organic agriculture must achieve ecological balance by designing land-use systems, creating habitats and maintaining

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[80] Любовецкий, Яков. 2019. «Что значит эко, био, органик и экологически чистый продукт», *Dairy news*. September 9, 2019 https://www.dairynews.ru/news/chto-znachit-eko-bio-organik-i-ekologicheski-chist.html

[81]ibid

[82]ibid

genetic and agricultural diversity. *The principle of Fairness* states that animals should be provided with conditions and opportunities for life that are consistent with their physiology, natural behavior and health. Natural resources that are used in production and consumption must be viewed from the standpoint of social and environmental justice, considering the interests of future generations. Equity requires production, distribution and trade systems to be open, equitable and consider really environmental and social costs. *The principle of Care* requires that organic agriculture must be managed in a preventive and responsible manner to protect the health and well-being of present and future generations and the environment.

Ecological agriculture in Russia originated in 1989, when the All-Union program "Alternative Agriculture" was established. In two years, the program brought international certification to a number of farms, but ended in complete collapse, as the market was not ready for such products. In 1994, the export of environmentally friendly certified buckwheat to Europe began, and since 1995 an organic processing plant has been operating in the Kaluga Region. Now the ecological production of agricultural products is carried out by the farms of the Tula, Oryol, Novgorod, Omsk, Pskov, Kursk, Vladimir, Orenburg, Yaroslavl, Moscow regions and Stavropol Territory. Thus, in Russia, the market for environmentally friendly and safe products is only being formed. The main channels of organic food distribution are supermarkets, specialized stores selling natural products, direct sales through online stores and pharmacies selling a limited range of organic products.

There are several *advantages* of organic food market. First, bioproducts are manufactured without the use of artificial food additives, antibiotics, GMOs, growth hormones, pesticides and other elements harmful to human health. Secondly, organic food contains significantly more vitamins and nutrients than conventional foods, which have a beneficial effect on the human body. Thirdly, they reduce the risk of the recently increasing number of cancer diseases, cardiovascular, psycho-neurological, allergic and other types of human diseases. Fourthly, the technology for the manufacture of organic products does not have a negative impact on the ecology of the environment. The strength of the organic food market could be characterized by several factors. First of all, there is a significant excess of the urban population's demand for organic products over its supply on the market. Secondly, consumers prefer Russian organic products. Thirdly, there is a high growth rate of sales of organic products. there is a high growth rate of sales of organic products. Moreover, up to 75% of Russian farmers do not use GMOs and chemical fertilizers in the cultivation, processing and production of agricultural products. Finally, there is trust among consumers towards organic labeled food products[83].

However, there are some *disadvantages* of organic food in Russia. First of all, there is a deficiency of qualified labor in organic farming in Russia. Secondly, Russian farmers are not motivated to develop organic farming. Thirdly, there is lack of official reliable data about volume of sales of organic food that were made in Russia. Moreover, there is high price of organic food compared with traditional one. Besides, people are not well-educated in terms of ecologically responsibility in Russia. On top of that, it is observable large share of counterfeit products as well as limited number of distribution channels. Finally, there is lack of integrated ecology for the production of organic food starting from soil preparation to its packaging[84].

Speaking about *possibilities of development* of organic industry in Russia there are several of them. Firstly, now in Russia there is strong Import Substitution Policy due to sanctions from the EU and the USA what implies Russian food embargo on products from some European countries and the USA. Secondly, there is huge number of free lands that are rich soil potential as well as relatively favorable environmental conditions. Moreover, the cost of labor is quite low in Russian industry of organic food. Finally, small businesses using organic farming technologies witness higher productivity[85].

Nevertheless, there are some *threats in the industry* of organic food that will be mentioned further. First of all, there is lack of standard types of product labeling as well as government financial support of organic food farming. Secondly, absence of single international standard of organic food production makes obstacles to trade these products among countries. Thirdly, lack of investment is observed in Russian organic food market what limits its development as well as high level of rivalry from the side of international producers of organic food. Moreover, there is lack of areas for training students in the field of organic agriculture in secondary and higher educational institutions in Russia. Hence, decrease in real incomes of the urban population is witnessed, what reduces the demand for organic products. Finally, difficult climatic conditions contribute to a decrease in the yield of organic products: in the South of Russia - without the use of agrochemical methods of fighting insects and weeds; in Siberia - due to the length of the cold season[86].

The Russian market for organic products also shows quite intensive growth. To be more specific, on average since 2010, the market has surged by about 10% per year but the crisis and a number of indirect factors led to the fact that in 2015-2016 the growth had shown only 4%. In the

[83] Красовская Н.В., Деев А.С., Черноморченко С.И. Российский рынок органических продуктов питания: проблемы и перспективы, Вестник Евразийской науки, 2018 №6, accessed April 15, 2021. https://esj.today/PDF/70ECVN618.pdf
[84]ibid
[85]ibid
[86] ibid

early 2000s, the Russian organic market accounted for $ 16 million and 100% of these products were imported. Fair to mention that by 2018 this indicator was expected to be equal to $ 161 million. In fact, according to estimation of Neo Analytics, the volume of the market accounted to RUB 300 billion and the increase was equal to 8,2% compared to 2017. The market is only 2% full and has great potential for growth. Today, organic products are the most significant market share in the overall structure of the Russian healthy food market, which in 2018, according to Neo Analytics estimates, was equal to 44%. In 2018, in Russia, the area of agricultural land occupied by organic farming amounted to 855 thousand hectares. Annual growth rates are 20-30%[87]. In the research that was conducted by Neo Analytics it appeared to be that 2019 was highly successful for the market, the volume growth for the year was equal to 46.3% against the background of dynamics of retail trade turnover in 6.3%. It should be noted that this indicator is a record for the market in during the last 5 years. Moreover, the growth rates of the world market of organic product are significantly lower compared to Russian counterparts. In 2019 Russian area of agricultural land was occupied by organic farming that was equal to about 1 million hectares. Annual growth rates are 20-25%, which is significantly higher in respect to the global dynamics of the same indicator. Overall, the main factors affecting the development of the market are the popularization of a healthy lifestyle and the utilization of organic food, distrust of genetically modified food and fear of the possible consequences of its use[88].

In Russia, about 80 producers of organic products are certified according to international standards, including farms in the field of crop production, livestock, processing, mainly chemicalized agriculture. Moreover, the first Russian agrarians, certified according to Chinese standards, appeared in Primorye and the Khabarovsk Territory. By 2020, the number of farms certified according to international standards may grow 3-4 times, and in the future Russia may occupy 10-15% of the world market for organic products. It should be mentioned that by 2018, 10% of the Russian market for organic products was occupied by domestic certified products, while in 2000 it was fully represented by imports. The structure of the Russian segment of the market for organic agricultural products consist of producers of cereal (23% of market share) and bread products (22% market share), followed and producers of fruits, vegetables and beverages, meat products have 11 % of market share. Today, 385 thousand hectares of land are certified in Russia, which puts it in 17th place in the world ranking in terms of the amount of certified land.

[87] Neoanalytics, «Анализ российского рынка органических продуктов: итоги 2018, прогноз до 2021 г», РБК, accessed April 21, 2021 https://marketing.rbc.ru/articles/10851/

[88] Neoanalytics, «Анализ российского рынка органических продуктов: итоги 2019 г., прогноз до 2022 г», РБК, accessed April 21, 2021 https://marketing.rbc.ru/articles/11925/

However, unlike many countries, at least 30% of this amount is certified for future projects (for instance, Moscow region)[89].

The most important export market for Russia is considered to be grain. In the world, the largest areas (36% of all cultivated areas with organic certification) are allocated for wheat planting. Hence, even in such a traditional Russian export culture as wheat, there is a potential for export growth through the utilization of organic technologies. A separate branch of organic agriculture that deserves special attention is beekeeping. Bashkiria, according to UNESCO, is the only place in the world where onboard beekeeping has been preserved. A high-quality land fund, a low level of use of mineral fertilizers, large areas of ecologically clean lands suitable for harvesting wild plants create excellent opportunities for a multiple increase in the production of organic food in Russia, primarily through certification of existing production facilities. Global sales of organic products are estimated at $ 81 billion, the organic agriculture market annually[90].

Organic food is distributed via several channels. Speaking about online commercial, there are several advantages of this channel. Firstly, online commercial allows to have large coverage of targeted segment. Secondly, there online channel is well developed system that allows to distribute goods in less costly and more user-friendly for customer way. Thirdly, there is a possibility to distribute products through official website of producer. Finally, online commerce does not impose any barriers by entering this channel. However, there are some drawbacks of online channel of distribution. First of all, there is lack of the Internet connection of potential customers. Secondly, Russian people do not have a custom to buy groceries online. Moreover, customers of organic product are reluctant to pay for delivery. Besides, there is not developed network of online shops. On top of that, customers shoe lack of trust towards to this online channel. Finally, control of operations is only possible if the distribution is organized in house[91].

Fair to mention another channel of distribution such as specialty stores of organic food. There are also several pros and cons of this channel. Firstly, the system of specialty stores is quite developed and user-friendly for consumers. Moreover, in Russia people tend to do grocery shopping on regular basis. Finally, there is a possibility to distribute organic product that belongs to producer. It is quite important to mention that there are some negatives of this channel. First of all, low covered of potential consumers could be reached with utilization of specialty stores. Secondly, not developed chain of retailers is presented in the regions of Russian Federation. Thirdly, the distribution itself is complex in nature and costly as well. Moreover, there are entry

[89] Дружинин, А.Г., Тамбиев А.Х. (2019), «Инновационные механизмы реализации маркетинговой стратегии по продвижению органических продуктов на отечественном рынке» // International Agricultural Journal №3 (369), pp. 439-542

[90]ibid

[91]ibid

barriers into this channel. Finally, there is possibility to control the operations even if there is distribution via privately own shop or negotiation with the owner[92].

The last but not the least channel of organic food distribution is dedicated to food markets and fairs. Firstly, this channel is quite developed too. Secondly, the is a possibility of direct contact with the customer. Thirdly, distribution via food markets and fairs is not complex in executing and quite affordable channel. Besides, this channel could be suitable for distribution of small batches of organic product. Finally, high level of trust develops when the company offer its product in this type of channel. Speaking about demerits of food market and fairs, this system is not quite convenient for the users since they need to go somewhere at assigned time just to buy groceries. Moreover, there is not wide coverage of potential clients by utilization of this channel. Finally, control is only possible in case of working with intermediaries. Recently organic food appeared in traditional retailers in specially organized areas. There are retailers like «Azbuka Vkusa», «Lenta», «Auchan», «Globus», «Perecrestok», «Metro» and «Vkusvill». This channel is conventional one what makes it user-friendly experience. Moreover, well established trust to retailer could be incorporated to the organic food that is sold there. Besides, there is not difficult to promote organic food for retailers because it is several times more expensive than traditional food. Finally, there is wider coverage of consumers could be obtained via supermarkets/hypermarkets and in the other traditional formats of retailers. Referring to the drawbacks of this channel, organic food is expensive and only limited amount of people are ready to pay for it. Moreover, the majority of people do not see the difference between eco, organic and bio labeled product. Finally, control is possible only if organic product belongs to the retailer or there are some negotiations with it[93]. Online commerce is dedicated to highly occupied or housewives with children who are considered to be more active users of online services. The older generation tend to trust specialized fairs and off-line platforms such as supermarkets. On top of that, at this stage of development, consumers of organic products, according to higher cost, are buyers with a higher level of income or with allergic reactions to products manufactured using chemical fertilizers[94].

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[92] Дружинин, А.Г., Тамбиев А.Х. (2019), «Инновационные механизмы реализации маркетинговой стратегии по продвижению органических продуктов на отечественном рынке» // International Agricultural Journal №3 (369), pp. 439-542

[93]Бурлакова, Екатерина. 2019. «Крупные ритейлеры увеличивают долю полезных продуктов в ассортименте» *Ведомости*, March 31, 2019. https://www.vedomosti.ru/business/articles/2019/03/31/797851-dolyu-poleznih-produktov-v-assortimente

[94] Дружинин, А.Г., Тамбиев А.Х. (2019), «Инновационные механизмы реализации маркетинговой стратегии по продвижению органических продуктов на отечественном рынке» // International Agricultural Journal №3 (369), pp. 439-542

1.6.3. Organic label certification

According to the FAO / WHO Codex Alimentarius, organic agriculture is a holistic management system that promotes the development and health of agro-ecosystems, including biodiversity, biological cycles and biological processes in soil. What separates organic farming from traditional farming is the rejection of synthetic materials and its methods that preserve soil fertility and eliminate pests and illnesses. The literature describes organic buyers as relatively young, high-income, and well-educated. Most of them are women and they also have children. Two types of expected benefits motivate organic purchases:[95]

1. *Private Benefits* - organic foods are considered to be healthier, safer and richer in nutrients than conventional foods
2. *Social benefits* - organic products are considered to be better for the environment and animal welfare than conventional products

Surveys show a gap between how many consumers are interested in buying organic products and how many actually buy them. Only 27% of those who claim to prefer organic production methods actually buy organic products. This gap in attitudes and behavior can be explained in part by motivation to appear conscious and aware, skewing responses to regulatory questions about ethical shopping. The gaps between consumers' declared beliefs and their actual behavior are often the subject of environmental consumption research. A McKinsey study found that 87% of consumers are concerned about the environmental and social impacts of their purchases, but only 33% buy organic products. However, there are other transactional barriers that discourage even those buyers who are seriously interested in organic products[96].

1. The high price of organic products is due to the high production costs and the relatively inefficient distribution chain that is characteristic of the organic farming system
2. The limited availability of organic products on the market is due not only to limited production, but also to a relatively low distribution even in the most developed countries, where organic products are less common than their traditional counterparts in terms of quantity, variety and number of outlets.
3. Uncertainty in adherence to organic standards, which causes consumers to question sellers' claims that products are organic, question the authenticity of organic labels, and question claims made about organic products.

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[95] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment 19, p. 512–526

[96] ibid

To enter the organic market, leading retailers have worked to lower the first two barriers. Due to economies of scale, in the purchasing process, these chains have brought organic prices down to levels that are still premium but available to many more consumers. Extensive retailer networks, conveniently located in major urban areas, have expanded access to organics for all consumers who go shopping. Less obvious is the ability of retailers to reduce the ability of retailers to lower the third hurdle. Leading retailers can be accused of being greedy, using organic products as a lucrative niche for high-end consumers, and thus lacking the motivation to adhere to organic standards precisely. Leading retailers can be accused of being greedy, using organic products as a lucrative niche for high-end consumers, and thus lacking the motivation to adhere to organic standards precisely[97].

Consumer concerns about organic products are partly attributable to consumers' inability to ensure that a product is organic (it is farm grown and processed to organic standards). Consumers cannot directly confirm that pesticides or other synthetic materials were not used in the organic products they purchased. It is for this reason that there is agreement that the term organic is a credence attribute, that is, a kind of attribute that consumers cannot detect even after consumption. When a product is characterized by a credence attribute, consumers can rely on manufacturers, vendors or independent third parties for information about those attributes. In the case of organic products, the most important guarantee that they are indeed obtained in accordance with the expected standards is the organic label that accompanies the product and indicates that the product is certified[98].

The certification process includes verification and compliance by the manufacturer with the relevant principles by competent authorities. There are many such competent authorities around the world, most of which are private, but government schemes dominate the largest organic markets. In Europe, in 1991 the EU adopted the Council Regulation EEC 2092/91 of organic methods and created the EU ‘Organic Farming’ labeling regulation, which is applied locally by the member states. This regulation was replaced by another Council Regulation (EC) No 834/2007, which entered into force on January 1, 2009 together with Regulation (EC) 889/2008, which defined the rules for the application of labeling. The United States introduced a single federal definition for organic methods in 2002 (ending state-level organic labeling) and introduced the ‘USDA Organic’ label, which is administered by the USDA[99]. The examples of the organic certification labels of the EU, the USA and Russia are presented in the Table 5 below in order to

[97] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment 19, p. 512–526

[98] ibid

[99] ibid

show that different countries use different label but share resemblance such as green and white colors with various shades. Moreover, the EU label and Russian organic label have the sign of the leaf with white color. Finally, the US organic label is made with dark green color and does not have any leaf on it but it has the name of responsible organization on it.

Table 5. Examples of organic certification labeling in different countries

Country	The EU	The USA	Russian Federation
Example		USDA ORGANIC	ОРГАНИК ORGANIC

Source: [Perrini et al. 2010, 512–526]

Organic labeling falls under the broader category of ethical or sustainable labeling, each of which indicates that it has certain social or environmental desirable characteristics that consumers seek but cannot directly identify. The markings supported by such third-party certification transforms the trust attribute into a quasi-search attribute. Consequently, such labeling is an important tool for avoiding information asymmetries regarding ecological, fair trade and other socially desirable products. However, the label must be visible, understandable, and credible and appreciated before consumers can use it in their decision-making process. While many types of ethical labeling have gained widespread popularity, not all of them are widely or effectively distributed. This lack of consumer awareness of ethical labeling implies that additional tools may be useful to expand the market for organic products, such as manufacturer's or retailer's trademarks. Organic labeling is critical to the growth of consumer demand, but in any case, requires a cognitive effort on the part of the seller. The literature has identified a number of shortcomings in the existing labeling system for organic products. One problem is that organic labeling, definitions and meanings have constantly changed over the years and, as a result, can confuse or upset many consumers. Another issue is that «organic» is just one of the many sustainability criteria currently being offered to consumers[100].

There is still no systematic survey of consumers' knowledge of organic labeling, but small studies suggest that not all consumers know about organic products. The fact that many organic products are not yet certified also indicates that consumers do not identify organic products with

[100] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment Bus.19, 512–526

the label. Consumer confidence that a product is actually organic is based in part on other sources of trust, including word of mouth or product brand[101].

This incomplete labeling effectiveness for organic products means that both manufacturers (in the case of branded organic products) and retailers (in the case of branded organic foods) can work to increase consumer confidence in organic products. Consumer skepticism will be diminished by believing that a manufacturer or retailer can and is willing to monitor their organic suppliers and enforce organic standards. If, on the other hand, a manufacturer is a retailer not credible, the organic products it sells may meet with resistance from consumers[102].

1.6.4. Analysis of key players of organic market in Russian Federation

The trend towards healthy diet stimulates not only producers but also retailers. According to Knight Frank, during the past three years, food retail in the formats of healthy food and farm products has surged in Moscow. From 2015 to 2018, the number of outlets had witnessed an increase in almost 3.5 times, achieving the number of 714 stores. The largest player in organic food market is Vkusville, which at the end of the period managed 480 properties. Among its competitors are «Myasnov» (200 points of sales), as well as «Garden City», «LavkaLavka», «Fresh Market 77», «Blizhnye Gorki» and «Ugleche Pole». Organic market, each of which had up to ten stores. So far, the format is best represented in the capital market. According to Victoria Kamlyuk, director of street retail at Knight Frank, in Moscow, the share of followers of a healthy lifestyle is especially high according to a wider range of products and better financial status of customers[103].

Large retail chains are also increasingly focusing on the development of green product categories. The areas of fresh zones are expanding, separate racks and zones for farm products in the store-in-store format are allocated, Sergey Belyakov lists. Auchan says the Bio department's assortment grew by 150 SKUs in 2018, driven by local suppliers and imports. "Azbuka Vkusa" intends to increase the share of healthy food products from 25% to 80% within three years. The retailer «Azbuka Vkusa» concludes exclusive contracts with suppliers, for example, with the «Agrivolga» agricultural holding (one of the leaders in the production of organic products, the Ugleche Pole brand) for the supply of organic beef and mutton. This is confirmed by the representative of "Agrivolga". The contract allows supplying the same products to the company's own network Ugleche Pole. Organic market by name. "Azbuka Vkusa" intended to at least double the share of organic products (now it is equal to 5% of the range) after the entry into force of the

[101] Perrini, F., Castaldo, S., Misani, N., Tencati, A. (2010), «The impact of Corporate Social Responsibility Associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers», Business Strategy and the Environment Bus.19, 512–526

[102] ibid

[103] Анатолий Жданов, «Покупатели распробовали ЗОЖ», *Коммерсант* no 60 (2019):10. https://www.kommersant.ru/doc/3933095

law.[104]. «Perekrestok» (part of X5 Retail Group) plans to expand its range of ecological products under its own trademark (Private Label), according to director of the chain. Now under the private label Market. «Green Lin»e there are about 160 types of dairy products, cheeses and baby food. In the «Perekrestok» chain, sales of organic products in 2018 grew by almost 2,5 times[105].

Despite the products under its own brand "Green Line", there are goods that consider the needs of consumers such as Correct sweets, Healthy snacks, Sports nutrition, as well as farm products. Separate zones are allocated for healthy lifestyle products. «The Perekrestok» chain also has its own quality control department[106]. In 14 Globus hypermarkets, there is a department that is called Eco Bio Vegan with an assortment of 1.2 thousand SKUs, and the offer is increasing, says a representative of the chain[107]. According to Director of the Health and Beauty direction of «Magnit», the retailer chain is striving to maintain the trend of a healthy lifestyle and, in response to consumer interest in organic goods. For instance, in several stores of «Magnit» consumers could have their health assessd at checkpoints. In other words, a person can assess their condition according to WHO standards, and then consultants could tell a person how a customer can support their health with the help of healthy products from their stores. Next year, «Magnit» plans to extend this experience to the entire network. «Globus» created a special department responsible for «Eco Bio Vegan» section in their stores, where healthy food products are sold, and the second is their own trademark «Globus Vita», under which farm products, healthy food products and a separate direction is dedicated to organic products that are presented in more than 40 items. They access that consumers of «Globus» are ready to pay 20-30% more for organic food. According to managers of Globus, the section Eco Bio Vegan there are 750 units of organic products with real certificates. Moreover, roughly 50 units are organic products. The network strictly controls the products, monitors the condition of suppliers bringing products, periodically conducts its audits, sending products to laboratories[108].

According to the expert opinions, large chains' involvement of healthy eating may limit the growth potential of specialty stores. Points will continue to open, but the pace will be low. Due

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[104]Бурлакова, Екатерина. 2019. «Крупные ритейлеры увеличивают долю полезных продуктов в ассортименте» *Ведомости*, March 31, 2019. https://www.vedomosti.ru/business/articles/2019/03/31/797851-dolyu-poleznih-produktov-v-assortimente

[105] Бурлакова, Екатерина. 2019. «Крупные ритейлеры увеличивают долю полезных продуктов в ассортименте» *Ведомости*, March 31, 2019. https://www.vedomosti.ru/business/articles/2019/03/31/797851-dolyu-poleznih-produktov-v-assortimente

[106] Dairy News. 2019. «Продвижение органической продукции: ритейл и производители обменялись опытом» September 9, 2019 https://www.dairynews.ru/news/prodvizhenie-organicheskoy-produktsii-riteyl-i-pro.html

[107] Анатолий Жданов, «Покупатели распробовали ЗОЖ», *Коммерсант* no 60 (2019):10. https://www.kommersant.ru/doc/3933095

[108] Dairy News. 2019. «Продвижение органической продукции: ритейл и производители обменялись опытом» September 9, 2019 https://www.dairynews.ru/news/prodvizhenie-organicheskoy-produktsii-riteyl-i-pro.html

to forecasts, the structure of sales of organic products in Russia will be built by analogy with the world, where about 50% of such products are sold through the largest chains. According to Nielsen, there are several product categories of organic food that consumers are willing to buy are the following: dairy products (88%), ice cream (60%), water (55%), frozen meat and fish (51%) and chocolate (40%). The volume of the Russian healthy food market consists of the following food categories such as Health, Functional products and Organic food where Organic food is considered to be the lowest share[109].

1.6.5. Government regulations in the Russian market

In 2017, Russia adopted a national standard on voluntary certification of organic production, and in 2018, Federal Law No. 280 «On organic products and amendments to certain legislative acts of the Russian Federation» was adopted, which in the medium term will serve as an additional incentive for the development of the organic production market in the Russian Federation[110]. On January 1 in 2020, Federal Law No. 280-FZ «On Organic Products and on Amendments to Certain Legislative Acts of the Russian Federation» came into force. Consequently, production of organic has become legal, normatively protected, it has its own face in the form of a unified state logo and a unified state register of manufacturers. The main goal of organic food manufacture is the health of soils, ecosystems and people. Environmental objectives of introduction of this law is the utilization of chemical pesticides is prohibited in organic production. Ecosystems are healed, soil fertility is restored, biodiversity is increased, and bees are preserved. According to the State Duma Committee on Agrarian Issues, every third hectare of farmland in Russia is prone to degradation. The balance of nutrients in farmland in Russia is negative (- 5.2%). The number of bees has witnessed a decrease threefold during the past 13 years. Social tasks consist of initiatives that could improve people's health. In organic farming, in addition to pesticides, the utilization of antibiotics, GMOs, growth hormones, chemical food additives are prohibited[111].

In Russian Federation, there is an increase in alimentary-dependent diseases. These diseases directly depend on proper and high-quality food consumption. During the past decade, the increase in diseases was quite high: coronary heart disease 20%, oncology - 18%, diabetes mellitus - 45%, obesity - 30%, allergies - 10%. Unfortunately, people of younger ages suffer from these diseases. Moreover, organic production could help attract people to the village. Small and medium-sized farms will be able to distinguish their products and receive a premium on the price

[109] Анатолий Жданов, «Покупатели распробовали ЗОЖ», *Коммерсант* no 60 (2019):10. https://www.kommersant.ru/doc/3933095

[110] Neoanalytics, «Анализ российского рынка органических продуктов: итоги 2018, прогноз до 2021 г», РБК, accessed April 21, 2021 https://marketing.rbc.ru/articles/10851/

[111] Dairy News. 2020 «Вступил в силу закон об органической продукции» January 9, 2020. https://www.dairynews.ru/news/vstupil-v-silu-zakon-ob-organicheskoy-produktsii.html

for the status of "organic", create safe jobs. Hence, it will sustainably develop rural areas. According to Rosstat, 8,500 villages have disappeared in Russia during last decade. Economic task of the law introduction is that the global market for organic food has reached 90 billion euros and is increasing by 10-15% annually. The limitation of development is the lack of farmland. However, Russia with its richness of natural resources could become a leader in organic food production. In Russia, more than 20 million hectares have not received agricultural chemicals for a long time. As a result, they can be introduced used for organic production. Modern, science-intensive production could make it possible to develop another 8 domestic service industries such as selection, seed production, production of biological products, biofertilizers, precision farming, special agricultural machinery[112].

The regulatory and legal framework in the field of organic farming has been developing in Russian Federation for over 18 years. During this period, the international organic market increased from US $ 25 billion to US $ 100 billion and 70 countries have joined the organic production system. Nowadays, in Russia there is an interstate standard «GOST 33980-2016» «Organic products. Rules for production, processing, labeling and sale», «GOST R 57022-2016» «Organic products». The procedure for voluntary certification of organic production ", «GOST 56104-2014» organic food products. Three certification bodies were accredited in accordance with GOST 33980-2016 such as the branch in the Voronezh region of the Federal State Budgetary Institution Rosselkhoztsentr, ANO Roskachestvo and LLC Organic Expert. Orders for a unified graphic sign and a unified state register of organic producers have been introduced and approved. Producers certified according to the interstate standard «GOST 33980-2016» will be able to use the unified Russian organic product mark. The graphic image (sign) is a white sheet on a green background with the inscription ORGANIC (in Russian) on top of the sheet and ORGANIC (utilizing letters of the Latin alphabet). Moreover, a barcode will be applied on the labeling of Russian organic products. Manufacturers certified according to the organic standard GOST 33980-2016 will be included in the unified state register. The registry will be open and free for both producers and those who receive data from it[113].

Simultaneously with the organic products, Ministry of Agriculture plans to regulate eco products too. The Ministry already has list of modification in existing law about eco product and environmentally friendly products. Eco products is raw materials and rations that are manufactured with the use of safe for the people and the environment fertilizers and the other agrochemicals, plant protection products, animal feed and food additives. In production of eco product it is

[112]Dairy News. 2020 «Вступил в силу закон об органической продукции» January 9, 2020. https://www.dairynews.ru/news/vstupil-v-silu-zakon-ob-organicheskoy-produktsii.html
[113]ibid

forbidden to use ionizing radiation, cloning and genetic engineering methods. Besides, there is not allowed to use consumer and transportation packaging that could lead to environment and product pollution. The law of organic food is considered to have GOST regulations that will possess special technological requirements to the products. Besides, it is planned to have a laboratory creation that will assess the monitoring. The producers of milk are a little bit confused right now since now one product could be assigned to two food categories. They afraid that absence of proper criteria that will distinguish between eco and organic product will increase the administrative and regulatory burned and will decrease the efficiency of development of production of eco and organic products. Besides, they were not sure that they could offer absolutely environmentally friendly packaging due to absence of necessary technology. Executive Director of the National Union of Manufacturers mentioned that coexistence of these two terms could harmfully affect the reputation of both of them because it is quite difficult for consumer or distinguish between organic and not organic food. When the term of eco appear, it becomes even more complicated. As the result, consumers perceive eco and organic product to be the same thing. However, some changes in the law will be added. There is a suggestion to distinguish these terms in more proper way where organic food is certified according to the process of the production while eco product is defined from the perspective of eco management that unites control of the production process and ready to consume products. In this case there will be less difficulty in understanding from the consumer side and administration costs of producers[114].

[114] Milk News. 2019. «Разбор: в чем разница между экологически чистой и органической продукцией» August 6, 2019. https://milknews.ru/longridy/eco-organic.html

CONCLUSION ON CHAPTER 1

In this chapter there was proposed theoretical and practical background of the research. It was revealed that now in Russia more and more retailers are engaged actively into SCR activities. There are internal and external SCR inactivates. However, in this paper there would be focus on external initiatives since that there could be better noticed by consumers. After ranking there were chosen two directions of the SCR activities such as proposition of the high quality, charity initiatives and eco-events. Following this, the literature revealed the introduction of SCR activates could provide competitive advantage. Fair to mention that private labels that has additional value such as organic certification are transforming to the brands and could be promoted and priced the same way or even higher than national brands. On top of that, consumers establish trust to organic product via certification since organic product are credence goods what means that their value could not be checked even after the consumption. After established trust consumers form loyalty to organic food under private label.

In order to link SCR activities and loyalty to organic food under private label there were studied about 100 model and there was chosen 10 the most suitable ones. After accessing all 10models there was proposed the best option that was introduced by Perrini et al. (2010). In this model environmental and consumer SCR activities are divided into two separate variables that lead to loyalty to organic food under private label via established trust. Moreover, the model was modified and loyalty was spread into the intention to recommend organic food under private label and willingness to pay for them. Besides, seven basic hypotheses were formed in order to test them in chapter one. It is clear that not the majority of Russian consumers are ready to buy organic product under private labels because of its high price. In order to support the model, there were studied the literature about the portrait of the consumer of organics. Following this, usually women from 18 to 35 years old, who are working, living in large cities and do not have kids purchase organic food. Moreover, there was proposed segmentation based on consumer values and attitudes to sustainable consumption, ecology and their health. That is why later on the segments of the consumers of organic food under private label would be studied.

Finally, market of organic food was carefully studied, it was revealed that this market was not legally certified until 2020 when the law of organic products was established. Until then producers could get voluntary certification. However, since then if any manufacture strives to offer organic product, it has to get organic certification. No there are few certified Russian producers but there is high growth potential in this market because of the riche soils and large amounts of them. Despite large investments that producers have to pour, the cost would decrease with increasing number of producers and economy of scale. After this the prices would become more affordable to the more consumers.

CHAPTER 2. METHODOLOGY AND CUSTOMER RESEARCH

2.1. Justification of chosen retailer

In this section brief history of «VkusVill» starting from the establishment of «Izbenka» stores to national and international expansion. Further main principles and mission of the company will be highlighted. Finally, there will be a description of the retail's SCR activities.

2.1.1. Company history and main characteristics

«Vkusvill» is one of the fastest growing retailers on the Russian market. Initially, the company started its activities in a chain of outlets with dairy products «Izbenka» in 2009. In 2012, the opening of the first stores under the name «Vkusvill» took place. The assortment was supplemented by vegetables, fruits, meat, non-food products and other categories[115]. By 2018, all Izbenka's stores on the Russian market had been closed, but «Vkusvill» continued its operations by introducing a delivery service within the Moscow Ring Road. In the same year, new stores were opened in Saint Petersburg, Tver, Ivanovo and Smolensk. It should be noted that 95% of the entire assortment of the retailer is private label. In 2019, the first micro markets appeared, shops close to offices to provide healthy and natural products to office workers who spend a lot of time at work. Moreover, the first vending machines appeared at Moscow metropolitan stations, as well as the first kiosk in a Moscow park. The company also opened new stores in Kazan. By 2020, the company opened three warehouses (two in Moscow and one in St. Petersburg), where the goods are not only stored, but also undergo quality control. Since last year, the company has been providing fast and free home delivery of groceries, which can be ordered on the company's website. Finally, «VkusVill» expanded its geographic presence outside the Russian Federation by opening a new store in Amsterdam[116]. In 2020, online trading has become the strongest driver for the company. Two main factors formed the basis for the development of online trading: high customer loyalty and the growing trend for healthy eating[117]. At the end of 2019, «Vkusvill»'s revenue amounted to 82 billion rubles against 55 billion rubles in 2018. The main owner of the company is its founder Andrey Krivenko, Baring Vostok funds own about 12%[118].

2.1.2. Mission and main principals of the company

Mission of «VkusVill» is to offer its consumers natural healthy products, honest attitude and positive emotions, while enjoying their work and helping partners to develop together. The

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[115] Dairy News. 2020. «Вкусвилл вошел в десятку крупнейших продовольственных ритейлеров РФ по итогам полугодия» September 22, 2020. https://www.dairynews.ru/news/vkusvill-voshel-v-desyatku-krupneyshikh-prodovolst.html

[116] «Путь от «Избенки» до «ВкусВилл», ВкусВилл, accessed April 4, 2021, https://vkusvill.ru/history/

[117] Ганжур, Елена. «ВкусВилл ворвался в пятерку крупнейших онлайн-продавцов еды в России», Forbes, accessed April 21, 2021 https://www.forbes.ru/biznes/402527-kak-vkusvill-vorvalsya-v-pyaterku-krupneyshih-onlayn-prodavcov-edy-v-rossii

[118]ibid

main values of the company are honesty, trust, responsibility, mutual assistance, decent work and social importance. Honesty refers to openness and sincerity of company's employees and providers. The company assures that it keeps its promises. Trust refers to credence to customers' opinion. The firm believes that its employees and suppliers are doing their work well. Responsibility means that everyone on the company contributes in common result and understands its value. Mutual assistance is responsible for maintenance of good relationship inside among employees, with customers and partners. Decent work refers to value of the work the retailer does because it helps the company to grow and develop. Social importance means that results of «VkusVill» performance have positive social outcomes. The company's values are supported by four key principles. The first principle is that good results can only be achieved through well-coordinated teamwork. The second principle is based on continuous development and improvement. The third principle relates to respect for the environment, in particular for nature. The fourth principle says that the opinion of any employee is important, regardless of the position they occupy[119].

2.1.3. «4P» analysis of the company

In order to understand the company better, it is important to use 4P framework for it. Speaking about the product, 95% of the assortment of the retailer consists of private label. The example is unique in Russia since large retailers could only afford only about no more than 20% of private label due to high consumer risk. However, «VkusVill» has all possible product categories under its roof starting from dairy and meet products to some hygiene goods or iced prepared food. The «VkusVill» provides the needed amount of food categories that people usually buy when they visit the convenient store. Almost all products have short shelf life what adds value to the customer experience and makes the food more natural and heathier. The content of the food does not include additives, pesticides or the other harmful elements. The content also could be called pure. The design of the product is simple but modern, usually in white and green colors. All the packaging has logo «VkusVill» on it. Besides, the store has organic dairy and meat products that presented in Moscow and Moscow region and in limited amount are available in Saint Petersburg. The goods could be consumed in the store and via online free delivery that is usually done in 2 hours. The store guarantees the good quality and taste of the food. In case, the taste or quality were unsatisfactory, consumers could get the money back without the receipt in form of bonuses on the loyalty card. The assortment of «VkusVill» is presented in the Picture 13 below.

[119] «Наша миссия», ВкусВилл, accessed April 21, 2021, https://vkusvill.ru/mission/

Picture 13. *VkusVill assortment*

Source: [VkusVill official website: https://vkusvill.ru/ , 2021]

Pricing strategy of the store has mitigating characteristic that maintain the perception of higher price with provided value, quality, convenience, variety of food. Besides prices are mitigated via working with sustainable consumption and social significance promotion. Moreover, the store has a loyalty card «Let us be friends» that provided various of discounts for involved users of mobile application. Basically, discount could be presented in several forms. The first type of discounts is personal promotion. For example, 20% discount for chosen favorite product that a person could have during one week if they make a purchase at least on 500 RUB. The other type of discount is discounts for certain type of the products. For instance, 20% of discount for 6 particular products every day. The last section of discounts is devoted to discounts for consumers who give a ranking to the products or provide a review. The example could be the program «Diverse nutrition» that offers from 3% to 10% discount to the person who buys and evaluate certain type of food or services. Last type of discount is subscription for discount that provide 10% discount for all type of «VkusVill» products. Finally, as all loyalty cards of retailers, it provided bonuses that could be kept of withdrawn. It has a duration of 30 days and costs 490 RUB. The loyalty card of «VkusVill» is shown in the Picture 14 below.

Picture 14. *VkusVill loyalty card*

Source: [VkusVill official website: https://vkusvill.ru/ , 2021]

Speaking about the place, the stores of «VkusVill» has limited area and that is why reminds of mini market or convenient store. This type of format helps VkusVill to me more assessable and convenient for consumers. The area of the stores is about 100-250 square meters. It gains competitive advantage because of large number of stores in 17 Russian cities that is about 900 stores. VkusVill even started international expansion and open the store in Amsterdam recently. The store has cashiers as well as the possibility of self-service points. Some stores have a cafe inside of them or kids club. «VkusVill» is usually working with formats by offering «VkusVill» ice section or the section with fresh seafood in the counter. The store is designed with the use of the green and white colors while the café section is presented with orange colors. The example of café section in «VkusVill» is shown in the Picture 15 below.

Picture 15. *VkusVill café*

Source: [VkusVill official website: https://vkusvill.ru/ , 2021]

Finally, due to the fact that company provides 95% of the all assortment in form of private labels the company does not use traditional form of advertising via TV, Social media (targeted) and outdoor advertising. The main channel for promotion is store itself, useful information in Social media and in official website as well as via loyalty card. In the store, there are a lot of audio and visual colorful announcements. In Social media and in official website there are presented cooking tips, latest news and information about SCR activities of the company. Finally, mobile application had all aggregated information about delivery, latest news, consumer profile, discounts, working hours etc. The company positions itself as the place of healthy nutrition. Table 6 below represents the summary of 4P concept with help of that the activities of the company could be better analyzed.

Table 6. 4P concept

Product	Place
• 95% of assortment is PL • Diverse assortment • Pure content • Short shelf life • Organic food line «Ugleche pole» • Quality guarantee	• Mini-markets/ convenient store format • About 100-250 square meters • Presented in 17 Russian cities • Has 900 stores • Open the store in Amsterdam • Café and kids club
Price	**Promotion**
• Mitigation pricing • Different discounts (for loyalty card users)	• In the store (audio and video) • Mobile application

Source: [VkusVill official website: https://vkusvill.ru/ , 2021]

All in all, unique composition of 4P components provide the VkusVill with competitive advantage compare to other larger and well-established retailers. The value proposition of the store mitigated the higher prices with use of the store format and not traditional way of advertising via loyalty card and in the store.

2.1.4.CSR activities of VkusVill

It should be noted that the company has implemented a large number of CSR activities. With regard to environmental protection, the company is actively developing a number of initiatives. Firstly, from 2021, in 10 «Vkusvill» stores, consumers can return soft plastic packaging from (1) chips, crackers, popcorn, ice cream, cookies, croissants, marmalade, bars, chocolate curd cheeses; (2) packaging for bread, cereals, pasta, dumplings, frozen vegetables; (3) from toilet paper and hygiene products; (4) from dry animal feed[120]. Secondly, the company actively cooperates with the Wallet mobile application in order to motivate the abandonment of plastic cards and the transition to virtual ones. The essence of the project is that a consumer, coming to Vkusville in Moscow and St. Petersburg, can return their plastic cards from any stores to a special eco-box, and then add them to the Wallet mobile application. All plastic cards are taken for processing to the St. Petersburg enterprise 70ther, where, after grinding into powder, the recyclable materials are transferred to construction plants, which then make window sills and other materials for repair from cards[121]. Thirdly, the company, within the framework of the «Kind Caps» project, installed

[120] «Пункты приема мягкой упаковки», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/punkty-priyema-myagkoy-upakovki-teper-i-vo-vkusvill.html

[121] «Приложение «Кошелек» и «ВкусВилл» собрали 68 000 пластиковых карт», ВкусВилл, accessed April 21, 2021 https://vkusvill.ru/news/prilozhenie-koshelyek-i-vkusvill-sobrali-na-pererabotku-68-000-plastikovykh-kart.html

containers for collecting screw caps from drinking products of any manufacturer (for example, water and puree in tubes). «VkusVill» sells these caps to the plant for recycling. The company transfers the proceeds to the partners of the Volunteers to Help Orphans Charitable Foundation, who, in turn, use them to buy strollers and other medical equipment[122]. The overview of SCR activities is presented in the Table 7 below

Table 7. CSR activities of VkusVill

Environmental activities	Social activities
• Return of soft plastic packaging • Wallet mobile application • Kind Caps project • Bonuses for recycling in Mega • Fandomats for bottles and cans • Elimination of paper recipes • Eco-bags • Refill movement • Batteries collection • Collection of electronics for utilization • Tree planting	Charity: via • Funds («Dr. liza», «Nochlezka» • Special kits (for elderly, animals, kids and lonely mothers) Care for the workers – listening to all points of view

Source: [VkusVill official website: https://vkusvill.ru/ , 2021]

Fourthly, the company actively supports an eco-friendly lifestyle, namely the delivery of recyclable materials (glass, metal, paper, cardboard, PET bottles, tetra Pak, films and bags, hard plastic and good caps) for processing in MEGA Khimki. «Vkusvill», together with MEGA, gives bonuses to the card of both stores, which can be realized there during the purchase of any goods[123]. The company also actively explains how to sort waste on the official Vkusville website[124]. In addition, the company periodically organizes separate waste collection near its stores with the help of volunteers from the Ecotechnology project in Moscow. Fifth, at the moment in Saint Petersburg and Moscow there are 3 fandomats in «Vkusvill» stores. These fandomats serve to enable consumers to recycle plastic or aluminum bottles, which are not just sent for recycling, but also add bonuses to the store's loyalty card Let's be friends! and there is a discount for several items[125].

[122]«Принимаем добрые крышечки», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/prinimaem-dobrye-kryshechki-.html

[123]«Получай бонусы за сдачу вторсырья в МЕГЕ», ВкусВилл. accessed April 24, 2021, https://vkusvill.ru/news/poluchay-bonusy-za-sdachu-vtorsyrya-v-mega.html

[124] «А вы разделяете мусор?», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/vy-razdelyaete-musor.html

[125]«Переработай это: что нового у фандоматов?», ВкусВилл. accessed April 24, 2021, https://vkusvill.ru/news/pererabotay-eto-chto-novogo-u-fandomatov.html

Sixth, the company is actively promoting the initiative to eliminate paper checks by switching to electronic ones. People can activate the «Do not print receipt» function in the Vkusville mobile application or on the official website[126]. Seventh, despite the fact that the company has not completely abandoned plastic bags for vegetables and fruits, «Vkusvill» is actively promoting the initiative regarding the use of reusable eco-bags. In 2020, together with Mastercard and Sberbank, «Vkusvill» presented these bags to customers for weighing, storing and carrying vegetables and fruits. To get the eco-bag, consumers had to use the Cash With Purchase service. In other words, withdrawing cash when paying for goods at the checkout in any Vkusville store allowed consumers to get an eco-bag[127]. Moreover, before the pandemic, Vkusville introduced the Bag-Boomerang promotion, according to which it was possible to rent a reusable bag and then return it to the store[128]. Eighth, since 2018, the company has joined the international Refill movement. The essence of the movement is that any city dweller can fill his reusable bottle with water (up to one liter) in the hot summer, thereby reducing the use of plastic. And those customers who have decided not to buy water in plastic containers anymore can buy water in the store for four rubles per liter. Thus, «Vkusvill» will help people take one more step towards a more sustainable lifestyle[129].

Ninth, since 2015, «Vkusvill» has installed containers in its stores for collecting used batteries of any type. In addition, the company introduced a promotion, according to which buyers who donated batteries received a 10% discount on new ones. The collected batteries are sent for recycling to the Magapolisresurs plant in Chelyabinsk, where 80% of hazardous waste is converted into valuable resources[130]. Tenthly, «Vkusvill» periodically organizes campaigns for the collection of equipment (household appliances, office equipment and electronics) for recycling. Already in 2019, the company organized two campaigns ElektroVesna2019 and ElektroOsen2019, during which people could hand over used equipment to recycling plants in Moscow, where hazardous components are neutralized, and useful materials are sorted and recycled[131]. Finally, it should be noted that Vkusville, together with experts from Greenpeace Russia and the staff of the Ugra Park,

[126] «Сохранили 400 000 чеков: самые экологичные районы Москвы», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/sokhranili-400-000-chekov-samye-ekologichnye-rayony-moskvy.html

[127] «Эко-мешочки, яблоки и деньги – отличный финал лета», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/eko-meshochki-yabloki-dengi.html

[128] «Пакет не нужен», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/paketnenuzhen.html

[129] «Вода. Наполни бутылку заново!», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/voda-napolni-butylku-zanovo.html

[130] «Батарейки trade-in», ВкусВилл, accessed April 24, 2021,https://vkusvill.ru/news/batareyki-trade-in.html

[131]«Несите технику на переработку – «ЭлектроОсень 2019», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/nesite-tekhniku-na-pererabotku-elektroosen-2019.html

was engaged in forest planting in the Kaluga Region as part of the Let's Revive Our Forest volunteer movement[132].

The social component of the company's CSR activities should be highlighted. The retailer has a partnership with many charity foundations and organizations. «Vkusvill» provides an opportunity for buyers to make their treasure to help various funds. The Doctor Lisa Foundation allows you to help the homeless, terminally ill and families in distress with food packages. The Second Wind Foundation organizes distribution of personal hygiene products for the homeless and the elderly, as well as food and other goods for cats and dogs. The Volunteers to Help Orphans Foundation provides an opportunity to help orphans and mothers with newborn children through donations for baby food. «Vkusvill» also cooperates with the Nochlezhka charity organization, thanks to which people can make donations for the purchase of a food or hygiene kit for the homeless. Donate Food allows you to donate a small amount of money to buy kits for seniors (chocolate), single mothers (small grocery basket) and children for dinner (small grocery basket). Finally, the Hospice Fund allows to contribute to helping people who are in the hospice or who visit their loved ones in the hospice. The necessary information about all funds is available on the official Vkusville website, where people can donate[133].

2.1.5. Introduction of organic products of Vkusville

The company positions itself as a company that provides products that do not contain powder milk, nitrate, preservatives, colorants, flavor enhancers, improvers, flavorings. It means that the firm offers fresh and natural products with short shelf life to its clients. Besides, it thoroughly checks all consignments from its suppliers and if there are any violations, the company usually refuses to sell these types of products. It usually arranges different independent audits and reacts to all of the comments from Rospotrebnadzor in response to product quality and sanitary standards. The company is ready withdraw inappropriate products from sale if there are any problems with quality because the main focus of the company is safety of its clients[134].

All the factors mentioned above explain why «Vkusvill» has gained consumer trust and loyalty. This attitude of customers allowed the company to introduce organic line of products that was named «Ugleche pole» in 2020. This brand includes organic milk, butter, kefir, fermented baked milk, various types of cottage cheese and sour cream, several types of sausages, sausages and fresh meat, including steaks. The supplier of this food is working in the market since 2007. It

[132] «Как мы лес в Калуге сажали», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/kak-my-les-v-kaluge-sazhali.html

[133] «Благотворительность доступна каждому», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/charity/

[134] «Мы любим Россию!», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/my-lyubim-rossiyu.html

is situated in Yaroslavl region. From last year the company can guarantee that its brand «Ugleche pole» is organic what means that

- products are grown and produced in accordance with the unified world public standards of organic agriculture;
- production of products is certified and has supporting documents;
- production has constant external control over the observance of organic principles.

Besides organic dairy and meat products of «Ugleche pole» do not contain several harmful elements such as

- Chemicals. They are not used as fertilizers or insect and weed control agents. Everything that is brought into the ground is natural. For example, manure and garlic water.
- Antibiotics. Treatment of animals is based on prevention, and antibiotics are used in exceptional cases associated with a real threat to their lives.
- Hormones and growth stimulants. They are often used to accelerate weight gain and increase milk yield.
- Powdered milk, vegetable fats, stabilizers and thickeners. Everything is made from fresh milk and meat.

The way how organic products of «VkusVill» look is presented in the Picture 16 below.

Picture 16. *Example of «Ugleche pole» organic product*

Source: [VkusVill official website: https://vkusvill.ru/ , 2021

Despite prejudice people usually have towards the taste of organic product, «Ugleche Pole» producer knows how to preserve the natural taste, smell and color of the product without the use of artificial additives, flavors and dyes. The production is completely sealed. This eliminates the impact of the external environment and ensures the safety and purity of the finished product. It also retains its excellent taste. The animals eat natural grass food grown on their own land. They are free grazing and voluntary milking. Serious breeding work is underway. This guarantees a constant increase in the productivity of the dairy herd without the use of special feed. The animals are acclimatized and resistant to disease. However, the choice of livestock is influenced not only by the quality of meat: the recommendations of consumers and culinary experts are also important. The raw materials are cut and packaged in a sterile gas-modified environment. This allows you not to freeze the meat, but keep it fresh for up to 168 hours. The animals are fed with environmentally friendly feed produced on their own pastures. Cows eat pink clover, alfalfa, goat's rue - herbs rich in protein. The taste of meat is influenced by the technology of humane slaughter[135].

Despite the fact that the other products of «VkusVill» do not have an organic certification it does not mean that their products are not organic. The point is that the process of getting certification is quite complicated and expensive. Manufacturers who have decided to be the first to test the new system on themselves are checked for a long time and meticulously by special organizations accredited by the Russian Accreditation Agency. And those who have successfully passed all the voluntary tests receive the right to mark their products with the "Organic" sign - a white wood leaf on a green background with an inscription in Cyrillic and Latin. These types of product now are testing in Moscow and Moscow region and in a few shops in Saint Petersburg. According to customer reviews, they really liked this new organic brand and are waiting when Ugleche Pole will appear in their areas or cities. The company itself is ready to scale the distribution of organic product in other regions of Russia but it will to if after the end of experiment[136].

2.1.6. Main projects of the company VkusVill

Besides all green and social initiatives, the company has several prominent projects that allows experts to call a company innovative. The retailer has become quite trustworthy firm that it could offer new services with its brand name.

The first project is devoted to special service Order and pick up in the mobile application «VkusVill». In July 2019, «VkusVill» launched this service in the mobile application that is called «Let us be friends». Shop buyers in all regions of the chain's presence can order any goods from the entire Vkusvill's assortment from dairy to grocery products in the nearest store and pick up the finished order at a convenient time. The company cooperates with several home delivery services, including iGooods, SaveTime. Collaboration with delivery partners was initiated during pandemic time when people were afraid to visit stores. Moreover, the products of the network are sold on the websites of the online stores Utkonos and Komus[137]. The main sustainable project is shown in

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[135] «Привет, «Органик»!», ВкусВилл, accessed April 24, 2021 https://vkusvill.ru/news/privet-organik.html
[136] ibid
[137] Карлос, Ромера. «Топ-5 проектов ВкусВилл», Market Media, accessed April 24, 2021. https://marketmedia.ru/media-content/top-5-proektov-vkusvill/

the Table 8 below. These examples show that VkusVill concentrates not only on offering good quality product with pure content and that is good for health but introduces different service in order to please consumer and make it even more involved into the interaction with the store. By doing so the retailer chain is growing and nurturing its consumers translating certain norms and beliefs about sustainable consumption, care for the environment, care for health and in general being a sustainable person.

Table 8. Main projects of the company

Project name	Description
Order and pick up	Order of any goods from the entire assortment in the nearest store and pick up the order at a convenient time
Cafe Vkusville	Offering of desserts and beverages on the basis of natural ingrediencies inside of the store
Vkusville Ice	The ready meals are specially designed and prepared by the chef for quick freezing
Children's studio Vkusville	Specially organized space for the whole family
Kiosks Vkusville	The pavilion area is 8 m2, there are about 80 types of goods in the assortment that are in demand among the guests of the park such as juices, water, soft drinks, snacks, pastries, coffee, tea, etc.

Source: [VkusVill, Market Media: https://marketmedia.ru/media-content/top-5-proektov-vkusvill/, 2020]

The second project is dedicated to the cafe «Vkusvill» that is located on the territory of some of its shops. This is joint project of Vkusville and ex-co-owner of the Coffee House chain Vladislav Dudakov (80% and 20% shares, respectively). The project was launched in 2019 and it offers desserts and beverages on the basis of natural ingrediencies. To be more specific coffee is made only with natural milk and pastries is prepared with use of only butter. There are even some desserts that are made without sugar as well as with classic natural cream cheese and sour cream. The cage also provides unusual suggestions, such as buckwheat tea, green detox smoothies based on rucola, spinach[138].

Third project is about creation of new shops of frozen products «VkusVill Ice». «Vkusvill Ice» is a store where 95% of the assortment is frozen food. The ready meals are specially designed and prepared by the chef for quick freezing. For the project, it was necessary to expand the current base of manufacturers in order to offer customers not only frozen semi-finished products, but also

[138] Карлос, Ромера. «Топ-5 проектов ВкусВилл», Market Media, accessed April 24, 2021. https://marketmedia.ru/media-content/top-5-proektov-vkusvill/

completely prepared dishes that do not need to be finished, but only need to be heated in the microwave. Thanks to a special freezing technology, products after defrosting do not lose their shape, appearance, as well as taste and smell. The project was arranged to add the assortment of the company with frozen products. These will be frozen desserts, ready-made meals, home cooking sets, vegetables, berries, seafood. All in all, there will be 11 categories in total[139].

The forth project is devoted to Children's studio «Vkusvill» that was opened in 2019. This is a specially organized space for the whole family. To be more specific, games, creative activities, music evenings, as well as trainings, master classes and educational programs for adults are held there. In free from events time people can work there, read their favorite books over a cup of coffee[140].

The fifth project is called «Kiosks of VkusVill». These kiosks were firstly opened in Moscow in 2019. It is located in the Garden. Bauman. The pavilion area is 8 m2, there are about 80 types of goods in the assortment that are in demand among the guests of the park such as juices, water, soft drinks, snacks, pastries, coffee, tea, etc. The retailer is thinking about the possibility installing such kiosks in other parks in Moscow[141].

2.2. Justification of chosen food category for the research

Initially, the retailer entered the Russian market under the name Izbenka, selling dairy products, then other product categories and the retailer were added to the assortment, and its private label was renamed «VkusVill». «VkusVill» has built a reputation as a retailer that provides natural products with a short shelf life without the use of antibiotics or other harmful substances. Vkusville asks suppliers to use natural feed for animals, and also actively monitors the quality of milk, which must be of the highest grade. Thus, the company can be called socially responsible[142].

As it was mentioned before, after the release of the law on organic products in 2020, the company launched its first line of dairy and meat products called «Ugleche Pole». These products have official certification and can rightfully be called organic, as they comply with certain rules. This supplier was not chosen by chance, since 2006 it has been working according to organic standards and was one of the initiators of the introduction of the law on organic products. Prior to the introduction of the law, «VkusVill» believed that it was useless to label "eco", "bio" or "organic", since this certification was not established by local law. The certification process is complex and expensive, so not all vendors are willing to request this certification. «VkusVill» claims that if there is no organic mark on the packaging, it does not mean that the product is not

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[139] «Открылся ВкусВиллАйс», ВкусВилл, accessed April 24, 2021 https://vkusvill.ru/news/otkrylsya-vkusvillays.html

[140] Карлос, Ромера. «Топ-5 проектов ВкусВилл», Market Media, accessed April 24, 2021. https://marketmedia.ru/media-content/top-5-proektov-vkusvill/

[141] ibid

[142] «Привет, «Органик»!», ВкусВилл, accessed April 24, 2021 https://vkusvill.ru/news/privet-organik.html

environmentally friendly. The company has begun testing the «Ugleche Pole» brand in Moscow and the Moscow region and plans to scale up, but this will take time. Moreover, the pandemic that began last year has slowed down the scaling of the brand. However, according to reviews published on the official website, buyers liked the organic brand "Ugleche Pole" and they are looking forward to its appearance in their regions. Thus, it can be argued that the company is ready to certify its products as organic, but environmental factors do not yet allow the company to do this[143].

That is why dairy and meat products under the Vkusville brand, which are natural and perishable, were chosen as the research. The company can be called socially responsible precisely because it gives a discount on the favorite product chosen by the buyer, it can be milk. According to data obtained from an interview with Alina Nesiforova, milk, sour cream and cottage cheese are the favorite foods in any region[144]. Also, confirmation can be found in an article on the official website of "VkusVill", which lists the top 10 favorite products of the chain's customers: mango, butter 82.5%, chicken breast fillet, cottage cheese 5%, milk 3.2%, whole milk, thigh fillet turkeys, grain-fed carcass c / b, cottage cheese 9%[145]. In addition, customer reviews of dairy products on the company's official website, as well as on others, are extremely high. The official website even offers a rating of all products, according to which dairy and meat products have a rating of 4.5-4.8 out of 5.

2.3. Methodology justification

In this section there will be provided reasons of choice the following methods such as EFA, CFA, cluster analysis, interview with the expert from retail company, in-depth interview and buyer personas. Moreover, advantages and disadvantages of chosen method. Hence, the choice of proposed methodology will be justified.

2.3.1. Interview with expert from retail company, in-depth interview with consumers of organic food and buyer personas

In order to study the chosen topic, there was conducted an interview with Grocery Director Larissa Vladimirovna. The representative of the company highlighted the main aspects VkusVill operation in comparison with the other retailers. The interview is need to make sure that the company uses SCR activities, implement organic certification in order to enhance consumer trust and build up loyalty.

143 «Привет, «Органик»!», ВкусВилл, accessed April 24, 2021 https://vkusvill.ru/news/privet-organik.html

144 «Спелые манго, кассиры-хозяйки и другие секреты «ВкусВилла»!», ВкусВилл, accessed April 24, 2021 https://korzinka.riamo.ru/article/spelye-mango-kassiry-hozyajki-i-drugie-sekrety-vkusvilla-1743

145«Топ-10 самых любимых продуктов», ВкусВилл, accessed April 24, 2021, https://vkusvill.ru/news/top-10-samykh-lyubimykh-produktov.html

To study the behavior of organic food consumers it is important to take several coherent steps such as interview, personas and the survey. In-depth interview is qualitative method of getting consumer insights in oral form face-to-face of with use of telephone. This method implies interview of small number of respondents that is why it allows to get a particular idea of the studied population. In-depth interviews are not quite structed that is why during its execution interviewer and interviewee are free to discuss some additional topics if it is necessary. This method has several roles. First of all, in-depth interview could provide with the context of the problem that consumers might have. Secondly, in-depth interviews are able even to provide and evaluate a potential solution to any issues of the shopper. Moreover, they help in interpretation of findings of the other qualitative methods such as surveys. Finally, in-depth interviews obtain some knowledge insights about any service or product. Speaking about of purpose of the in-depth interview, there are also plenty of pints to be highlighted such as discovery-oriented method that allows to get information of any kind. Besides, this method incorporates gaining data about experience, feelings and perspectives of the consumer. On top of that, in-depth interviews are used as initial step of any research of customer behavior. There are several steps of the in-depth interviews such as[146]:

- Development of the sampling strategy
- Creation of interview guide with the list of questions
- Conduction of the interview
- Analysis of the results

Fair to mention that in-depth interview as method has its merits and demerits. Considering advantages, it should be stated that it could be used for getting comprehensive data. Moreover, in-depth interviews allow to understand the respondents deeper and better in some relations because of face to face iterations. Secondly, this method is faster compared to surveys, for example. Besides, valuable data could be obtained with more details and insights. Also, direct interaction could bring surprising and more sincere results in comparison with the situations when respondent is filling in the survey. Further, it should be highlighted that this method is more flexible and cost effective even if they are conducted via phone. However, in-depth interview as a method has its own disadvantages. Firstly, it is time intensive in terms of the duration of the process and required work after the interview was conducted. Secondly, trained interviewer is needed to make the response comfortable and calm in order to get valuable insights. Thirdly, structure of the candidates could be long and challenging task. Moreover, not generalization is provided and researcher has to do it by himself. Finally, the results could not be statistically significant because

[146]«In-depth interview advantages and disadvantages», Wise Step, accessed April 24, 2021 https://content.wisestep.com/depth-interview-advantages-disadvantages/

of small number of respondents that is why for the further research additional methods are required, for example surveys[147].

In this study in-depths interview will help to get to understand the general picture of the market from the consumer side. The data of interview could be used as a basis for the survey. It is basically crucial for revealing motivation of organic food purchase and barriers not to buy in large scales. Moreover, attitude to legal organic certification and socially responsible behavior. Hence, the list of questions for interview will be the following:

1. How old are you, what education and occupation, what city do you live in, are you married, have children?
2. Do you visit «VkusVill» / make online orders there? How often? How far is the nearest Vkusville from your home / office?
3. How long have you been a customer of «VkusVill» store?
4. Do you like «VkusVill»? Why? Why do you choose VkusVill over other stores?
5. In which stores do you still shop / shop for organic products?
6. What are your associations with «VkusVill» store?
7. Did you know that VkusVill does not sell goods of well-known brands, but goods under its private label, that bears full responsibility for the quality of the products provided?
8. Do you pay attention to the labels such as bio, eco, organic, natural on the product packaging? Do you distinguish between the concepts of eco, bio and organic, found on product packaging, or do you perceive them as synonyms? Do you think the manufacturer is legally obliged to comply with any requirements in order to have the right to write eco on the packaging? Bio? Organic? natural? Products with which word on the packaging do you trust?
9. Are you aware of the existence of organic products? Have you ever tried such products? How can you describe them?
10. Did you know that «VkusVill» monitors the organic of all its products, monitors the quality very closely? This is important for you? What activities of VkusVill in this direction you know?
11. Is the legal registration of organic products important to you, or do you generally trust the promises of the store where you shop? How can you verify that a product is truly organic?

[147147]«In-depth interview advantages and disadvantages», Wise Step, accessed April 24, 2021 https://content.wisestep.com/depth-interview-advantages-disadvantages/

12. Do you pay attention to whether the products you purchase are certified? If you see such markings on a product, will it inspire more confidence in you? Are you willing to pay a big price for an eco-labeled product? At what percentage of excess of one price over another, you will no longer be ready to buy certified products?
13. Do you trust organic products? Do you agree that something that contains such a label is really healthier, tastier, safer?
14. Do you use “Let's be friends” discount card of «VkusVill» store? Do you have an app connected? Is it convenient for you to use it?
15. Did you know that VkusVill cares about the environment? What environmental protection measures do you know about? Does it matter to you? What activities of Vkusville in this direction, if you know a few, are the most important?
16. Do you agree that everyone can contribute to reducing environmental pollution? Are you doing something for this?
17. Can you call yourself a person who leads a healthy lifestyle? What do you do for this?
18. What do you most often buy in «VkusVill»?
19. How do you rate this category in «VkusVill»? Does it really meet your expectations for quality? Do you completely trust it? Could you say that you like buying this category more in «VkusVill» than other stores?
20. Can you say that this product suits you completely in terms of quality? Are you sure you will choose this product from this category? Will you buy an analog if the brand is out of stock?
21. Will you buy this product if its price is higher than similar products? If its price rises relative to the real one?
22. Are you going to buy this item in the future? How likely is it that the next time you visit «VkusVill», you will put it in the basket?
23. How likely is it that you will recommend your relatives / friends to purchase this product? Have you ever recommended it to someone else?
24. Would you like a «VkusVill» store to appear in your city / area?
25. Which store format of the retailer store is the most convenient for you?
26. How much per month are you willing to spend on organic produce at VkusVill?
27. Do you pay attention to the composition of the product when buying?
28. Are there alternatives to «VkusVill» in your city?
29. How do you feel about advertising in stores like «VkusVill»? How often do you see advertisements from the store? Where do you find «VkusVill» ads? Would you

like to know more about the store? Do you use online chat on the site? For what purposes are you using the site?

After getting the responses of the respondents the buyer personas will be created. The buyer personas are semi-fictional profiles of ideal consumers that are grounded on in-depth interviews. They will help to develop better survey. Personas could help to understand customer routes better to further take it into account when promotion is needed in right place and right time. Moreover, they help to develop valuable marketing content. In other words, understanding customer challenges, motivators and barriers in their purchase experience could help to provide quality solution for them. Besides, personas could be useful on each stage of the marketing. On top of that, this method allows to organize better target of consumers. Finally, buyer personas as methods could be reviewed, improved and used one more time for different aims[148]. The buyer personas usually include several sections[149]:

1. Personal information
    - Name
    - Gender
    - Marital status
    - Presence of kids
    - Income
    - Place of residence
    - Level of education
2. More specific information
    - Typical day
3. Values in life
4. Motivations
5. Barriers
6. Channels of getting of information

Despite the advantages mentioned above, this qualitative method has demerits. Some experts consider that this method is based on stereotypes about the groups of people and that is why could not be reliable. Moreover, sometimes creating buyer personas could not lead to any efficient results but the resources and time would be spent. Fair to mention that some experts have a doubt that desires and aspirations could not fit the real behavior and attitudes of respondents. On the top of that, buyer personas become outdated very fast. However, the changes in marketing

[148] Roketto Team, «5 major benefits of creating personas for marketing», Roketto, accessed April 24, 2021, https://www.helloroketto.com/articles/5-major-benefits-of-creating-personas-for-marketing

[149]Newberry Christina, «How to create a buyer persona», Hootsuite, accessed April 24, 2021 https://blog.hootsuite.com/buyer-persona/

strategy could take time and financial resources as well. Finally, personas mostly are based on demographic characteristics rather than on user behavior what is very important in marketing. That is why this method will not be used as the main method of research in this study.

The number of personas will depend of the number of the respondents and presence of similarities between them. Buyer personas will reveal hidden consumer insights that could be omitted in the creation of the survey. Later on, buyer personas will form potential segments and it would be easier to build up a detailed survey and to find factors for segmentation.

2.3.2. Development of the online survey

The final step in gathering data about consumers will be online survey. Survey is qualitative methods of gathering data about respondents with the use of the questionnaire. This method is required to develop relevant recommendations that are based on statistically relevant results[150].

Survey as marketing tool has advantages as well as disadvantages. Speaking about advantages, it allows to work with huge amount of information from different corners of the country or even the world that could be analyzed. Secondly, this method is perfect for checking the validity of various theories on practice. In other, opinions of vast number of users could be used in efficient scientific analysis. Thirdly, answers of various of respondents could sometimes be a base of new theory since different groups of people are included in the survey as well existing theories could be tested one more time. Moreover, this method is easy to manage because of software technologies and special services or creation and distribution of the surveys. Besides, surveys allow to additionally check any doubt that might be caused by qualitative methods. On top of that, surveys could easily provide capacity for comparison of respondent via usage of different methods in SPSS. Fair to mention that variety of results is obtained because of large number of people who could take part in the survey. Finally, this method is quite efficient tool in decision making procedure because the results are statistically relevant[151].

Despite the long list of advantages surveys have some disadvantages too. First of all, some respondents could provide false information in the survey for several reasons. To be more specific, this type of information could harm the whole quality of the data. Secondly, sometimes users could not be attentive and concentrated and will provide to much varied information of the same issues. Thirdly, a desire to create polls of respondents according to their answers could bring hostility what will lead to disorder. Thirdly, when people are not interested in providing their real attitudes in the survey, they will give answers without thinking properly. Besides, some unwanted information could occur and require for additional time for analysis. Including people who do not

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[150] Reddy Krisha, «Surveys and questionnaires advantages and disadvantages», Wise step, accessed April 24, 2021 https://content.wisestep.com/advantages-disadvantages-surveys-questionnaires/

[151] ibid

fit for the survey might result in losing quality of the data. Despite the fact that survey provide a lot of data sometimes only from 5 to 10% of it will be utilized. Finally, conduction of survey requires vast amount of effort and time of researcher[152].

In this study there will be conducted survey of organic food consumers of VkusVill retailer. There will be some filters question to eliminate respondent who never did shopping in this store. Basically, the survey will be designed in several sections. *The first section* will be devoted to filer questions that are devoted to information about presence of shopping experience in VkusVill and knowledge about existence private labels in the sore and what private label implies. *The second section* is dedicated to organic food questions. To be more specific, here a respondent will be asked about knowledge that VkusVill sells organic product, main characteristics of organic food and its package, knowledge about organic certification, the amount of money people are ready to pay for organics, awareness of CSR activities of the company. Besides, this section includes some behavioral questions about frequency of VkusVill visit, distance from the store to home/workplace, the most convenient way of shopping, the duration of being a consumer of the store, retailer where people buy organics, the most convenient format of retailer and desire about presence of VkusVill in the city/are of the respondent. *The third section* covers questions about loyalty program of VkusVill that implies discount card and mobile application «Let us be friends». *The forth section* is devoted to the model itself such as questions about associations with CSR initiatives of the store, trust, loyalty, WTP and NPS. *The fifth section* consists of questions about people attitudes towards socially responsible behavior, healthy habits and life values that will be the basis of clustering analysis. *The sixth part of the survey* is about promotion of the VkusVill and people's attitude toward that. The last section is devoted to social demographic information of the respondents.

All in all, the survey will be conducted with use of Anketolog.ru survey creator and distributed via Social media platforms such as VK, Instagram and messengers such as Telegram and What's up. The survey will be designed in Russian language and will have and aim to study behavior of Russian citizens mainly in Moscow, Moscow region, Saint Petersburg and Leningrad region just right there the stores of the «VkusVill» are located.

2.3.3.EFA

In order to build the model, first of all it is necessary to create latent variables. To perform this task, it is required to conduct EFA (exploratory factor analysis) like the Italian authors in the article of «The impact of Corporate Social Responsibility associations on trust in organic products marketed by mainstream retailers: a study of Italian consumers» that was mentioned previously.

[152] Reddy Krisha, «Surveys and questionnaires advantages and disadvantages», Wise step, accessed April 24, 2021 https://content.wisestep.com/advantages-disadvantages-surveys-questionnaires/

EFA is utilized as pre-step in the factor analysis. It basically shows how and to what extent are the observed variables related to the chosen latent variable. To be more specific, in there marketing studies there is am aim to find a minimum number of factors that are responsible for the covariance between the observed variables what is called factor loading. This method allows to find factor loadings which the best show correlation between observed variables. However, it is fair to mention limitations of this method. First of all, EFA is inductive and a theoretical what means that the processed data results into theory. Secondly, this method implies subjective and heuristic rules. Despite of these limitations there is always a theory about how indicators are related to particular latent variables what implies that the theory goes first and the processing of the data next. Finally, to tackle the second limitations it is important to test measurement theory against sample data.

In this study the latent construct will be measured with 5 points Likert scale because the Russian people are used to this system since the childhood. There will be 8 latent variables that are interconnected with each other. The first construct is *Perceived Environmental SCR activities* that would be measured by the following statements:

- I think that VkusVill cares about the environment
- It is important for me that VkusVill is engaged in plastic recycling
- It is important for me that VkusVill provides its consumers with information about the importance of caring for the environment on the official website
- It is important for me that VkusVill encourages consumers to sort garbage, refuse plastic and dispose of hazardous waste by providing them with various incentives (discounts and bonuses)
- It is important for me that VkusVill is engaged in preserving the environment by planting trees

The next variable is dedicated to *Perceived Consumer CSR activities and* will be assessed in the following way:

- The VkusVill store satisfies my needs in purchasing products with natural compositions and a short shelf life
- I believe that VkusVill carefully checks the origin of the products it sells
- I am sure that VkusVill protects consumer rights in relation to quality assurance
- It is important for me that VkusVill is engaged in charity

The third construct is devoted to trust to the products under the private label «VkusVill»:

- I think that you can be sure of the quality of products under private label «VkusVill»
- I can trust the quality of goods under the private label brand «VkusVill»

- Customers of the «VkusVill» store can always rely on its products for the naturalness of the composition.
- Products under our own brand «VkusVill» always keep their promises in terms of quality, taste and composition

The forth variable is trust to the organic products

I think you can count on organic products for the natural composition

- Buyers can always be confident in the quality of organic products
- I can trust the quality of organic products
- Organic products always deliver on their promises in terms of quality, taste and composition

The next construct is dedicated to trust to particular organic products (dairy or meat) under the private label «VkusVill»

- You can be sure that the organic product of the VkusVill company is of high quality
- I can trust the quality of organic goods in VkusVill store
- Customers of the VkusVill store can always count on the fact that its organic products have a natural composition
- The organic product of the VkusVill store always keeps its promises in terms of quality, taste and composition

The six variable is loyalty itself and it is measured in the following way:

- I prefer organic products under private label VkusVill among other products
- I will definitely buy organic products under private label «VkusVill»
- I would prefer to buy organic products under the private label VkusVill the next time I make a purchase
- With the same characteristics of organic products from other companies, I still prefer organic products under private label VkusVill

The seventh variable is WTP is assessed with the following statements:

- I find it reasonable to buy an organic product under private label VkusVill, even if it costs more than other products
- I am willing to pay a higher price for an organic product under private label VkusVill
- I will still continue to buy an organic product under my own brand VkusVill ", even if other products become cheaper

The last construct is Intention to recommend organic food product under private label (NPS) and is measured in the following way:

- How likely is it that you will recommend the purchase of organic products under private label VkusVill to your friends, acquaintances, relatives or colleagues?
- The answer is rate from 0 to 10

After this procedure, there will be conducted CFA in order to test the validity of the modified model.

2.3.4.CFA

Further, after finalizing the EFA the next step will be CFA that is done when there is a knowledge about the structure of all latent constructs. Here there will be tested the goodness of fit that implies how well the data fits theoretical model. CFA refers to the SEM analysis. The advantages of this method are the following[153]:

1. It is possible to test the validity of the model. Hence, clear conclusions from that could be made, for example, recommendation for marketing manager
2. SEM could deal with measurement or error. In this case constructs are not biased by measurement error
3. The method allows to test complex models without use of separate analysis what is definitely time saving solution for researcher
4. It provides test of the complex models for their compatibility with data and allows to test specific assumptions, that could be useful for
    - Global assessment (the model fits the data or not)
    - Local assessment (the parts of the model that could be improved)
    - Exploratory suggestions for potential model improvement

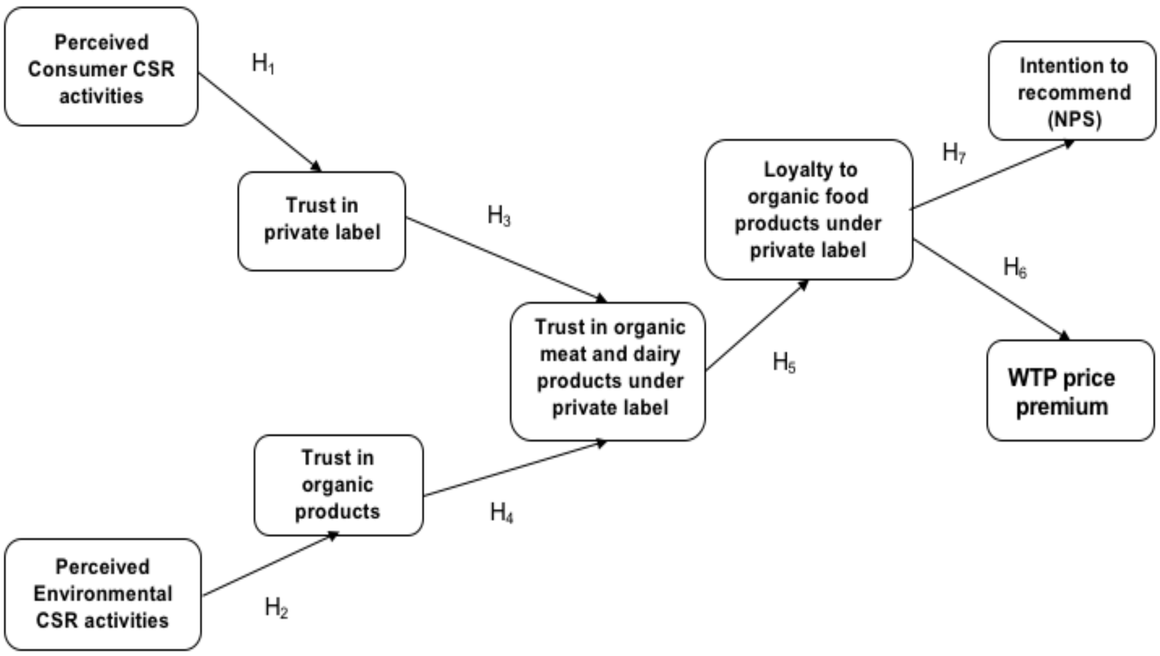
Speaking about disadvantages or challenges of SEM[154]:

1. Model and Parameter Identification. The model will work only if the empirical data provide enough information. This global condition for model identification is necessary, but not sufficient. It can happen that, despite a satisfied global condition, certain parts of the model are not identified
2. Estimation of method and estimation of the problem could be the other drawback because optimal solution may not be found or result is supposed to be optimal but the estimated parameters do not make sense.

[153] Scremelleh-Engel K., (2009), «Advantages, Challenges, and Problems», Introduction to Structural Equation Modeling with LISREL, Goethe University, Frankfurt
[154] ibid

3. Requirements to meet assumptions are necessary. To be more specific, normal distribution and large sample size should be presented
4. Interpretation of results could be also challenging because of:
   - Examination of the parameters for plausibility
   - Assessment of the global model fit
   - Assessment of particular aspects of model fit, for example checking the standardized residuals
   - If the model fit is satisfactory that is connected with interpretation of the parameter estimated, testing parameters for significance, assessing the predictive accuracy of the model such as variance explained in individual variables

Considering all of the possible merits and drawbacks of this methods the studied model that was modified will look the following way (Picture 17):



Picture 17. Modified model of the link between SCR activities and consumer loyalty

Source: [Results of the author research]

There is also important to state the hypotheses that will be tested in this study. There will be more hypothesis but now it is important to mention those that were dedicated to the modified model that will be repeated one more time in this chapter:

H_1: The perceived consumer CSR activities of a retailer correlates positively with trust in the private-label products of the retailer VkusVill.

H_2: The perceived environmental CSR activities of a retailer correlates positively with consumer trust in organic products under private label VkusVill

H_3: Consumer trust in a retailer's private-label products correlates positively with consumer trust in the private-label organic products under the name VkusVill

H_4: Consumer trust in organic products under private label VkusVill correlates positively with trust in particular the private-label organic products under the name VkusVill

H_5: Consumer trust in the particular private-label organic product correlates positively with brand loyalty

H_6: Brand loyalty has positive connection with WTP for organic food under private label VkusVill

H_7: Brand loyalty has positive connection with NPS of organic food under private label VkusVill

All of this hypothesis will be tested with the use of the SPSS AMOS later.

2.3.5. Cluster Analysis

The last step in the model is to conduct a cluster analysis. Cluster analysis is a collection of different algorithms that organize data into groups or classes. The peculiarity of the cluster is that the objects of each cluster are similar to each other and differ from the objects in other clusters. In addition, the number of clusters is determined during data analysis. Clustering is necessary for the main consumer segments that are included in the purchase of organic products under the Vkusville private label. Thus, it will be possible to use STP marketing, as well as the development of detailed recommendations for the retailer.

Cluster analysis could be utilized with realistic or constructive aims. The goal of realistic clustering is to reveal real groups in the data. Speaking about constructive clustering this method is used when clustering is conducted despite of the present of cluster structure in the data. For example, market segmentation is devoted to realistic clustering. In other words, researchers are looking for realistic groups in the data. The clustering process consists of several steps: data preprocessing, clusterability evaluation, algorithm selection and execution and quality evaluation. The process starts with data preprocessing that implies selection of feature or extraction. Further, clusterability analysis defines if the data possesses possess cluster structure. In case the data does not have sufficient cluster structure to be divided, the cluster analysis may not be suitable in this situation for the provided data, or the data should be processed again. In the opposite case when the data is considered to be suitable for cluster analysis, algorithm of clustering could be chosen or developed. Later on, the solution is validated by application of measures of cluster quality. This could be resulted in the choice of an alternative algorithm when a high-quality clustering has not been detected[155].

[155] Adolfsson A., Ackerman M., Brownstein N.C. (2019), «To cluster, or not to cluster: An analysis of clusterability methods», Pattern Recognition, vol. 88, p. 13-26

A measure of clusterability is considered to be a function that is used in a data set and gets a number that cluster structure possesses. Usually, some extra requirements are needed because functions can easily contradict the intuition of researcher about behavior of clusterability measure. That is why there are some additional properties to select clusterability measures for analysis such as[156]:

- *Efficiency*. For practical utility, a measure of clusterability needs to be efficiently calculated.
- *Algorithm Independence*. The clusterability measure needs not to be grounded on a specific clustering algorithm or objective function. This notion is aimed to reveal whether the data could be clustered with utilization of a particular method.
- *Effectiveness.* The measure needs be highly precise in identification data being as clusterable or unclusterable.

According to the article of Turkish authors that is called «Consumer segments in organic foods market» there were three segments (favorable, neutral and unfavorable) of consumers of organic food that were established by difference in level of importance and difference in opinions about:

- health orientation
- socially responsible consumption
- environmental responsibility
- values and lifestyles

That is why the goal of this study is to establish whether the consumers of organic food could be divided in the following or the other possible way based on their attitudes to the certain categories that are connected with organic food. For better understanding the points of different it is needed to state what each of the terms means. *Health orientation* implies the following statements:

- I am conscious of my health
- I am attentive to my health
- I often check my health in hospitals / clinics
- It's hard for me to go in for sports 3 times a week
- It's hard for me to give up unhealthy snacks and sweets.
- It is difficult for me to constantly eat fresh vegetables and fruits.
- I avoid eating foods with additives and preservatives

[156] Adolfsson A., Ackerman M., Brownstein N.C. (2019), «To cluster, or not to cluster: An analysis of clusterability methods», Pattern Recognition, vol. 88, p. 13-26

- I do sports on a regular basis
- No matter how hard I try, I can't reduce the stress in my life.
- I find it easy to find a balance between work / study and play

The term *Socially responsible consumption* could be measured with several statement such as:

- Everyone must stop increasing food consumption so that the resources of our planet are not depleted.
- Natural resources need to be conserved, even if it forces people to do without food
- Consumers should be forced to pay a higher price for products that pollute the environment
- The production of non-degradable bottles and cans should be banned at the legislative level
- Government should subsidize research on waste recycling technologies
- I think people worry too much about pesticides in food
- I think that a person should urge their friends / loved ones not to use products that are harmful to the environment
- The government should impose a tax on those goods that harm the environment
- I rarely think about the effects of smog on my health and the health of my family.
- Trying to control water pollution brings more problems than benefits

The next construct refers to *Environmental responsibility* that consists of the following statements:

- Over-packaging plastic is one source of pollution that could have been avoided if manufacturers were more environmentally friendly.
- Our planet's resources are limitless and must be fully utilized to improve the lives of people
- The amount of energy I consume does not have a significant impact on the environment
- I attend various events dedicated to the protection of the environment
- I think that an ordinary person cannot do anything significant to save nature for the next generations of people.
- My involvement in environmental activities today will help save the environment for future generations
- I do not buy products that cause environmental pollution

- I think that worrying about environmental issues is in vain, because I cannot help solve them

The last but not the least term is about *values and lifestyles* and include several statements such as the following:

- Feeling of belonging to someone or something
- Taking pleasure in what I do
- Good relationships with other people
- Self-realization
- It is important for me to be respected
- Security
- Self esteem

To add explanatory power to the clusters there will be also asked questions about consumer behavior, their attitudes towards organic food, question about advertising of the VkusVill and awareness of existence of organic certification, sociodemographic characteristics. Questions about *customer behavior* imply

- The most frequent product of purchase
- Frequency of visiting the retailer
- The distance from VkusVill to the place that people live or work
- The most convenient way of purchase
- How long people are the consumers of VkusVill
- Other store where people buy organic food
- The sum of money people are ready to pay for the organic food
- The most convenient format of making purchases
- Usage of loyalty card of VkusVill

To understand the consumers better the questions about attitude towards the *packaging* and the *organic food* will be asked and the will sound the following way:

- Taste good
- Good for the health
- Rich in vitamins and minerals
- They are expensive to buy
- They can be easily found on the shelves of the VkusVill store
- Have an attractive appearance
- Contains less chemicals and other harmful substances
- Their packaging is environmentally friendly

- Natural because they have a shorter shelf life than regular products
- Stores often have a small selection of such items.
- I am interested in the organic products of the VkusVill store, because they are sourced from local producers.
- The packaging design of VkusVill organic products is minimalistic
- I like that the packaging design of VkusVill organic products is made mainly in white and green colors.
- The packaging of organic products VkusVill differs from the same products in other stores
- I like the material (paper, plastic), from which the packaging of organic products VkusVill is made
- It would be convenient for me to return the used packaging from organic products VkusVill in order to get a discount on the next purchase

It is very important to understand where people are acquainted with the organic certification and how customers perceive the food with organic certification that is why the question about this topic will be asked in the following way:

- Difference between several terms such as eco, bio, organic and the other
- Trust in what particular type of labeling (eco, bio, organic and the other)
- Requirement to use any of labeling

The other block of questions refers to *advertising* of the VkusVill. To be more specific, these questionы will help to understand what channels are used by VkusVill to capture attention of the customers:

- Where people get information about VkusVill
- How important for customers to receive latest updates about activities and discounts in VkusVill
- Where it is more convenient to receive information about VkusVill
- What social media people use the most often
- Where customers see the advertising of VkusVill
- The frequency of seeing an advertising
- Satisfaction of seen advertisement

Sociodemographic characteristics will add details into the portraits of the customer and will allow to develop more detailed recommendation. This section implies basic question about:

- Gender
- Age

- Level of education
- Occupation
- Marital status
- Presence of children in the family
- Income
- City/ town of residence

All in all, the hypothesis of the segment of consumers of organic food will sound in the following way

H₈: Customers of organic food of retailer VkusVill could be divided in three segments such as favorable segment, neutral segment and unfavorable segment.

2.4. Main findings

In this section, there will be shown the main results from the interview in form of personas and from the survey in form of the descriptive statistics, EFA, CFA and cluster analysis. Based on analysis of this results recommendations in the chapter 3 will developed for the companies who are selling organic food under private label.

2.4.1. Sample description

There were 360 respondent who took part in the online survey. The majority of respondents were females and they were account for 78% of the total amount. Hence, males were account for 22% of the whole number of respondents. Speaking about age groups, people of 18-25 years old dominated while respondent from 26-30 age group accounted for 13% and respondent of age group of 31-35 accounted for 11%. Respondents of 36-45 years old age group accounted for 9% while 46-50 age group accounted for 4%. Finally, respondents of 46-50 years old and over 60 years old accounted for 2% each. The majority of respondents (36%) have higher education (bachelor degree), 19% have higher education (specialist) and 25% have higher education (master degree). Large percent of respondents are working full-time (41%) or studying in the university (34%). It should be stated that 72% of respondents are not married while 28% are married. The majority of respondent do not have children and they account for 83%. The great number of respondents are representatives of medium and medium plus segment and they account for 79%. The respondents were mainly from Saint Petersburg (65%) and Moscow (23%).

It is important to highlight that 13% of total number of respondents was eliminated automatically because they never went shopping in retailer VkusVill. The majority of respondents (87%) aware that VkusVill sell the products under private label but not the products of well-known brands. Moreover, 85% of respondents know the term private label. These questions helped to understand consumer knowledge of studied phenomenon. The most frequent category of food bought by consumers is dairy products including milk/cream, cottage cheese, sour cream, butter, cheese, kefir and yogurt and the percent of purchase accounts for 70%. The most popular product is milk and cream.

It is fair to mention that 66% of the respondent could reach the store in 5 or from 10-15 minutes by walking. There are two main ways of the making the purchases are visiting the store itself (68%) and ordering from mobile application (24%). Moreover, 41% of respondents are customers of the VkusVill during 2-4 years while 35% of them are customers during the one year. The respondents also visit Lenta (50%) and Perekrestok (50%) for organic food purchasing. The most convenient formats for making purchases are supermarkets (58%), hypermarkets (41%) and convenient stores (34%). According to the data, 71% of respondents already have the store VkusVill near their home or office. Besides, 39% of the respondents uses the loyalty card and mobile application while 23% of the, use only the loyalty card. The 51% of the respondent noticed that VkusVill promote the majority of the ecological initiatives via loyalty card. The most popular functions of the loyalty card are 20% of discount on favorite product (87%), bonuses withdrawal (69%) and abonnement «I am in the store» (57%). The NPS index is equal to 11 that is quite normal value.

Based on the data, the most convenient of getting information about the store is in the store (52%) and via social media (49%). The most frequent social network is VK and Instagram (both 71%) among respondents. People usually pay attention to the sing of the store (46%), information in the store (37%) and social media (31%). The majority of the people see the advertising once a week (31%) and once a month (31%).

2.4.2. Results of the interview with the expert from the VkusVill company

The vision of the executive's representative of the competitive advantage of the VkusVill retailer chain that it sells distinct from the rivals' products in terms of the content, quality and healthiness. Despite the fact that the company has eco product and some of the packages of the goods are recyclable it does not highlight it in its positioning because not all the products are certified there. In order to avoid misunderstanding from the side of the consumer the retailer emphasize freshness of its products, naturality and novelty. The shelf life of the product of the VkusVill product is relatively short that make it different from the competitors. Naturality is proved with the pure content without harmful additives. Finally, company constantly offers new products to its customers that could not be found in the other store. The company is ready to collaborate with suppliers that offer organic or eco products since there is high growth potential in Russia. That is why the company introduced organic products under the private label «Ugleche pole». Moreover, the company offer value with the service initiatives that were mentioned before in the chapter, for example online commerce.

Since there is high risk of consumer dissatisfaction in case when they did not like one product. This dissatisfaction could be transformed to the whole assortment of the «VkusVill» store. That is why company implemented malty-step check of the suppliers. The product they receive are checked every day. There are more personnel that is involved into this control of the quality and quantity than in the other stores. The company has transparent system of quality control as well as it has laboratory for quality checking. Despite the malty level control from the supplier side, «VkusVill» is actively involved into the analysis of the consumers reviews. That is why they offer product that are suits consumer behavior. For instance, some product categories are available only for online order since people do not buy party cakes every day. Hence, the «VkusVill» has the approach of offering product based on the consumer needs that could be changed over time. To be more specific, «VkusVill» encourages its consumers to leave the reviews wherever it is comfortable for them (messengers, official website and Social Media). All of these activities help company to maintain trustworthy image what also differ it from competitors. To sum up, the product strategy is fully based on consumer preferences that are studied every day.

Pricing strategy of the company incudes offering of the lower priced product, such as dairy goods with more expensive once. The representative of the company noticed that the main driver in their store is dairy products. The pricing strategy is not stated in the documentation. The company mainly relied on the experience of offering certain types of the goods. That is why some product categories are not sold there. Besides, retailer monitor prices in the market in order to be on track. The «VkusVill» representative mentioned that they are not involved into the pricing rivalry since they are more concentrated on value. Generally, the retailer chain has some expectation of the gained margin from the certain food categories.

Despite of offering quite quality products and service, the company emphasize its mission of growing, educating the consumers making them their allies. The company is achieving this goal by involving the consumers into different eco initiates that were described before. Moreover, the retailer listens to the consumer's requests to be more econ-friendly and for example, use less plastic in their packaging. Moreover, the company has some ecologists who are working with them. Hence, the company strive to change consumer behavior inculcating them certain purchase culture to more sustainable one as well as it is ready to change if the consumer is asking for it.

All of these initiatives such as quality control, consumer review's analysis, introduction of eco-initiatives and organic certification with mobile application are base for the development of the consumer trust as well as the loyalty to organic food under private label. Hence, it is proved that the food category such as meat and dairy product was chosen right as well as quality control initiates with the eco initiatives in order to build up the model in the presented research.

2.4.3. Results of the interviews with consumers

There were 24 people that were interviewed about their experience of making purchases in retail store VkusVill. There were 19 women and 5 men who took part in the interview. The respondents were from different age groups such as 18-25, 26-30, 35-40 and 41-50 years old. Groups pf respondents imply students and occupied people, married, not married and divorced, as well as people with children or without them. The majority of respondents are from Moscow, Moscow region and Saint Petersburg. Based respondents' answers there were created several byers personas based on several factors such as:

1. Social demographic characteristics: name, age, place of living, occupation, marital status
2. Attitude to healthy lifestyle and socially responsible behavior
3. Attitude towards organic food
4. Attitude towards organic certification
5. Attitude toward «VkusVill»
6. Channels of making purchase in VkusVill store
7. Channels of getting information
8. Motivation to visit «VkusVill»
9. Barriers not to do shopping in «VkusVill»

In fact, there could be highlighted 5 byer personas of retail «VkusVill». These personas have distinct characteristic and will be further presented in this section of the research. The first persona that should be mentioned is Peter. More detailed information about him is presented in the Table 9 below.

Table 9. Persona 1

About persona Peter, 27 years old, Saint Petersburg, IT specialists married/ no children	
Attitude to healthy lifestyle and socially responsible behavior Goes to gym on regular basis, tries to follow healthy diet. He is ready to be socially and environmentally responsible but suppose that collective effort needs to be taken to solve these problems. However, he tries to use less plastic shopping bags, sorts the waste and uses water and light sparingly at home	

Attitude towards organic food Finds it to be with a better taste, more natural and fresher, better for health, without any harmful additives, short shelf life however it cost more but the price is justified. Is ready to pay about 5000 rubles per month.
Attitude towards organic certification There is not important whether the food has certification or not because the person believes more the food composition. He does not want to be misled by the signs that sometimes could be fake. Do not see the difference between eco and organic
Attitude toward VkusVill store Perceive as a green village in Europe. Favorite food category is dairy product and vegetables. Likes that there are many unusual and taste product that are fresh as well as nice variety of product categories. Knows some ecological initiatives of the store. However, does shopping in Lenta, Metro, Perectestok. Is ready to recommend the store and uses mobile application of the store actively
Channels of making purchase in VkusVill store Store near home and work on regular basis (3 time a week). Sometimes delivery via VkusVill application
Channels of getting information of VkusVill In the store, near shopping centers, Social media. Has a positive attitude towards advertising.
Motivators to visit VkusVill Fresh and healthy food, close to home/office, better taste, pleasant atmosphere, good service
Barriers not to do shopping in VkusVill High price, not ready to buy their food for the whole week – more suitable variant is super and hypermarket

Source: [Results of the author research]

The next buyer persona is Elena and all of her characteristics is stated in the Table 10 below.

Table 10. Persona 2

About persona Elena, 20 years old, Saint Petersburg, student, not married/ no children	

Attitude to healthy lifestyle and socially responsible behavior Sometimes does sport and tries to eat healthy. Does not use plastic bags and uses bottle for multiple uses
Attitude towards organic food Does not know much about it. Supposes that organic food does not have harmful additives in its content. Is not ready to pay price premium for it. Wants to pay about 1000 rubles per month
Attitude towards organic certification Thinks that she cannot check if the citification true or not. Does not the difference between terms eco, organic and the others. Is not interested in this topic
Attitude toward VkusVill store Is not interested in this store. Thinks that there are better and cheaper alternatives (Perekrestok). Is not ready to recommend it to anyone. Does not have a loyalty card and mobile application. Does not have a favorite product
Channels of making purchase in VkusVill store Store itself
Channels of getting information of VkusVill The store itself
Motivators to visit VkusVill Try something new
Barriers not to do shopping in VkusVill Far from home, expensive price, had negative experience

Source: [Results of the author research]

The next persona is Maria and her portrait will be described in the Table 11 below.

Table 11. Persona 3

About persona Maria, 24 years old, Moscow, student, work part time not married/ no children	

Attitude to healthy lifestyle and socially responsible behavior Does sport on regular basis, consumes vitamins, tries to eat healthy and pay attention to water balance in her body. Does sorting of waste, hand over batteries and old clothes. Does not use plastic bags and use less water. However, thing that this type of actives should be organized on the state level.
Attitude towards organic food Has a positive attitude because of the taste, quality and freshness. Goes to the VkusVill to buy organic food. Is ready to buy alternatives but these products in VkusVill are her first choice. Pays about 10000 rub per month. Will still buy this food even if it will cost more (but until 50%).
Attitude towards organic certification Has basic knowledge that organic food is healthier and more natural. However, trust more the food composition rather than certificates. However, if she had more information about it, will trust more. Does not distinguish the labels eco, natural and organic perceive them as synonyms.
Attitude toward VkusVill store Makes regular purchases there (3 times a week). Actively uses loyalty card and mobile application. Like the store because of design, food category variety, convenient mobile certification. Favorite food categories are dairy products, desert, vegetables. Knows that the store is involved in corporate social activities (check its suppliers, for example). Appreciate the service: fast and free delivery
Channels of making purchase in VkusVill store Store itself, Yandex Lavka, delivery via VkusVill mobile application
Channels of getting information of VkusVill The store itself, mobile application, Social media. Wants to get as much info as in possible
Motivators to visit VkusVill Try something new, take care of health, buy really quality and tasty products
Barriers not to do shopping in VkusVill High price, not suitable to buy some product categories (for them uses Lenta and Metro)

Source: [Results of the author research]

The following respondent is Alexander and his traits are mentioned in the Table 12 below

Table 12. Persona 4

About persona Alexander, 48 years old, businessman, Saint Petersburg, married, 2 children	
Attitude to healthy lifestyle and socially responsible behavior Prefer to eat quality and healthy food. Does sorting of waste and hand over old clothes. Lives in the eco housing complex where sorting of waste and batteries are organized.	
Attitude towards organic food Buys all the food categories of organic food. More often categories are meat, dairy product and vegetables. Perceives organic food as natural and beneficial for health. Is ready to pay price premium for this food, around 50 000 per month. Does not know any analog to VkusVill organic food. Trust its quality. Believes that all people need to eat only organic food due to health reason. Price is not a barrier for him	
Attitude towards organic certification Does not pay attention to the certification. His trust is based on experience and his personal judgment of the food and comparison with other products. Pays more attention to food composition.	
Attitude toward VkusVill store Adores the quality of food, perfect cervices, store design and its concept. Visits the shop almost every day because it is located very close to his home. Does not use loyalty card but his wife uses. No need to recommend because his inner circle are also loyal customers of Vkusville. Know about some corporate social activities of the store.	
Channels of making purchase in VkusVill store The store itself	
Channels of getting information of VkusVill In the store. Does not think that VkusVill needs special advertising	
Motivators to visit VkusVill Provide family with healthy, quality and tasty food enjoying at the same time perfect service and pleasant atmosphere of the store	
Barriers not to do shopping in VkusVill Does not have any	

Source: [Results of the author research]

The last but not the least persona is Svetlana whose characteristics are presented in the following table 13 below.

Table 13. Persona 5

About persona Elena, 40 years old, economist, Moscow region, married, 1 child	
Attitude to healthy lifestyle and socially responsible behavior Tries to eat healthy and stay active. Does not use plastic bags and uses bottle for multiple times	
Attitude towards organic food Prefer to buy organic food in Perectestok, Magnit, Lenta and Okey because the same options there are cheaper. Sometime visits local markets in the village to buy this type of food. Ready to pay 1000 rubles per month for organics.	
Attitude towards organic certification Does not pay attention to it.	
Attitude toward VkusVill store Visits the store rarely, once a month. Perceives as expensive store of younger generation. Does not uses the loyalty card as well as mobile application because find it very complex. Finds the food there very natural and good quality but expensive. Sue to buy there a lot of food because the other retailers provides more abortable options and higher variety. Favorite food category is bread, fish and groceries. Appreciates polite personnel. Herd about CSR activities but can not name it.	
Channels of making purchase in VkusVill store The store. Does not pay attention to the advertising	
Channels of getting information of VkusVill The store	
Motivators to visit VkusVill Natural and good quality food	
Barriers not to do shopping in VkusVill Price, far from the place of living	

Source: [Results of the author research]

All in all, it is clear that there are 5 distinct personas that provide valuable insight for building up the survey in right manner. However, personas are not the segments of consumers, they are just preliminary groups of clients. In order, to proceed with segment analysis it is necessary to execute clyster analysis based on survey results.

2.4.4. Results of EFA

In order to build up the model it is necessary to come up with EFA. Each variable will be analyzed one by one in this section and later on there will be analysis of the model based on CFA and drawn some important conclusions about the significance of the model, links between variables and total model fit. The first variable is Consumer CSR and it has the following indices that are shown in Table 14. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 14. Consumer CSR. EFA

Item	Factor loading	Cronbach Alpha
Connsumer_CSR_1	0, 774	
Connsumer_CSR_2	0,845	0, 706
Connsumer_CSR_3	0,854	
Connsumer_CSR_4	0,541	
Latent construct indices	Kaiser-Meyer Measure = 0,715 Bartlett's Test < 0,001	

Source: [Results of the author research]

The next variable that will be analyzed is Environmental CSR and it has the following indices that are shown in Table 15. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 15. Environmental CSR. EFA

Item	Factor loading	Cronbach Alpha
Environmental CSR_1	0,625	
Environmental CSR_2	0,866	
Environmental CSR_3	0.832	0, 89
Environmental CSR_4	0,874	
Environmental CSR_5	0,816	
Latent construct indices	Kaiser-Meyer Measure = 0,864 Bartlett's Test < 0,001	

Source: [Results of the author research]

The following variable that will be analyzed is Trust in private label VkusVill and it has the following indices that are described in Table 16. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 16. Trust in private label VkusVill. EFA

Item	Factor loading	Cronbach Alpha
Trust in private label VkusVill_1	0,917	0, 914
Trust in private label VkusVill_2	0,922	
Trust in private label VkusVill_3	0,887	
Trust in private label VkusVill_4	0,847	
Latent construct indices	Kaiser-Meyer Measure = 0,821 Bartlett's Test < 0,001	

Source: [Results of the author research]

The following variable that will be analyzed is Trust in organic products and it has the following indices that are portraited in Table 17. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 17. Trust in organic products. EFA

Item	Factor loading	Cronbach Alpha
Trust in organic products_1	0,893	0, 914
Trust in organic products_2	0,94	
Trust in organic products_3	0,942	
Trust in organic products_4	0,896	
Latent construct indices	Kaiser-Meyer Measure = 0,822 Bartlett's Test < 0,001	

Source: [Results of the author research]

The following variable that will be analyzed is Trust in organic products under private label VkusVill and it has the following indices that are shown in Table 18. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 18. Trust in organic products under private label. EFA

Item	Factor loading	Cronbach Alpha
Trust in organic products under private label VkusVill_1	0,925	0, 965
Trust in organic products under private label VkusVill_2	0,945	

Trust in organic products under private label VkusVill_3	0,93	
Trust in organic products under private label VkusVill_4	0,913	
Latent construct indices	Kaiser-Meyer Measure = 0,851 Bartlett's Test < 0,001	

Source: [Results of the author research]

The following variable that will be analyzed is Brand loyalty and it has the following indices that are presented in Table 19. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 19. Brand loyalty. EFA

Item	Factor loading	Cronbach Alpha
Brand loyalty_1	0,824	0, 861
Brand loyalty_2	0,858	
Brand loyalty_3	0,892	
Brand loyalty_4	0,795	
Latent construct indices	Kaiser-Meyer Measure = 0,816 Bartlett's Test < 0,01	

Source: [Results of the author research]

The next variable that will be analyzed is Trust in organic products under private label VkusVill and it has the following indices in Table 20. It is clear that all items describe the latent variable (factor loading > 0,5) and the latent variable itself has a good quality since Cronbach Alpha > 0,7, Kaiser-Meyer Measure > 0,7 and Bartlett's Test index < 0,05.

Table 20. WTP. EFA

Item	Factor loading	Cronbach Alpha
WTP_1	0,902	0, 863
WTP_2	0,901	
WTP_3	0,859	
Latent construct indices	Kaiser-Meyer Measure = 0,727 Bartlett's Test < 0,001	

Source: [Results of the author research]

The last but not the least variable that is not latent is NPS (Net Promoter Score) since it is already measure by 10-score scale.

All in all, it is clear that the CFA could be executed since all the latent variable are significant and have good quality. No items were deleted since the requirements of EFA were met.

Hence, all variable could be further used in the research in order to test modified model. The next step will be CFA with description of model fit indices and the other important required measures.

2.4.5. Results of CFA

Since EFA proved that all variables could be in the model, in this section there will be conducted CFA that is a part of SEM that is used to find out the links between latent constructs. The model was built and tested with the use of AMOS SPSS.

First of all, in is necessary to proceed with model fit indices that should meet the threshold values that will be mentioned in the Table 21. These indexes would reveal the quality of the model and the degree of suitability of it to the proposed problem. The executed value are values of the indexes that were taken from the AMOS SPSS while threshold values are values that should be obtained each index to prove the quality of the model.

Table 21. Goodness of fit. CFA

Index	Executed value	Threshold value
Chi-square/ degrees of freedom	3,05	3 (for larger samples)
GFI	0,836	>0,9
TLI	0,905	>0,9
CFI	0,922	>0,9
RMSEA	0,076	<0,08
PCLOSE	0	<0

Source: [Results of the author research]

It is clear that overall the model fit is quite good due too satisfactory values of TLI, CFI, RMSEA. However, there indexes that almost meet the requirements. To be more specific, Chi-square/ degrees of freedom is close to 3 so this value could be tolerated for large samples (360 responses). GFI is also close to 0,9 and this value also could be considered. Finally, PCLOSE just accounts for 0 what will be accepted.

The next step is to test AVE, Composite Reliability and Critical ratios of all items. AVE should be more than 0,5, Composite reliability needs to be more than 0,7 and Critical ratios have to exceed 1,96. All of the results are presented in the Table 22.

Table 22. Additional parameters check. CFA

Variable	AVE	Composite Reliability	Critical ratios (items)
Consumer CSR	0,5	0,68	
Environmental CSR	0,52	0,71	

Trust in private label VkusVill	0,67	0,89	>1,96
Trust in organic products	0,67	0,89	
Trust in organic products under private label VkusVill	0,68	0,89	
Brand loyalty	0,511	0,72	
WTP	0,54	0,733	
NPS	0,56	0,7	

Source: [Results of the author research]

It is seen that variables such as Trust in private label VkusVill, Trust in organic products and Trust in organic products under private label VkusVill satisfy all 3 indexes. The other variables have indices that are close to threshold values but do not exceed them. Despite this, since the model fit analysis has shown good results the executed values could be accepted by researcher. The problem might occur because of correlation between errors. Besides, composite validity of the model has been checked with Fornell-Larcker (1981) criterion of discriminant validity: r212<AVE1, <AVE2. Based on this criterion the model does not have any problems with multicollinearity.

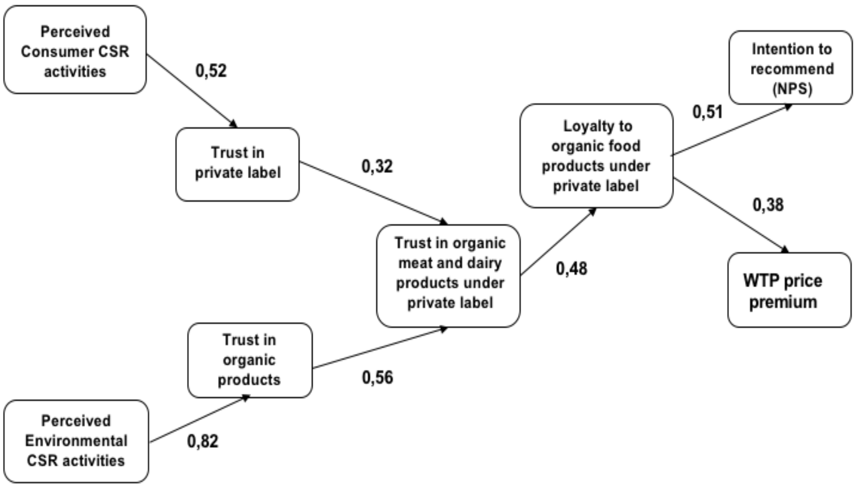
The relations between latent variables are positive and significant. Their β coefficients are presented in the Table 23.

Table 23. β coefficients

Relationship between latent variables	β coefficients	Sign	Hypothesis
Environmental CSR->Trust in organic products	0,821	< 0,05	accept
Consumer CSR-> Trust in private label	0,52	< 0,05	accept
Trust in private label->Trust in organic products under private label VkusVill	0,35	< 0,05	accept
Trust in organic products->Trust in organic products under private label VkusVill	0,593	< 0,05	accept
Trust in organic products under private label VkusVill->Brand loyalty	0,484	< 0,05	accept
Brand loyalty -> WTP	0,38	< 0,05	accept
Brand loyalty -> NPS	0,51	< 0,05	accept

Source: [Results of the author research]

All in all, the model is proved to have a relatively good quality with significant connections between latent variable. Hence, CSR activities of the retailer cause trust to organic food and private label of retailer. It leads to the trust to the organic products under private label what cause loyalty to the chosen organic brand under private label. The brand loyalty results to NPS (desire to recommend) and WTP (willingness to pay premium). Hence the tested model is presented in the Picture 18 below. It is clear that perceived consumer SCR positively correlates with trust in private label of the retailer (0,52). Moreover, perceived environmental SCR activities has positive relation to the establishing trust to the trust in the organic products of the retailer (0,82). Besides, trust in products under private label (0,32) and trust in organic products results into the trust to organic meat and dairy product under private label (0,56). Established trust to the trust to organic meat and dairy product under private label cause loyalty to the organic foods product under private label (0,48). The loyalty in this case leads to the intention to recommend organic products under private label that was measured with NPS (0,51). Moreover, the loyalty caused the willingness to pay price premium for organic products under private label (0,38). All in all, seven links are positive and showing a tolerable correlation value.



Picture 18. Tested modified model of the link between SCR activities and consumer loyalty

Source: [Results of the author research]

In order to show on what type of the customer this model works there will be presented the results of consumer segmentation

2.4.6. Results of cluster analysis

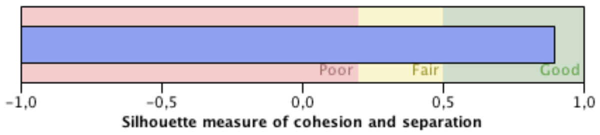
After the analysis of all possible variables to build up three main variables were identified. To be more specific, these chosen variables are Loyalty card usage, The most convenient way of shopping and Eco initiatives via loyalty card. Loyalty card usage shows whether people use only the loyalty card, use the loyalty card and mobile application, have a loyalty card but do not use it, do not have the loyalty card. Secondly, the most convenient way of shopping refers to whether customers prefer to visit the stores for groceries or to make the order in mobile application or via the other services. Thirdly, Eco initiatives via loyalty card is about the awareness of people whether the eco initiatives are promoted through the loyalty card.

Since all the variables are nominal that is why Two-step clyster analysis was used. As a result, 8 clusters were identified with 0,9 quality index that is Silhouette measure of cohesion and separation. It means that the clusters have very good quality that could the researcher could rely on. The model summary is presented in the Picture 19.

Model Summary

Algorithm	TwoStep
Inputs	3
Clusters	8

Cluster Quality



Picture 19. Model summary. Cluster quality

Source: [Results of the author research]

Besides, the clusters were tested with the help of ANOVA test since there are several groups (Table 24). Differences are tested between and within the groups of studied variables. As it could be seen from the output from SPSS. All three variables have p-value that is lower than 0,001. This value is quite low (<0,001) that that is why the null hypothesis is rejected and it could be confirmed that there is a statistically significant difference in the mean of our variables. Hence, the quality of cluster analysis is good and the clusters have difference between each other.

Table 24. One-way ANOVA test

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Have you ever noticed that VkusVill promote eco initiatives via mobile application "Let us be friends"	Between Groups	41,578	7	5,940	184,003	<,001
	Within Groups	5,875	182	,032		
	Total	47,453	189			
Do you use loyalty card "Let us be friends"?	Between Groups	42,593	7	6,085	590,629	<,001
	Within Groups	1,875	182	,010		
	Total	44,468	189			
What way of shopping is the most convenient for you?	Between Groups	171,153	7	24,450	593,329	<,001
	Within Groups	7,500	182	,041		
	Total	178,653	189			

Source: [Results of the author research]

The next table will show the description of all 8 clusters based on statistics. The table with description of clusters in percent is presented in the Appendix 1. Hence, the Table 25 will show in-depth description of clusters.

Tables 25. Described clusters

	1 (20%)	2 (18%)	3 (17%)	4 (14%)	5 (10%)	6 (9%)	7 (8%)	8 (4%)
Usage of loyalty card	Loyalty card Mobile application	Loyalty card Mobile application	Loyalty card	Loyalty card Mobile application	Loyalty card Mobile application	Loyalty card Mobile application	Loyalty card	Loyalty card
Convenient way of shopping	The store	The store	The store	Food delivery via mobile applications	Food delivery via mobile applications	Food delivery via mobile applications	Food delivery via mobile applications	Food delivery via mobile applications
Ecological initiatives are promoted via loyalty card	Yes	No	No	No	No	No	Yes	No
Gender	87% female	81% female	87% female	76% female	75% female	72% female	77% female	79% female
Age	18-45	18-35	18-35	18-30	18-25 majority 26-60	18-45	18-45	18-30
Education	Higher education (all types)	Higher education (Bachelor)	Higher education (Specialist)	Higher education (Bachelor)	Higher education (Master)	Higher education (all types)	Higher education (all types)	Higher education (Bachelor)
Occupation	Full-time Freelancer	Student Full-time	Student Full-time	Student Full-time Freelancer Self-employed	Student Full-time	Student Full-time Part-time Housewife/man Retired	Student Full-time	Student(42%) Full-time (36%)
Marital status	married	not married	not married	not married	not married	married	not married	not married
Children	No 1 or 2 kids	No	No 2 kids	No 1 kid	No 2 kids	No 1 kid	No 1 or 2 kids	No
Income	Medium+	Medium+	Medium	Medium	Medium	Medium	Medium	Medium
Residence	Moscow Saint Petersburg	Moscow Saint Petersburg	Moscow Saint Petersburg	Moscow Saint Petersburg	Moscow Saint Petersburg	Moscow Saint Petersburg	Moscow Saint Petersburg	Moscow Saint Petersburg
Organic characteristic of VkusVill products	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Characteristics of organic food								
Characteristics of organic food	Pleasant taste Healthy Rich in vitamins Expensive Easy to be found **Attractive appearance** Contain less chemicals Limited amount Natural Interested (local producers)	**Pleasant taste** Healthy Rich in vitamins Easy to be found Attractive appearance Contain less chemicals Natural Limited amount Natural Interested (local producers)	**Healthy** Expensive Easy to be found Attractive appearance Contain less chemicals Natural Limited amount	Pleasant taste **Healthy** Rich in vitamins Expensive Easy to be found Attractive appearance	Pleasant taste Healthy Expensive **Easy to be found** Attractive appearance **Contain less chemicals** Natural	**Pleasant taste** Healthy Expensive Easy to be found Attractive appearance Natural Limited amount Interested (local producers)	Pleasant taste Healthy **Expensive** Easy to be found Attractive appearance Contain less chemicals Natural Interested (local producers)	**Pleasant taste** Healthy Rich in vitamins Expensive Easy to be found Attractive appearance Contain less chemicals Natural Limited amount Natural Interested (local producers)
Characteristics of organic food packaging								
Characteristics of organic food packaging	Minimalistic design White/ green Different Like materials **Return package-> get discount**	Minimalistic design White/ green **Return package-> get discount**	Minimalistic design **White/ green** Like materials **Return package-> get discount**	Minimalistic design White/ green Like materials Return package-> get discount	**Minimalistic design** White/ green Different Like materials Return package-> get discount	Minimalistic design White/ green Different Like materials **Return package-> get discount**	Minimalistic design White/ green Different Like materials **Return package-> get discount**	Minimalistic design White/ green **Return package-> get discount**
Sustainable labeling								
Understand difference between labels	Synonyms Some	Synonyms **Some**	**Some** All	Synonyms **Some**	Synonyms **Some**	Some	Synonyms **Some**	Synonyms **Some**
Trust in sustainable labeling								
Trust in sustainable labeling	Organic	organic	organic	no	no	no	organic	organic
WTP for organics								
WTP (monetary expression in RUB)	3 – more 10	3 – more 10	3 – 10	3-5	3 – more 10	3 –10	3	3 –10
Sustainable labeling requirements								
Sustainable labeling requirements	Organic natural	Organic	Organic	Organic	Eco Organic	Organic	Organic	Organic
Attention on certification	Sometimes Never	Sometimes Never	Sometimes Never	Sometimes Never	Sometimes Never	Sometimes Never	Sometimes Never	Sometimes Never
Trust in seen certification	Yes	Yes	Yes	Hesitation	Yes	Yes	Hesitation	Yes
SCR activities								
SCR activities	Cups of kindness Paper checks	Paper checks Wallet Batteries trade-in	Cups of kindness Paper checks Wallet Batteries trade-in	Cups of kindness Paper checks Batteries trade-in	Paper checks Wallet	Cups of kindness	Cups of kindness Christmas tree	Cups of kindness Batteries trade-in
Behavioral questions								
Distance from home/work	0 - 30 min	0-15 min	0-15 min	0-15 min	0 - 30 min	0 – 15 min 1 hour	0 – 15 min	0 - 30 min
Period of time being a customer	1-4 years	1-4 years	1-4 years	1-4 years	1-4 years	1-9 years	1-4 years	1-4 years
Frequency of visiting VkusVill	Every day Every 2 day Every 3 day 1 a week	Every 2 day Every 3 day 1 a week	Every day Every 2 day Every 3 day	Every 2 day Every 3 day 1 a week	Every day Every 2 day Every 3 day	Every day Every 2 day Every 3 day 1 a week	Every day Every 3 day 1 a week	Every day Every 2 day Every 3 day 1 a week

Retailer for buying organic food								
Retailer for buying organic food	**Lenta** Perecrestock Pyatorocka	Lenta Perecrestock	Lenta **Pyatorocka**	**Lenta** Perecrestock	Lenta **Perecrestock**	Perecrestock	Lenta **Perecrestock**	Lenta Perecrestock **Azbuka Vkusa**
Convenient store format								
Convenient store format	**Supermarket** Convenient store	Hypermarket **Supermarket**	Hypermarket **Supermarket** Convenient store	Hypermarket **Supermarket** Convenient store	Hypermarket **Supermarket** Convenient store Cas&Carry Specialty store	Supermarket Convenient store Specialty store	Hypermarket **Supermarket** Convenient store Specialty store	Hypermarket **Supermarket** Convenient store Specialty store
Desire of shop opening in the area/city								
Store opening	Yes **Already have**	Yes **Already have**	**Already have**	**Already have**	**Already have**	Yes **Already have**	**Already have**	Yes **Already have**
Loyalty card function usage								
Loyalty card function usage	**Favorite product** Bonuses Diverse food I am in the store Food delivery	**Favorite product** Bonuses Diverse food I am in the store Yellow price tags Food delivery	**Favorite product** Bonuses Diverse food I am in the store	**Favorite product** Bonuses	**Favorite product** Bonuses Food delivery	**Favorite product** Bonuses Diverse food I am in the store Yellow price tags Food delivery	**Favorite product** Bonuses I am in the store	**Favorite product** Bonuses
Most frequent (favorite) product								
Most frequent good	Cottage cheese Cheese Chicken	Cottage cheese Milk/cream Cheese	Cottage cheese Milk/cream Cheese Yogurt	Cottage cheese Milk/cream Cheese	Butter Cheese Yogurt	Milk/cream Cheese Yogurt	Milk/cream Cheese Beef/pork	Cottage cheese Milk/cream Cheese Yogurt Chicken
Environmental orientation								
Environmental orientation	**-Overpacking is source of pollution** - Recourses are limitless - The energy I use has impact on the environment - Person can not do anything significant -	**-Overpacking is source of pollution** -My activities will save future generation - I am responsible person	- Overpacking is source of pollution - My activities will save future generation - I am responsible person **- Person can do something significant** - Worrying about is not vain	**- Overpacking is source of pollution** - My activities will save future generation - I am responsible person -Worrying about is not vain	**- Overpacking is source of pollution** - Recourses are limitless -The energy I use has impact on the environment - Person can do something significant - I am responsible person	**- Overpacking is source of** pollution - Recourses are not limitless - The energy I use does not have impact on the environment - Person can do something significant **- Worrying about is not vain** - I am responsible person	**- Overpacking is source of pollution** - Recourses are not limitless - The energy I use does not impact on the environment - Person can do something significant - Worrying about is not vain - I am responsible person	**-Overpacking is source of pollution** - Recourses are not limitless -The energy I use does not have impact on the environment - Person can do something significant
Health orientation								
Health orientation	**-I am conscious of my health** **- I am attentive to my health** - It is hard for me to give up unhealthy snacks - It is not difficult for me to eat fresh fruits - I avoid eating foods with additives and preservatives - I do sport on regular basis - Not easy to find balance	**-I am conscious of my health** - I am attentive to my health - I often check my health - It is hard for me do to sports 3 times a week - It is hard for me to give up unhealthy snacks - It is not difficult for me to eat fresh fruits - I avoid eating foods with additives and preservatives - I do sports on regular basis - Not easy to find balance	-I am conscious of my health **- I am attentive to my health** - I often check my health - It is not hard to do sports 3 times a week - I avoid eating foods with additives and preservatives - I do sport on regular basis - Not easy to find balance - I can't reduce stress	**-I am conscious of my health** **- I am attentive to my health** - It is hard to do sports 3 times a week - It is hard for me to give up unhealthy snacks - It is not difficult for me to eat fresh fruits - I avoid eating foods with additives and preservatives - I do sports on regular basis - I can't reduce stress - Easy to find balance	-I am conscious of my health **- I am attentive to my health** - It is hard to do sports 3 times a week - It is hard for me to give up unhealthy snacks **- It is difficult for me to eat fresh fruits** **- I avoid eating foods with additives and preservatives** -I do not sports on regular basis - I can't reduce stress - not easy to find balance	**-I am conscious of my health** - I am attentive to my health - I often check my health - It is hard to do sports 3 times a week - It is hard for me to give up unhealthy snacks - It is not difficult for me to eat fresh fruits - I avoid eating foods with additives and preservatives -I can't reduce stress - not easy to find balance	**-I am conscious of my health** - I am attentive to my health - It is not hard to do sports 3 times a week - It is hard for me to give up unhealthy snacks - It is not difficult for me to eat fresh fruits - I avoid eating foods with additives and preservatives - I do sports on regular basis -I can't reduce stress - Not easy to find balance	-I am conscious of my health **- I am attentive to my health** - I often check my health - It is not hard to do sports 3 times a week - It is hard for me to give up unhealthy snacks - It is not difficult for me to eat fresh fruits - I do sports on regular basis
Socially responsible consumption								
Socially responsible consumption	-Everyone stops increasing food consumption **- Natural resources need to be conserved** - Higher price for products that pollute the environment - Bootless and cans should be banned - Government should subsidize - People worry not too much about pesticides in - Encourage friends to use environmental products - Government should impose tax - I often think about smog - Controlling water pollution causes problems	-Everyone stops increasing food consumption - Natural resources need to be conserved - Higher price for products that pollute the environment **- Bootless and cans should be banned** -Government should subsidize - People worry not too much about pesticides in - Encourage friends to use environmental products - Government should impose tax - I often think about smog - Controlling water pollution does not cause problems	-Everyone stops increasing food consumption - Natural resources need to be conserved - Higher price for products that pollute the environment - Bootless and cans should be banned **-Government should subsidize** - People worry not too much about pesticides in - Government should impose tax - I often think about smog - Controlling water pollution does not cause problems - Encourage friends to use environmental products	-Everyone stops increasing food consumption - Natural resources need to be conserved - Higher price for products that pollute the environment - Bootless and cans should be banned **-Government should subsidize** - People worry not too much about pesticides - Government should impose tax - Encourage friends to use environmental products	-Everyone stops increasing food consumption -Higher price for products that pollute the environment - Bootless and cans should be banned -Government should subsidize **- People worry not too much about pesticides** - Government should impose tax - Encourage friends to use environmental products - I often think about smog - Controlling water pollution does not cause problems	-Natural resources need to be conserved - Bootless and cans should be banned - Government should subsidize - People worry not too much about pesticides - Encourage friends to use environmental products **-Government should impose tax** - I often think about smog - Controlling water pollution does not cause problems	-Natural resources need to be conserved - Higher price for products that pollute the environment - Bootless and cans should be banned - Government should subsidize - People worry not too much about pesticides - Encourage friends to use environmental products **Government should impose tax** - I often think about smog - Controlling water pollution does not cause problems	-Everyone stops increasing food consumption - Natural resources need to be conserved - Higher price for products that pollute the environment - Bootless and cans should be banned - Government should subsidize - People worry not too much about pesticides **- Government should impose tax** - Controlling water pollution does not cause problems
Values in life								
Values in life	-Belonging **-Pleasure in what I do** - Good relationship - Self-actualization - Respect **- Security** **- Self esteem**	-Belonging -Pleasure in what I do - Good relationship - Self-actualization - Respect - Self esteem **-- Security**	- Belonging -Pleasure in what I do - Good relationship - Self-actualization - Respect **- Self esteem** **-- Security**	- Belonging -Pleasure in what I do - Good relationship - Self-actualization - Respect **- Self esteem** **-- Security**	- Belonging -Pleasure in what I do - Good relationship - Self-actualization - Respect - Self esteem **-- Security**	-Pleasure in what I do - Good relationship - Self-actualization - Respect **- Self esteem** -- Security	- Belonging -Pleasure in what I do - Good relationship - Self-actualization - Respect - Self esteem **-- Security**	- Belonging -Pleasure in what I do - Good relationship - Self-actualization - Respect - Self esteem

								- Security
Data source								
Data source	**Application** Social media Store	**Application** Social media Store	**Application** Social media Store	Official site **Application** Social media Store	Official site Application **Store**	**Application** Social media Store	**Application** Social media Store	**Application** Social media Store
Important to know								
New promotion events	Yes	yes	yes	yes	yes	yes	yes	yes
I discuss experience with my inner circle	yes	yes	yes	yes	yes	yes	yes	yes
Convenient data channel								
Convenient data channel	Store Newsletter by e-mail **Social media**	Store Newsletter by e-mail **Social media**	Store Newsletter by e-mail **Social media**	**Store** Newsletter by e-mail Social media	**Store** Newsletter by e-mail Social media	Store **Newsletter by e-mail** On events **Social media**	Store **Social media**	**Store** Newsletter by e-mail Social media
Favorite social media								
Favorite social media	VK **Instagram**	**VK** Instagram	**VK** Instagram	**VK** Instagram	**VK** Instagram	VK Instagram	**VK** Instagram	**VK** Instagram
Where advertising was seen								
Where advertising was seen	**Social media** Contextual ads Friends Sign Store	Social media Contextual ads **Sign** Store	Social media Contextual ads Friends **Sign** Store	Social media **Sign** Store	Store Friends **Sign**	Social media Contextual ads **Sign** Store	Social media Friends **Sign** Store	Social media Friends Sign **Store**
Store	Yes (19%)	Yes (19%)	Yes (46%)	Yes (47%)	Yes (25%)	Yes (28%)	Yes (44%)	Yes (49%)
Frequency of seen ads								
Frequency	Once a day-Once a month	Once a day-Once a month	Once a week - Once a month	Once a week - Once a month	Once a week - Once a year	Once a week - Once a year	Once a week - Once a month	Once a week - Once a year

Source: [Results of the author research]

It is clear that all clusters could not be targeted segments. That is why some clusters should be eliminated. Based on preliminary analysis, the first five cluster should be kept since they compose 79% of the whole sample. The remaining clusters depict 21% of the sample. However, five clusters are since too much for any managerial recommendations and creation of segments. Ideally, it is better to come up with three segments. In order to do it, it is important to choose several variables that will help to come up with less clusters that could become customers segments. These variables will cover several sections:

1. Loyalty (Brand loyalty, NPS and WTP, WTP monetary expression). The most loyal customers are easier to target, more eager to pay more for their favorite products and share this positive experience with the other people. All components of loyalty were used in order to compare them and do in-depth analysis that would be beneficial for the segments
2. Knowledge about certification (Awareness of organic characteristics, Understanding the difference between labels, Trust in organic labeling, Awareness about requirements, Attention to certification, Trust in seen certification). These variables are useful since if the person does not understand that organic food has to be certified and what benefits the certification gives, the customer cannot fully understand the quality of the product and be a true advocate of this type of food
3. Loyalty card (Loyalty card function usage, Data source). Usage of this card helps to understand the level of activity and interaction with the store, its promotions and current news. Based on this information, it is easier to focus actions of promotion of environmental and social activities

4. Behavioral questions (Period of time being a customer, Frequency of visiting VkusVill). These questions are important sine they help to understand how long the group of customers stays with the store and how often they make purchases. The more the person stay with the company the more value they bring and the more thee are ready to pay

The other variables were not included for several reasons. First of all, some of them have a descriptive function such as (age, gender, characteristic of organic food and its packaging, favorite product, the most frequent social media etc.). Hence, they will be used to get to know more about chosen segments. Secondly, the other variables (health orientation, environmental orientation, socially responsible consumption and values in life) since all groups show positive attitude to all of these variables in almost the same manner. It is not surprising that all groups have positive attitude to environmental, social health and consumption problems since as it was mentioned by the company that people with special mindset do shopping of organic products. As a result, it would be difficult to choose several clusters just based on similar answers. Finally, the choice of the picked variables will be proved in the Table 26 below.

Table 26. Choice of consumer segments

	1 (20%)	**2 (18%)**	**3 (17%)**	**4 (14%)**	**5 (10%)**
NPS	5	10	5	1	4
Brand loyalty	88%	59%	61%	42%	64%
WTP	69%	59%	46%	36%	50%
Income	Medium+	Medium+	70%	77%	88%
Awareness of organic characteristics	69%	68%	57%	71%	75%
Understand difference between labels	88%	89%	87% (all+some)	94%	92%
Trust in organic labeling	organic	organic	organic	no	no
WTP (monetary expression in RUB)	57%	37%	27%	-	25%
Awareness about requirements	88% (organic)	85% organic	78% organic	65% organic	78% organic
Attention to certification	38% (sometimes)	48% (sometimes)	41% (sometimes)	29% (sometimes)	38% (sometimes)
Trust in seen certification	68%	63%	62%	47%	75%

Loyalty card function usage	-Favorite product -Bonuses -Diverse food -I am in the store -Food delivery	-Favorite product -Bonuses -Diverse food -I am in the store -Yellow price tags -Food delivery	-Favorite product -Bonuses -Diverse food -I am in the store	-Favorite product -Bonuses	-Favorite product -Bonuses -Food delivery
Data source (application)	81%	89%	89%	59%	25%
Period of time being a customer (1-4 years)	94%	74%	89%	76%	83%
Frequency of visiting VkusVill	69% (every 1,2,3 day)	60% (every 2,3 day)	75% (every 1,2,3 day)	59% (every 2,3 day)	39% (every 1,2,3 day)

Source: [Results of the author research]

As it is seen in the table, the most frequent clusters that appear are the cluster number one, two and three. That is why these cluster now could be called customer segments of organic food. The names should be given to these segments. The fist segments could be called as Active users since they use the card and mobile application, they visit the store and they know that eco initiatives are promoted via the loyalty card what means that they are really actively utilizing the mobile application where the major promotion is held. The second segment could be given the name of Involved customers since they actively visit the store, have loyalty card and mobile application but do not now that the eco initiatives are promoted via the loyalty card. Hence, it makes they involved users since they use some functions of mobile application but do not pay attention to the ecological section. The third segment could be called Neutral since people form this segment have a loyalty card but have not downloaded the mobile application yet and they do not know that eco initiatives are promoted via the loyalty card. Even if they visit the store where a lot of information is promotion provided, they still not fully involved into the process of interactions with the store.

All in all, it is clear that the tested model of connection between brand loyalty and CSR activities of the retailer that sell organic food under private label was justifies. Moreover, the segments of consumers for what the model is applied are also identified in order to have a better explanation of the researched model. Later on, the recommendations for these segments will be provided as well as the managerial implication to the usage of the studied model.

CONCLUSION ON CHAPTER 2

In this chapter there was provide proof why certain retailer was captured for testing proposed modified model. VkusVill retailer chain was chosen for several reasons. First of all, it has 95% of private labels in possession. Secondly, it has certified organic product under private label that is called «Ugleche pole». Thirdly, it is highly involved into eco SCR activities starting from the collection of the used packages to tree planting with consumers, employees and «Greenpeace» organization. Moreover, retailer chain checks the quality of this product with utilization of multiple steps, working with consumers' reviews and reacting very quickly in case of any problem with quality occurs. There was also provided justification why dairy and meat products were used. They were included in the research for several reasons too. First of all, there is huge loyal base of consumers that buy meat and dairy product sine it was called «Izbenka». Moreover, there is certified organic private label «Ugleche pole» that also sells meat and dairy product. On top of that, based on consumer ranking in official website of VkusVill this product categories have high ranking from 4,5 to 5. Finally, based on the interviews with experts, it was shown that meat and dairy product are in the list of top-10 favorite products of VkusVill based on data from mobile application of the loyalty card.

Moreover, in this chapter there was proposed justification of the methodology with analysis of their advantages and disadvantages. There was used mix of methods. First of all, there was conducted 24 in-depth interviews with consumer after that 5 major personas were identified. Later on, there was arranged interview with the expert from the «VkusVill» company who approved tested model and the way the author understood SCR activities of the company in comparison with other players of the market. To get more statically correct result, there was organized online survey that was created in Anketolog platform. There was obtained 360 answers from the respondents. The majority of the live in Saint Petersburg and its suburbs and in Moscow and Moscow region. They are from 18 to 35 years old and the majority are students or employed people. Hence, there is a connection between literature review and the finding of the author.

In order to process the data, there were used EFA, CFA and cluster analysis. First of all, there was used EFA in order to test latent variables that could be included in the model. EFA depicted that all variables meet the requirement and could be used later on. That is why there was conducted CFA were the modified model that links SCR activities of the retailer with consumer trust and loyalty. Positive connection was proved as well as all seven hypothesis that we proposed in the chapter one. To support the model there was conducted cluster analyses based on what there was identified 8 clusters. Based on several criteria such as loyalty, knowledge about certification, loyalty card usage and behavioral questions there were chosen three consumer segments. Segments are called Active users, Involved Customers and Neutral consumers.

CHAPTHER 3. DEVELOPMENT OF RECOMMENDATIONS

In this section, basic recommendation will be provided for the retailers that sell organic food under the private label. Moreover, the recommendation for retailers about the customer segments that buy organic food under private label will be also developed in order to support the model. Finally, the limitations of the research will be mentioned as well as possibilities of the further research.

3.1. General recommendations for retailers that sell organic food under private label

Since the model was confirmed it means that retailers could work in several directions. The first recommendation refers to implementation of environmental activities such as collecting the waste, offering trade-in of batteries or processing of cups of the bottles. It is clear that in this citation VkusVill retailer is a good example that could be perceived as benchmark for the other retailer that have not implemented the environmental activities yet. The list of the possible environmental activities is mentioned in the Table 27 below.

Table 27. Possible environmental activities

Activity	Description
Bonuses for customers for waste sorting	Customer get bonuses on their loyalty card if they are involved in waste sorting, for example in MEGA
Organized waste collection of the waste in nearby stores	The waste is collected and sorted near the store with the help of volunteers once a month, for example
Wallet application & elimination of paper recipes	Motivation of customers to use e-wallet with several bonuses' cards from different stores. Also, consumers should be encouraged to use e-recipes instead of paper one in the mobile application
Collection of cups from plastic bottles	The cups from the bottles are collected in the store and them delivered to the factory for processes and reusing in production of the other product
Collection of electronics	Events that are dedicated to collection of electronics in specially organized place
Introduction of eco-bags	Eco-bags for fruits and vegetables should be presented in the store. Also, multiple-use bags also should be presented in the store for the carrying of the food

Collection of the batteries	Batteries could be collected in the store. Some discounts could be added for people doing it
Fandomats for bottles and cans	Collection of bottles and cans in the store with the discount for some types of the product of the store
Provide water in the store	During summer days customer could refill their bottles of water for free. Large amounts of water could be bought but with lower price than competitors have
Planting of the trees	The retailer could be involved in planting trees in nearby regions with the help of employees, volunteers and customers

Source: [Results of the author research]

The other environmental activities are also could be arrange. However, it is important to understand that customers should know about these activities via different channels. First of all, the retailer could place information about eco-initiatives in the stores themselves to capture customer attraction. Secondly, social media of the retailer as well as official website in order to inform customers. Finally, publicity should be involved into enlightens of the eco-events. Besides, for all of the environmental activities reliable partners should be found to work with because it is usually to-side collaboration. Overwise, the costs will be too high for the retailer. It is very important to find trustworthy and well-known partners. In this case people will transfer their positive attitude from the fund to the retailer. On top of that, retailer should work with feedback from the customers and try to implement initiatives that they ask for. Hence, it will definitely increase consumer trust and loyalty.

The other recommendations will be devoted to the social activities. Social activities are developed to the several sections. First of all, the company needs to ensure that the quality it provide is high. That is why choice of the suppliers should be vise. Moreover, the control of their operation should be implemented in order to satisfy the customers. Several step of control should be implemented as well as more frequent checkups. From the customer side, the store needs to guarantee the quality and allow to get money back in case of unsatisfactory taste or quality. Dealing with the consumer feedback Products with healthier and pure content will be preferable. To ensure good quality, there should be organized the work with consumer feedback. Finally, different charity activities should be implemented as well as collection of food and charity goods. It would be beneficial to work with well-known partners and funds in order to enhance positive attitude. The Table 28 depicts the summary of social initiatives. As it was already mentioned retailers should work with customer awareness in order to inform them about social activities via social media, the store itself, official website and publicity in the journals and magazines. If the communication is not established, the trust and loyalty would not be formed. That is why the information about these SCR activities in clear way like VkusVill did in its online and offline channels of communication with the consumers that could get valuable information very easily and start participating in these activities immediately.

Table 28. Possible social activities

Activity	Description
Smart collaboration with suppliers	• Thoughtful choice of suppliers • Control of operation and quality of the supplied goods • Working with consumer reviews on the products
Charity activities	• Collaboration with well-known funds • Food collections • Charity goods

Source: [Results of the author research]

Considering formation of trust to private labels of the store, retailers should provide good price to quality parity to the customers that they will private labels to national brand. Here it should be also established work with suppliers that could be trusted. Social and economic risks should be mitigated since negative attituded will transfer to retail if the name organic private label is the same as retailer name. Speaking about trust to organics, if the store presents the special sections with organic food and customers have experience with that there is more chance that they will try and establish trust. Labeling in this case would be beneficial since, according to the law that was introduced in 2020 in Russia, organic food has to go through organic certification procedure. In this case, more government support should be delivered to organic food producers since the starting organic manufacture is quite costly in short term. The retails should arrange special sections with organic or health food in order to capture customers attention. Some additional visual posters or audio announcements sine the majority of respondents pay attention to the store advertising. Extra information about what is organics, what certifications are needed for it as well as differences between eco, bio and organic should be placed in the social media of the retailer as well as in the mobile application (if retailer has it) and in the official website. The trust to the organic products under the private label, the recommendations will be similar to the those of organic food or private labels. Awareness about organic food should be built via different campaigns. Besides, the difference between eco, bio and organic should be distinguished via information of the customers in the store of via social media or retailer official website. Since organic private label are considered to be smart private labels some advertising could be used in the store, social media of the retailer, in official website, via mobile application (if that exists) and via publicity in the magazines and journals since these types of products serve not only utilitarian function but also support some social and environmental purposes. In both cases of organic food and organic products under private label the staff should be ready to help to explain the value of the organics as well as provide some recommendations. Hence, the stuff should be trained in order to build awareness, establish trust and build loyalty. In case, the special section should be used in the store to attract customer attention to the organic private label. Special attention should be given to the design of the organic private label. It should be simple, clear and smart. Package also could be used to place some information about organic certification and overall food quality. In the table 29 main there are stated channels of the communication about organic products and organic products under private label. The thing that should be stated is lack of governmental support for organic producers, In Russia this support is very poor. More investments should be given to this industry since the process of organic certification is difficult and costly.

Table 29. Channels of marketing communication

Type of channel	Communication tool	Description
Offline	Sales promotion	-Special sections with organics and organics private labels -Posters with information (benefits of organics, certification, difference between the other sustainable certifications) -Audio announcements in the store about availability of organic section of products and particular organic products under the private label and SCR activities of the store - Testing in the store of the organic products by consumers -Additional information about loyalty card and mobile application (with QR code should be placed) where the benefits are stated -The package should be smart and simple and highlight pure content. The main benefits could be stated as well as the sign with the organic certification and its meaning (QR code is possible)
	Direct sales	-Trained staff that is ready to help to provide additional information about organic private labels

		-The staff should encourage customers to download mobile application
	PR	-Additional information in the trustworthy journals about section of organics of the store and SCR activities
Online	Official website	-Information about SCR activities of the retailer -Information about organic certification, organic food under private label, differences between sustainable labels -Some useful tips how to cook organics
	Social media	-Information about SCR activities of the retailer -Information about organic certification, organic food under private label, differences between sustainable labels -Some useful tips how to cook organics
	Mobile application (loyalty card)	-Offer personal discounts and promotions Different levels of loyalty card should be provided -Information about SCR activities of the retailer -Information about organic certification, organic food under private label, differences between sustainable labels -Some useful tips how to cook organics

Source: [Results of the author research]

Speaking about the loyalty of the customers, since promotion is basically help via mobile application more and more people should be encouraged to download it. In this case they will get full service in one place. The information about the application should be placed in the store with basic benefits of the loyalty card and QR code needs to be available for faster downloading of the mobile application. Moreover, the staff should offer the customers to download the application in case if they notice that they use a plastic card. In the mobile application not only, information about organic food could be mentioned but also information about SCR activities of the retailer in what customers could take part. As a result, consumers will be ready to recommend the organic food under private label to their inner circle but also to pay price premium for these types of products.

On top of that, since it was proved that heathy conscious people purchase organic food under private label. That is why there could be established new channel of sales of organic products in the vending machines in gyms and medical clinics. There are various vending machines in the gyms today. However, the food does not seem healthy and organic. Hence, gym visitors as well as coaches would be happy to have a healthy snack. Speaking about new channels of promotion, it should be placed in the gym and medical clinic as well to capture attention of healthy conscious people. Fair to mentioned, that VkusVill already doing so in the Fitness House gyms so the other retailers should follow its advice.

3.2. Recommendations to retailers about consumer segments of organic food under the private label

In the second chapter three main consumer segments were identified. They are called Active users, Involved Customers and Neutral Consumers. It is clear that the model that was tested is highly rely of specific segments of the customer. In order to support the execution of the model, it is important to show certain customer segments for whom SCR activities as well as organic private labels play an important role. Besides, some managerial implication will be provided for each segment for better target. The list of main recommendations will be presented in the Table 30 below.

Table 30. Recommendations for consumer segments

	Active users	**Involved Customers**	**Neutral consumers**
Motivation to use the card	-Already use - Add extra features	- Already use - Add extra features	Promote: - In the store - Staff should propose - QR codes for fast downloading - Audio and visuals (near the cashier about benefits)
Product	- Provide more variety of organic private label -Provide special food for kids - Invest in the way the product look -Offer healthy snacks	- Provide more variety of organic private label -Make sure that the taste of the product is excellent -Offer healthy snacks	- Provide more variety of organic private label - Provide special food for kids -Pay attention to the content and provision of information about content
Place	-Promotion in the store -Vending machines in medical clinics and gyms	-Promotion in the store -Vending machines in medical clinics and gyms	-Promotion in the store -Vending machines in medical clinics and gyms

Price	-Explain the value via social media, mobile application and official website -Provide discounts if people delivered used packaging -Family discounts for bundles	-Provide discounts if people delivered used packaging -Discounts of socially responsible activities (bottles recycling)	-Explain the value via social media, mobile application and official website -Provide discounts if people delivered used packaging - Family discounts for bundles
Promotion	-Promotion via application and social media (Instagram) -Inform about new events and discounts -Add more audio and visuals in the store -Enhance the way the product appearance (pure and smart design) -Inform about the organics and its difference from the other labels -Provide information about organic certification - Provide discounts for milk products (cottage cheese, cheese and chicken) -Enhance that the store has -Support self-esteem of the customers -Ensure that the product is safe -Use the family image in the promotion -Promotion could be used in new channels (gyms)	-Promotion via application and social media (VK) -Inform about new events and discounts -Add more audio and visuals in the store - Enhance the taste value -Inform about the organics and its difference from the other labels - Provide information about organic certification - Provide discounts for milk products (cottage cheese, cheese and milk/cream) -Ensure that the product is safe Promotion could be used in new channels (gyms) -Enhance the pure content of food	-Promotion via application and social media (VK) -Inform about new events and discounts -Add more audio and visuals in the store - Enhance value for health - Inform about the organics and its difference from the other labels -Provide information about organic certification - Encourage to use more function of the mobile application -Support self-esteem of the customers -Ensure that the product is safe -Use the family image in the promotion Promotion could be used in new channels (gyms, medical clinics) -Enhance the pure content of food

	-Enhance the pure content of food		
SCR activities	-Promote more activities via social media, website and application -Enhance that the store has reusable bags -Involve customers to participate in CSR activities	-Promote more activities via social media, website and application -Enhance that the store has reusable bags -Install more fandomats in the stores -Involve customers to participate in CSR activities	-Promote more activities via social media, website -Involve customers to participate in CSR activities

Source: [Results of the author research]

All in all, it is clear that some recommendations could repeat themselves. However, it is not surprising because all three segments have the same socially responsible attitude and health orientation but the ranking of some options could be different. All 4P concepts should be considered for each segment on order to provide better recommendations.

3.3. Limitations of the research

In this section, it will be discussed some limitations of the paper. First of all, there are some socio-demographic limitations. In other words, the majority of the respondents was women that means that the side of the men's perspective were to shown in details. Despite the fact, the literature states that the main consumers of the organics are women it would be beneficial to test the attitudes of the man. Due to the fact, that VkusVill does not have as large coverage as larger retailer such as Lenta or X5 Group do, the majority of respondents were from Moscow, Moscow, Moscow region and Saint Petersburg. Hence, the geographical scope was limited in some relations. Finally, the major part of the respondents was not married. That is why in further research married people should be considered since family people usually have value that differ from values of single people what exactly affects consumer behavior.

Besides, the phenomenon was studied based only on one retailer named «VkusVill». It means that the results could be limited in some relations since the operations of chosen retailer could differ from the other retailers. In further recaches, more retailers should be taken into consideration. It could be large retailers that also implement SCR activities and sell organic private label. More holistic approach could be implemented with comparison of the main players in the market or even with comparison with some international retailers that usually one step ahead of Russian plyers.

Fair to mention that due to organic labeling certification only two food categories were chosen. The food categories were dairy and meat products. However, there the other products that could have organic certification such as fruits, vegetables, snacks, pastries and the other that people. Later on, the other food categories could be included for broader picture of the phenomenon and compare for that product categories the loyalty is higher.

Considering social CSR, the employee dimension (Internal SCR activities) was mentioned but not studied in the model. This element is quite important in the CSR activities of the retailer and could play an important role in people perception of the retailer's image. In further research, care for worker should be included a part of Social CSR or separately. In this case, all three dimensions will be assessed all together.

To sum up, all of these limitations are crucial to mention. However, they do not impede the executed analysis since there is always a room for improvement. In further research, all the limitation could be tackled in continuation of studying of this phenomenon of the loyalty to organic food under private labels and CSR activities of the retailers.

CONCLUSION

This paper was devoted to the study of the impact of SCR activities on loyalty to the organic food under private label. As a result, the goal and the objective of the research were achieved. The goal was to find out the existence of the link between loyalty and social and economic activities of the retailer. Besides, the objective that were dedicated to the market analysis, building up and testing the model, segments identification and development of recommendation to the proposed model and segments were achieved. There was used mix of methods in order to achieve stated goal and objectives such as expert interview, in-depth interview, buyer personas, EFA, CFA and cluster analysis. The data was collected with online survey.

During working on this paper, the well-established model that connects loyalty and CSR activities as identified. To be more specific, the retailer could enjoy two types of loyalty (behavioral and attitudinal) in case if it is involved into social and environmental activities. Loyal customers have more desire to be promoters of the retailer and share their positive experience with their friends relative and colleagues. Besides, these consumers are less price sensitive that is why they are willing to pay more for organics. Moreover, the consumers need to be aware of these activities to be truly loyal. Besides, loyalty is constructed via trust to organic products under the private label.

Unswerving the questions to what consumer studied model is applicable there was conducted cluster analyses that revealed 8 clusters. Cluster were divided via three variables such as Loyalty card usage, The most convenient way of shopping and Eco initiatives via loyalty card. During the elimination procedure there were kept 5 the largest clusters. However, that was not enough and with certain types of the variables that are devoted to Loyalty, Knowledge about certification, Loyalty card and Behavioral questions three main segments of organic private labels were identified. The customer segments were called Active users, Involved Customers and Neutral Consumers.

Based on the studies model, some recommendations were developed for the retailers that sell or have a desire to sell organic private label. The first section of recommendations was devoted to the importance of introduction of the CSR activities (social and environmental) in order to gain consumer's trust and loyalty. Besides, the retailers need to inform customers about these activities via different channels (social media, official website, mobile application and the store). There also should be organized special section with organic food under private label to attract customer attention. In order to build trust, consumers need to be involved into the interactions with mobile application to be willing to pay more for the products and be ready to share positive experience with people they close to.

Three main segments of the consumer allowed to provide better recommendations for the retailers in term of 4P concept as well as targeting and positioning. The product decision is devoted to offer of larger assortment of the organic food under private label. Pricing implies offering discounts for socially responsible behavior of the customers. Place is chosen to be the store itself as well as mobile application for transactions. Speaking about promotion, it will be organized in response to customer favorite product, attitude to organics, health orientation, socially responsible consumption, environmental orientation and values in life.

Finally, the work for done with the several limitations such as sociodemographic characteristic of the respondents. Moreover, there was focus only on one retailer and two food categories. Finally, the internal SCR activities were not considered. Hence, further research should tackle this issue in order to improve the obtained results.

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APPENDIX 1. CLUSTER ANALYSIS RESULTS

Table 31. Description of clusters in percent

	1 (20%)	2 (18%)	3 (17%)	4 (14%)	5 (10%)	6 (9%)	7 (8%)	8 (4%)
Gender	87% female	81% female	87% female	76% female	75% female	72% female	77% female	79% female
Age	18-25 (31%) 26-30 (19%) 31-35 (19%) 36-45 (19%)	18-25 (48%) 26-30 (22%) 31-35 (19%)	18-25 (51%) 31-35 (22%)	18-25 (53%) 26-30 (18%)	18-25 (50%) 26-30 (13%) 31-35 (13%) 46-50 (13%) +60 (13%)	18-25 (28%) 26-30 (33%) 36-45 (17%)	18-25 (53%) 36-45 (27%)	18-25 (70%) 26-30 (12%) 31-35 (15%)
Education	Bachelor(19%) Specialist(25%) Master(38%)	Bachelor(41%) Specialist(15%) Master(22%)	Bachelor(27%) Specialist(41%) Master(16%)	Bachelor(41%) Specialist(35%) Master(24%)	Bachelor(25%) Master(38%)	Bachelor(33%) Specialist(22%) Master(33%)	Bachelor(30%) Specialist(27%) Master(29%)	Bachelor(46%) Specialist(15%) Master(27%)
Occupation	Full-time (44%) Freelancer(25%)	Student(30%) Full-time (56%)	Student(24%) Full-time (51%)	Student(17%) Full-time (41%) Freelancer(12%) Self-employed(12%)	Student(25%) Full-time (63%)	Student(11%) Full-time (44%) Part-time (17%) Housewife(11%) Retired(11%)	Student(30%) Full-time (38%)	Student(42%) Full-time (36%)
Marital status	63% (married)	67% (not married)	68% (not married)	77% (not married)	50% (not married)	56% (married)	65% (not married)	88% (not married)
Children	No (69%) 1 (13%) 2 (19%)	No (89%)	No (81%) 2 (11%)	No (88%) 1 (12%)	No (88%) 2 (13%)	No (56%) 1 (39%)	No (74%) 1 (12%) 2 (12%)	No (94%)
Income	Clothes (13%) Almost(63%) Everything(13%)	Small(37%) Almost(37%) Everything(15%)	Clothes (16%) Small(24%) Almost(46%)	Clothes (18%) Small(30%) Almost(47%)	Small(38%) Almost(50%)	Small(39%) Almost(44%)	Small(18%) Almost(65%)	Small(18%) Almost(70%)
Residence	Moscow (25%) SP (63%)	Moscow (33%) SP (52%)	Moscow (30%) SP (57%)	Moscow (41%) SP (53%)	Moscow (25%) SP (50%)	Moscow (22%) SP (55%)	Moscow (35%) SP (59%)	Moscow (27%) SP (67%)
Organic characteristic	Yes (69%)	Yes (68%)	Yes (57%)	Yes (71%)	Yes (75%)	No(67%)	Yes (53%)	Yes (55%)
Characteristics of organic food								
Pleasant taste	4 (25%) 5 (56%) 81	4 (44%) 5 (37%) 81	3 (14%) 4 (14%) 5 (22%)	3 (18%) 4 (47%) 5 (30%) 77	3 (25%) 5 (75%)	4 (22%) 5 (61%) 83	4 (21%) 5 (62%) 83	4 (37%) 5 (46%) 83
Healthy	3 (19%) 4 (63%) 5 (13%) 76	3 (22%) 4 (44%) 5 (30%) 74	4 (41%) 5 (38%) 79	3 (24%) 4 (44%) 5 (41%)85	3 (25%) 4 (50%) 5 (25%) 75	3 (22%) 4 (56%) 5 (17%) 73	4 (41%) 5 (35%)	4 (42%) 5 (33%)
Rich in vitamins	3 (31%) 4 (50%) 81	3 (44%) 4 (26%) 5 (26%) 52	3 (38%) 4 (24%) 5 (30%)	3 (24%) 4 (29%) 5 (35%)	3 (25%) 4 (63%)	3 (56%) 4 (28%)	3 (47%) 4 (24%)	3 (40%) 4 (27%) 5 (27%)
Expensive	4 (56%) 5 (13%) 69	3 (15%) 4 (48%)	2 (22%) 4 (38%) 5 (22%)	2 (18%) 3 (24%) 4 (30%) 5 (24%)	4 (38%) 5 (38%) 76	2 (44%) 4 (22%)	4 (50%) 5 (23%) 73	4 (42%) 5 (18%)
Easy to be found on the shelves	3 (25%) 4 (31%) 5 (31%) 61	3 (26%) 4 (26%) 5 (37%) 63	3 (22%) 4 (43%) 5 (27%) 70	4 (35%) 5 (30%)	4 (50%) 5 (38%) 88	3 (22%) 4 (39%) 5 (22%) 61	3 (27%) 4 (32%) 5 (29%)	4 (30%) 5 (49%)
Attractive appearance	4 (44%) 5 (38%) 82	3 (26%) 4 (48%) 5 (22%) 70	3 (27%) 4 (30%) 5 (32%)	4 (30%) 5 (35%)	3 (25%) 4 (25%) 5 (50%) 75	3 (28%) 4 (33%) 5 (28%) 61	4 (38%) 5 (27%)	3 (21%) 4 (33%) 5 (27%)
Contain less chemicals	5 (63%)	3 (33%) 4 (26%) 5 (37%)63	4 (35%) 5 (43%)	3 (29%) 5 (35%)	4 (25%) 5 (63%) 88	3 (39%) 5 (44%)	4 (38%) 5 (32%)	3 (24%) 4 (27%) 5 (36%)
Not harmful package	3 (56%)	1 (15%) 2 (22%) 3 (37%) 4 (15%) 5 (11%)	1 (10%) 2 (14%) 3 (38%) 4 (22%) 5 (16%)	1 (15%) 2 (22%) 3 (37%) 4 (15%) 5 (11%)	2 (25%) 3 (50%)	3 (44%) 4 (17%)	2 (21%) 3 (44%)	1 (24%) 2 (18%) 3 (33%) 4 (18%)
Natural	3 (25%) 4 (38%) 5 (19%)	4 (37%) 5 (41%) 78	4 (35%) 5 (41%)	4 (41%)	3 (38%) 4 (25%) 5 (25%)	3 (17%) 4 (44%) 5 (22%)	4 (56%) 5 (21%)	4 (39%) 5 (33%)
Limited amount in the store	2 (31%) 3 (31%) 4 (25%)	3 (15%) 4 (52%) 5 (22%) 74	1 (16%) 3 (24%) 4 (19%) 5 (35%)	3 (29%) 4 (29%)	1 (25%) 4 (50%)	1 (22%) 4 (39%) 5 (28%) 67	2 (15%) 3 (35%) 4 (29%) 5 (15%)	4 (33%) 5 (30%)
Interested (local producers)	4 (50%) 5 (19%)	2 (22%) 4 (30%) 5 (26%) 65	3 (30%) 4 (35%) 5 (19%)	2 (18%) 3 (35%) 4 (29%)	1 (50%) 2 (25%) 75	3 (22%) 4 (28%) 5 (28%)	2 (15%) 3 (15%) 4 (38%) 5 (21%)	3 (30%) 4 (18%) 5 (27%)
Characteristics of organic food packaging								
Minimalistic design	4 (44%) 5 (44%) 88	3 (30%) 4 (30%) 5 (33%)	4 (35%) 5 (30%) 85	3 (24%) 4 (47%) 5 (18%) 65	3 (25%) 4 (50%) 5 (25%) 75	3 (22%) 4 (17%) 5 (39%) 65	4 (41%) 5 (29%) 70	3 (30%) 4 (27%) 5 (30%) 57
White/ green	4 (31%) 5 (56%) 87	4 (33%) 5 (41%) 74	4 (38%) 5 (43%) 81	3 (24%) 4 (18%) 5 (48%) 66	3 (38%) 4 (25%) 5 (38%)	3 (22%) 4 (22%) 5 (39%) 61	3 (24%) 4 (35%) 5 (29%)	3 (24%) 4 (42%) 5 (24%) 66
Different	3 (25%) 4 (47%) 5 (18%)	3 (30%) 4 (43%)	3 (41%) 5 (30%)	3 (29%) 5 (29%)	3 (38%) 4 (25%) 5 (25%)	4 (39%) 5 (22%)	3 (32%) 4 (32%) 5 (24%)	2 (21%) 3 (21%) 4 (21%) 5 (21%)
Like materials	3 (25%) 4 (44%) 5 (25%)	3 (30%) 4 (44%)	3 (41%) 4 (22%) 5 (30%)	3 (24%) 4 (29%) 5 (18%)	1 (13%) 2 (13%) 3 (25%) 4 (38%) 5 (13%)	1 (22%) 3 (28%) 4 (28%) 5 (17%)	1 (18%) 2 (15%) 3 (47%) 4 (12%)	3 (39%) 4 (21%) 5 (21%)
Return package-> get discount	4 (31%) 5 (63%) 94	4 (22%) 5 (67%) 89	5 (81%) 83	4 (24%) 5 (59%)	1 (25%) 3 (13%) 4 (13%) 5 (50%)	5 (67%)	4 (21%) 5 (65%)	5 (67%)
Sustainable labeling								
Understand difference between labels	Synonyms(44%) Some (44%)	Synonyms(22%) Some (67%)	Some (60%) All (27)	Synonyms(29%) Some (65%)	Synonyms(25%) Some (67%)	Some (72%)	Synonyms(27%) Some (65%)	Synonyms(36%) Some (52%)
Trust in eco labeling	Yes (31%)	Yes (15%)	Yes (24%)	Yes (11%)	Yes (25%)	Yes (11%)	Yes (6%)	Yes (12%)
Trust in bio labeling	Yes (12%)	Yes (7%)	Yes (16%)	0	Yes (13%)	0	Yes (6%)	Yes (3%)
Trust in organic labeling (in Russian)	Yes (25%)	Yes (19%)	Yes (27%)	Yes (24%)	0	Yes (17%)	Yes (27%)	Yes (27%)
Trust in organic labeling	Yes (25%)	Yes (22%)	Yes (27%)	Yes (6%)	0	Yes (22%)	Yes (21%)	Yes (15%)
Trust in farm labeling	Yes (38%)	Yes (22%)	Yes (24%)	Yes (47%)	Yes (25%)	Yes (11%)	Yes (38%)	Yes (36%)
Trust in natural labeling	Yes (38%)	Yes (26%)	Yes (24%)	Yes (29%)	Yes (38%)	Yes (17%)	Yes (41%)	Yes (24%)
Trust in NO labeling	Yes (25%)	Yes (37%)	Yes (27%)	Yes (35%)	Yes (50%)	Yes (33%)	Yes (18%)	Yes (27%)

I do not pay attention to any labeling	Yes (18%)	Yes (30%)	Yes (27%)	Yes (12%)	0	Yes (33%)	Yes (35%)	Yes (24%)
WTP (monetary expression in RUB)	3 (19%) 3-5 (25%) 5-10 (19%) > 10(38%)	3 (29%) 3-5 (33%) 5-10 (15%) > 10(22%)	3 (30%) 3-5 (35%) 5-10 (27%)	3 (53%) 3-5 (47%)	3 (37%) 3-5 (37%) >10 (25%)	3 (22%) 3-5 (28%) 5-10 (33%)	3 (53%) 5-10 (21%)	3 (30%) 3-5 (36%) 5-10 (24%)
Sustainable labeling requirements								
eco labeling	Yes (25%)	Yes (11%)	Yes (35%)	Yes (18%)	Yes (50%)	Yes (22%)	Yes (24%)	Yes (30%)
bio labeling	Yes (25%)	Yes (11%)	Yes (19%)	Yes (29%)	Yes (13%)	Yes (17%)	Yes (29%)	Yes (27%)
organic labeling (in Russian)	Yes (38%)	Yes (44%)	Yes (46%)	Yes (41%)	Yes (75%)	Yes (39%)	Yes (44%)	Yes (42%)
Trust in organic labeling	Yes (50%)	Yes (41%)	Yes (32%)	Yes (24%)	Yes (63%)	Yes (39%)	Yes (38%)	Yes (36%)
farm labeling	Yes (6%)	Yes (11%)	Yes (16%)	Yes (12%)	Yes (25%)	0	Yes (8%)	Yes (15%)
natural labeling	Yes (50%)	Yes (18%)	Yes (30%)	Yes (12%)	0	Yes (33%)	Yes (21%)	Yes (30%)
all	Yes (13%)	Yes (19%)	Yes (24%)	Yes (18%)	Yes (13%)	Yes (11%)	Yes (24%)	Yes (9%)
non	Yes (6%)	Yes (7%)	Yes (5%)	Yes (24%)	Yes (13%)	Yes (22%)	Yes (12%)	Yes (12%)
Attention on certification	Sometime(38%) Never(56%)	Sometime(48%) Never (41%)	Sometime(41%) Never(46%)	Sometime(29%) Never(65%)	Sometime(38%) Never(63%)	Sometime(50%) Never(39%)	Sometime(38%) Never(56%)	Sometime(21%) Never(72%)
Trust in seen certification	Yes (68%)	Yes (63%)	Yes (62%)	Yes (47%) No (24%) Difficult (29%)	Yes (75%)	Yes (61%)	Yes (41%) No (24%) Difficult (35%)	Yes (55%) No (21%) Difficult (24%)
SCR activities								
Rebooks	0	Yes (15%)	Yes (22%)	Yes (12%)	Yes (13%)	Yes (5%)	Yes (8%)	Yes (3%)
Cups of kindness	Yes (56%)	Yes (22%)	Yes (78%)	Yes (59%)	Yes (25%)	Yes (50%)	Yes (62%)	Yes (70%)
Second breath (clothes)	Yes (6%)	Yes (37%)	Yes (22%)	Yes (24%)	Yes (25%)	Yes (11%)	Yes (12%)	Yes (15%)
Soft packaging	Yes (13%)	Yes (19%)	Yes (19%)	Yes (24%)	Yes (13%)	Yes (11%)	Yes (3%)	0
MEGA bonuses	Yes (6%)	Yes (11%)	Yes (14%)	Yes (6%)	0	Yes (11%)	Yes (9%)	Yes (3%)
Fandomat (bottles)	Yes (25%)	Yes (33%)	Yes (41%)	Yes (24%)	Yes (13%)	Yes (6%)	Yes (18%)	Yes (24%)
Paper checks	Yes (50%)	Yes (74%)	Yes (73%)	Yes (71%)	Yes (50%)	Yes (39%)	Yes (53%)	Yes (30%)
Wallet	Yes (19%)	Yes (48%)	Yes (49%)	Yes (41%)	Yes (50%)	Yes (28%)	Yes (24%)	Yes (30%)
Cash with the purchase	0	Yes (30%)	Yes (24%)	Yes (18%)	Yes (25%)	Yes (6%)	Yes (12%)	Yes (3%)
Receiving tray from products	0	Yes (8%)	0	0	Yes (13%)	0	0	0
Batteries trade-in	Yes (38%)	Yes (56%)	Yes (46%)	Yes (47%)	Yes (13%)	Yes (33%)	Yes (41%)	Yes (42%)
Christmas tree	Yes (13%)	0	0	Yes (6%)	Yes (13%)	Yes (11%)	0	Yes (6%)
Planting trees	0	0	Yes (5%)	Yes (12%)	Yes (13%)	0	Yes (6%)	Yes (3%)
Package not needed	Yes (19%)	Yes (4%)	Yes (19%)	Yes (18%)	Yes (25%)	Yes (6%)	Yes (12%)	Yes (15%)
ElectroSpring	0	0	0	Yes (6%)	Yes (13%)	0	0	Yes (3%)
Separate waste collection	Yes (19%)	Yes (15%)	Yes (8%)	Yes (6%)	Yes (25%)	0	Yes (3%)	Yes (3%)
None	Yes (19%)	0	Yes (3%)	Yes (12%)	Yes (13%)	Yes (39%)	Yes (18%)	Yes (16%)
Behavioral questions								
Distance from home/work	0 (31%) 10-15 (31%) 30 (25%)	0 (41%) 10-15 (41%)	0 (51%) 10-15 (27%)	0 (64%) 10-15 (29%)	0 (25%) 10-15 (50%) 30 (25%)	0 (28%) 10-15 (22%) 1 hour (33%)	0 (50%) 10-15 (35%)	0 (55%) 10-15 (29%)
Period of time being a customer	1 year (44%) 2-4 years (50%)	1 year (30%) 2-4 years (44%)	1 year (38%) 2-4 years (51%)	1 year (41%) 2-4 years (35%)	1 year (38%) 2-4 years (50%)	1 year (39%) 2-4 years (33%) 7-9 years (17%)	1 year (18%) 2-4 years (59%)	1 year (27%) 2-4 years (58%)
Frequency of visiting VkusVill	Every day (19%) Every 2 day (19%) Every 3 day (25%) 1 a week (38%)	Every 2 day (30%) Every 3 day (30%) 1 a week (26%)	Every day (24%) Every 2 day (27%) Every 3 day (24%)	Every 2 day (35%) Every 3 day (24%) 1 a week (24%)	Every day (13%) Every 2 day (13%) Every 3 day (13%)	Every day (11%) Every 2 day (17%) Every 3 day (28%) 1 a week (17%)	Every day (15%) Every 3 day (15%) 1 a week (47%)	Every day (18%) Every 2 day (18%) Every 3 day (18%) 1 a week (30%)
Retailer for buying organic food								
Lenta	Yes (62%)	Yes (33%)	Yes (32%)	Yes (41%)	Yes (50%)	Yes (33%)	Yes (50%)	Yes (39%)
Metro	Yes (31%)	Yes (26%)	Yes (8%)	Yes (6%)	Yes (13%)	Yes (11%)	Yes (9%)	Yes (9%)
Okey	Yes (19%)	Yes (4%)	Yes (18%)	Yes (18%)	0	Yes (22%)	Yes (24%)	Yes (15%)
Auchan	Yes (13%)	Yes (15%)	Yes (11%)	Yes (29%)	0	Yes (6%)	Yes (15%)	Yes (15%)
Karusel	Yes (6%)	Yes (4%)	Yes (5%)	Yes (12%)	0	0	Yes (3%)	Yes (3%)
Azbuka Vkusa	Yes (13%)	Yes (11%)	Yes (8%)	Yes (29%)	Yes (25%)	Yes (11%)	Yes (21%)	Yes (42%)
Perecrestock	Yes (69%)	Yes (33%)	Yes (13%)	Yes (59%)	Yes (63%)	Yes (61%)	Yes (53%)	Yes (64%)
Pyatorocka	Yes (50%)	Yes (26%)	Yes (35%)	Yes (24%)	0	Yes (28%)	Yes (29%)	Yes (33%)
Dixie	Yes (13%)	Yes (8%)	Yes (8%)	Yes (18%)	Yes (13%)	Yes (6%)	Yes (15%)	Yes (6%)
Convenient store format								
Hypermarket	Yes (31%)	Yes (37%)	Yes (32%)	Yes (35%)	Yes (38%)	Yes (28%)	Yes (44%)	Yes (39%)
Supermarket	Yes (56%)	Yes (44%)	Yes (65%)	Yes (71%)	Yes (50%)	Yes (61%)	Yes (74%)	Yes (52%)
Convenient store	Yes (63%)	Yes (15%)	Yes (30%)	Yes (35%)	Yes (25%)	Yes (39%)	Yes (35%)	Yes (36%)
Discounter	Yes (6%)	Yes (7%)	Yes (11%)	Yes (6%)	Yes (13%)	0	Yes (9%)	Yes (9%)
Cas&Carry	Yes (6%)	Yes (4%)	0	Yes (6%)	Yes (25%)	Yes (6%)	Yes (9%)	Yes (12%)
Specialty store	Yes (19%)	Yes (30%)	Yes (11%)	Yes (24%)	Yes (38%)	Yes (33%)	Yes (27%)	Yes (33%)
Desire of shop opening in the area/city								
Store opening	Yes (44%) Already (56%)	Yes (26%) Already (74%)	Already (81%)	Already (88%)	Already (88%)	Yes (39%) Already (61%)	Already (85%)	Yes (24%) Already (76%)
Loyalty card function usage								
Favorite product	Yes (94%)	Yes (96%)	Yes (95%)	Yes (94%)	Yes (75%)	Yes (89%)	Yes (79%)	Yes (72%)
Bonuses	Yes (62%)	Yes (78%)	Yes (76%)	Yes (59%)	Yes (50%)	Yes (67%)	Yes (65%)	Yes (70%)
«Diverse food»	Yes (50%)	Yes (82%)	Yes (68%)	Yes (41%)	Yes (38%)	Yes (67%)	Yes (41%)	Yes (27%)
I am in the store	Yes (56%)	Yes (70%)	Yes (70%)	Yes (47%)	Yes (25%)	Yes (50%)	Yes (65%)	Yes (39%)
Yellow price tags	Yes (37%)	Yes (59%)	Yes (30%)	Yes (29%)	Yes (25%)	Yes (56%)	Yes (24%)	Yes (24%)
Orange price tags	Yes (19%)	Yes (48%)	Yes (24%)	Yes (24%)	Yes (25%)	Yes (39%)	Yes (15%)	Yes (9%)
Red price tags	Yes (6%)	Yes (7%)	Yes (22%)	Yes (6%)	Yes (25%)	Yes (11%)	Yes (12%)	Yes (18%)
Personal coupons	Yes (6%)	Yes (33%)	Yes (24%)	Yes (12%)	Yes (25%)	Yes (28%)	Yes (12%)	Yes (9%)
Subscription for discount	Yes (19%)	Yes (15%)	Yes (14%)	Yes (18%)	Yes (13%)	Yes (17%)	Yes (9%)	Yes (6%)
Kids club	Yes (13%)	Yes (7%)	Yes (19%)	0	Yes (13%)	Yes (11%)	Yes (9%)	Yes (3%)
Food delivery	Yes (69%)	Yes (85%)	Yes (38%)	Yes (24%)	Yes (63%)	Yes (72%)	Yes (27%)	Yes (12%)
No printed receipt	Yes (38%)	Yes (67%)	Yes (41%)	Yes (24%)	Yes (63%)	Yes (33%)	Yes (35%)	Yes (24%)
Product lists	Yes (25%)	Yes (30%)	Yes (16%)	Yes (6%)	0	Yes (28%)	Yes (15%)	Yes (15%)
Most frequent (favorite) product								

Most frequent good	Cottage cheese (50%) Cheese (13%) Chicken (13%)	Cottage cheese (15%) Milk/cream (30%) Cheese (19%)	Cottage cheese (22%) Milk/cream (27%) Cheese (16%) Yogurt (14%)	Cottage cheese (18%) Milk/cream (35%) Cheese (24%)	Butter (25%) Cheese (38%) Yogurt (25%)	Milk/cream (33%) Cheese (28%) Yogurt (17%)	Milk/cream (21%) Cheese (27%) Beef/pork (12%)	Cottage cheese (18%) Milk/cream (21%) Cheese (15%) Yogurt (12%) Chicken (15%)
Environmental orientation								
Overpacking is source of pollution	5 (81%)	4 (19%) 5 (79%) 98	5 (84%)	4 (18%) 5 (71%) 89	4 (13%) 5 (75%) 88	5 (83%)	4 (24%) 5 (74%) 98	5 (85%)
Recourses are limitless	1 (56%)	1 (41%) 2 (37%)	1 (65%) 2 (14%)	1 (47%) 2 (12%) 3 (18%)	5 (63%)	1 (56%) 2 (22%)	1 (59%) 2 (18%)	1 (61%) 2 (12%) 3 (12%)
The energy I use has impact on the environment	1 (56%)	1 (30%) 2 (22%) 3 (22%)	1 (22%) 2 (24%) 3 (27%)	1 (18%) 2 (35%) 3 (24%)	4 (13%) 5 (63%)	1 (28%) 2 (22%) 3 (33%)	1 (24%) 2 (32%) 3 (18%)	1 (33%) 2 (30%) 3 (12%)
Various events on environment	1 (44%) 2 (19%) 3 (19%)	1 (41%) 2 (26%)	1 (32%) 2 (19%) 3 (19%)	1 (35%) 2 (18%) 3 (24%)	1 (38%) 2 (13%) 3 (13%)	1 (67%) 2 (22%)	1 (47%) 2 (29%)	1 (58%) 2 (12%)
Person can not do anything significant	1 (56%) 4 (25%)	1 (48%) 2 (22%) 3 (11%)	1 (60%) 2 (27%) 87	1 (41%) 2 (29%)	1 (25%) 2 (25%) 3 (13%)	1 (56%) 2 (28%)	1 (41%) 2 (27%) 3 (18%)	1 (46%) 2 (27%) 3 (15%)
My activities will save future generation	4 (31%) 5 (38%)	3 (15%) 4 (19%) 5 (37%)	4 (32%) 5 (46%)	4 (41%) 5 (29%)	2 (38%) 3 (25%) 4 (13%) 5 (25%)	3 (11%) 4 (39%) 5 (22%)	3 (29%) 4 (29%) 5 (24%)	3 (21%) 4 (30%) 5 (36%)
I do not buy products that cause environmental pollution	1 (31%) 2 (44%) 3 (19%)	1 (26%) 2 (37%) 3 (19%)	1 (22%) 2 (32%) 3 (19%)	1 (24%) 2 (24%) 89 3 (24%)	1 (38%) 2 (38%)	1 (33%) 2 (28%) 3 (22%)	1 (41%) 2 (21%) 3 (21%)	1 (36%) 2 (21%) 3 (18%)
Worrying about is vain	1 (63%) 2 (19%)	1 (56%) 2 (26%)	1 (57%) 2 (16%) 3 (16%)	1 (41%) 2 (24%) 89 3 (24%)	1 (25%) 2 (13%) 3 (13%) 4 (13%) 5 (37%)	1 (61%) 2 (22%) 83	1 (35%) 2 (38%) 3 (15%)	1 (58%) 2 (24%)
I am responsible person	2 (19%) 3 (25%) 4 (50%)	4 (52%) 5 (11%)	4 (35%) 5 (24%)	2 (24%) 3 (18%) 4 (53%)	4 (38%) 5 (25%)	4 (56%)	1 (12%) 2 (15%) 3 (24%) 4 (44%)	1 (15%) 2 (21%) 3 (21%) 4 (36%)
Health orientation								
I am conscious of my health	4 (56%) 5 (38%) 94	4 (59%) 5 (30%) 89	4 (51%) 5 (35%) 86	4 (35%) 5 (53%) 88	3 (50%) 4 (25%) 5 (25%)	4 (55%) 5 (22%) 77	4 (65%) 5 (27%) 92	4 (39%) 5 (30%) 69
I am attentive to my health	4 (38%) 5 (56%) 94	4 (59%) 5 (26%) 85	4 (41%) 5 (46%) 87	4 (47%) 5 (41%) 88	3 (38%) 4 (38%) 5 (25%) 63	4 (44%) 5 (22%)	4 (53%) 5 (35%)	4 (46%) 5 (36%) 82
I often check my health	3 (13%) 4 (38%) 5 (19%)	3 (15%) 4 (41%) 5 (15%)	4 (38%) 5 (30%)	2 (41%) 4 (35%)	2 (25%) 3 (25%) 4 (25%) 5 (25%)	1 (22%) 2 (17%) 3 (11%) 4 (44%)	1 (18%) 2 (21%) 3 (12%) 4 (24%) 5 (27%)	2 (30%) 4 (36%) 5 (18%)
It is hard to do sports 3 times a week	1 (31%) 2 (19%) 4 (25%) 5 (19%)	3 (15%) 4 (26%) 5 (22%)	1 (38%) 2 (11%) 3 (11%) 4 (14%) 5 (27%)	4 (35%) 5 (24%)	2 (25%) 4 (25%) 5 (38%) 63	4 (22%) 5 (44%)	1 (24%) 2 (29%)	1 (39%) 2 (18%)
It is hard for me to give up unhealthy snacks	3 (19%) 4 (38%) 5 (19%)	3 (15%) 4 (48%) 5 (15%)	1 (27%) 2 (21%) 4 (32%) 5 (11%)	3 (12%) 4 (24%) 5 (29%)	4 (13%) 5 (50%)	4 (28%) 5 (33%)	4 (44%) 5 (18%)	4 (24%) 5 (30%)
It is difficult for me to eat fresh fruits	1 (44%) 2 (19%)	1 (37%) 2 (30%)	1 (32%) 2 (14%) 4 (24%) 5 (24%)	1 (47%) 2 (12%)	4 (12%) 5 (50%)	1 (33%) 2 (28%)	1 (41%) 2 (24%)	1 (33%) 2 (24%)
I avoid eating foods with additives and preservatives	4 (31%) 5 (44%)	4 (48%) 5 (22%)	4 (19%) 5 (38%)	4 (29%) 5 (47%)	1 (13%) 2 (13%) 3 (13%) 4 (25%) 63 5 (38%)	4 (33%) 5 (33%)	4 (35%) 5 (21%)	2 (39%) 4 (15%) 5 (30%)
I do sports on regular basis	4 (38%) 5 (31%)	1 (15%) 2 (19%) 4 (38%) 5 (19%)	4 (30%) 5 (32%)	4 (35%) 5 (29%)	1 (38%) 2 (13%) 3 (13%) 4 (25%)	1 (33%) 2 (17%) 4 (28%) 5 (17%)	4 (38%) 5 (24%)	4 (24%) 5 (42%)
I can't reduce stress	3 (31%) 4 (44%)	4 (37%) 5 (22%)	4 (27%) 5 (27%)	4 (35%) 5 (18%)	4 (38%) 5 (13%)	2 (39%) 4 (28%) 5 (22%)	3 (15%) 4 (29%) 5 (18%)	1 (18%) 2 (15%) 3 (18%) 4 (15%) 5 (33%)
Easy to find balance	1 (13%) 2 (44%)	1 (15%) 2 (22%) 3 (11%) 4 (44%)	1 (11%) 2 (22%) 3 (24%) 4 (32%)	4 (53%)	1 (25%) 2 (25%) 3 (13%) 4 (38%)	1 (11%) 2 (33%) 3 (28%) 4 (22%)	1 (12%) 2 (27%) 3 (15%) 4 (35%)	1 (18%) 2 (27%) 3 (12%) 4 (27%) 5 (15%)
Socially responsible consumption								
Everyone stops increasing food consumption	4 (50%) 5 (31%) 81	4 (30%) 5 (22%)	4 (32%) 5 (32%)	4 (24%) 5 (35%)	4 (38%) 5 (25%)	3 (17%) 4 (22%) 5 (17%)	3 (21%) 4 (27%) 5 (24%)	4 (33%) 5 (33%)
Natural resources need to be conserved	4 (31%) 5 (56%) 87	4 (44%) 5 (18%) 66	4 (41%) 5 (35%) 76	4 (29%) 5 (35%)	3 (50%) 4 (13%) 5 (38%)	4 (55%) 5 (11%)	4 (29%) 5 (29%)	4 (15%) 5 (39%)
Higher price for products that pollute the environment	4 (19%) 5 (44%)	4 (26%) 5 (38%)	4 (35%) 5 (24%)	4 (41%) 5 (24%)	4 (38%) 5 (25%)	1 (33%) 4 (22%) 5 (28%)	4 (29%) 5 (35%)	4 (15%) 5 (36%)
Bootless and cans should be banned	4 (25%) 5 (56%)	4 (30%) 5 (48%) 78	4 (32%) 5 (38%)	4 (17%) 5 (47%)	4 (25%) 5 (37%)	4 (22%) 5 (39%)	4 (21%) 5 (50%)	4 (27%) 5 (48%)
Government should subsidize	4 (13%) 5 (69%)	5 (82%)	5 (84%)	5 (77%)	5 (75%)	5 (89%)	4 (24%) 5 (65%) 89	5 (70%)
People worry to much about pesticides in	1 (31%) 2 (25%) 3 (38%)	1 (19%) 2 (33%) 3 (26%) 4 (19%)	1 (35%) 2 (19%) 3 (27%) 4 (14%)	1 (24%) 2 (18%) 3 (35%) 4 (12%)	1 (25%) 3 (63%)	1 (33%) 2 (22%) 3 (17%) 4 (22%)	1 (18%) 2 (29%) 3 (21%) 4 (32%)	1 (27%) 2 (24%) 3 (18%) 4 (12%)
Encourage friends to use environmental products	4 (50%) 5 (13%)	4 (44%) 5 (26%)	4 (19%) 5 (49%)	4 (41%) 5 (12%)	4 (75%) 5 (13%)	4 (28%) 5 (22%)	4 (29%) 5 (27%)	4 (30%) 5 (33%)
Government should impose tax	4 (13%) 5 (44%)	4 (30%) 5 (41%)	4 (35%) 5 (22%)	4 (12%) 5 (41%)	4 (13%) 5 (25%)	4 (39%) 5 (28%)	4 (35%) 5 (29%)	4 (15%) 5 (36%)
I rarely think about smog	2 (31%) 3 (31%)	1 (30%) 2 (22%)	1 (30%) 2 (30%)	3 (29%) 4 (41%)	1 (25%) 3 (38%)	1 (28%) 2 (17%) 3 (17%)	4 (18%) 5 (29%)	1 (21%) 2 (27%) 4 (21 %)

						4 (22%)		5 (21%)
Controlling water pollution causes problems	4 (44%) 5 (13%)	1 (19%) 2 (33%) 3 (37%)	1 (41%) 2 (19%)	3 (47%) 4 (18%)	1 (25%) 2 (13%) 3 (50%) 4 (13%)	1 (33%) 2 (22%) 3 (44%)	1 (18%) 2 (20%) 3 (50%)	1 (27%) 2 (15%) 3 (42%)
Values in life								
Belonging	5 (50%)	4 (44%) 5 (15%)	4 (43%) 5 (30%)	4 (24 %) 5 (41%)	4 (38 %) 5 (13%)	3 (44%) 4 (33 %) 5 (11%)	4 (38%) 5 (2%)	4 (33 %) 5 (24%)
Pleasure in what I do	5 (94%)	4 (19%) 5 (67%)	4 (24%) 5 (73%)	4 (24%) 5 (65%)	4 (38%) 5 (50%)	4 (33%) 5 (67%)	4 (32%) 5 (65%)	4 (30%) 5 (64%)
Good relationship	4 (45%) 5 (50%)	4 (44%) 5 (48%)	4 (30%) 5 (67%)	4 (24%) 5 (71%)	4 (25%) 5 (50%)	4 (44%) 5 (44%)	4 (24%) 5 (65%)	4 (21%) 5 (61%)
Self-actualization	4 (13%) 5 (81%)	4 (22%) 5 (59%)	4 (16%) 5 (78%)	4 (12%) 5 (71%)	4 (25%) 5 (63%)	4 (50%) 5 (44%)	4 (23%) 5 (73%)	4 (18%) 5 (67%)
Respect	4 (31%) 5 (44%)	4 (59%) 5 (30%)	4 (45%) 5 (51%)	4 (35%) 5 (47%)	4 (38%) 5 (50%)	4 (55%) 5 (26%)	4 (24%) 5 (65%)	4 (27%) 5 (48%)
Security	5 (94%)	5 (74%)	5 (92%)	5 (71%)	5 (63%)	5 (72%)	5 (74%)	5 (67%)
Self esteem	5 (81%)	5 (71%)	5 (81%)	5 (65%)	5 (88%)	5 (61%)	5 (82%)	5 (88%)
Data source								
Chat bot	Yes (6%)	Yes (3%)	Yes (3%)	Yes (6%)	0	0	Yes (3%)	Yes (6%)
Official site	Yes (6%)	Yes (19%)	Yes (24%)	Yes (18%)	Yes (50%)	0	Yes (3%)	Yes (6%)
Application	Yes (81%)	Yes (89%)	Yes (89%)	Yes (59%)	Yes (25%)	Yes (94%)	Yes (68%)	Yes (36%)
Social media	Yes (19%)	Yes (56%)	Yes (51%)	Yes (24%)	0	Yes (22%)	Yes (35%)	Yes (15%)
Store	Yes (19%)	Yes (22%)	Yes (35%)	Yes (41%)	Yes (63%)	Yes (22%)	Yes (53%)	Yes (61%)
Important to know								
New promotion events	4 (31%) 5 (31%)	4 (44%) 5 (44%)	4 (27%) 5 (51%)	5 (71%)	4 (50%) 5 (13%)	4 (22%) 5 (44%)	4 (44%) 5 (27%)	3 (12%) 4 (21%) 5 (30%)
I discuss experience with my inner circle	4 (25%) 5 (31%)	4 (30%) 5 (52%)	4 (38%) 5 (46%)	4 (41%) 5 (29%)	4 (50%) 5 (13%)	4 (22%) 5 (38%)	4 (35%) 5 (21%)	4 (33%) 5 (18%)
Convenient data channel								
Store	Yes (19%)	Yes (22%)	Yes (49%)	Yes (71%)	Yes (50%)	Yes (17%)	Yes (56%)	Yes (70%)
Newsletter by e-mail	Yes (31%)	Yes (41%)	Yes (24%)	Yes (24%)	Yes (38%)	Yes (44%)	Yes (15%)	Yes (21%)
On events	Yes (6%)	Yes (7%)	Yes (8%)	Yes (12%)	0	Yes (11%)	Yes (3%)	Yes (6%)
Social media	Yes (63%)	Yes (70%)	Yes (70%)	Yes (59%)	Yes (38%)	Yes (44%)	Yes (62%)	Yes (39%)
Favorite social media								
Odnoclassniki	0	0	Yes (5%)	0	Yes (13%)	0	0	0
VK	Yes (81%)	Yes (82%)	Yes (84%)	Yes (77%)	Yes (75%)	Yes (61%)	Yes (77%)	Yes (73%)
Instagram	Yes (75%)	Yes (59%)	Yes (65%)	Yes (77%)	Yes (50%)	Yes (61%)	Yes (65%)	Yes (73%)
Tik Tok	Yes (25%)	Yes (11%)	Yes (11%)	0	0	Yes (6%)	Yes (18%)	Yes (15%)
Facebook	Yes (13%)	Yes (15%)	Yes (8%)	Yes (6%)	Yes (25%)	Yes (17%)	Yes (24%)	Yes (15%)
Where advertising was seen								
TV	Yes (6%)	0	0	0	0	0	0	0
YouTube	Yes (13%)	Yes (4%)	Yes (8%)	Yes (6%)	Yes (13%)	0	Yes (6%)	Yes (9%)
Social media	Yes (38%)	Yes (33%)	Yes (51%)	Yes (41%)	Yes (13%)	Yes (28%)	Yes (35%)	Yes (18%)
Bloggers/ vloggers	0	Yes (4%)	Yes (8%)	Yes (12%)	0	Yes (11%)	Yes (12%)	Yes (3%)
Contextual ads	Yes (19%)	Yes (15%)	Yes (22%)	Yes (6%)	0	Yes (22%)	Yes (12%)	Yes (15%)
Friends	Yes (19%)	Yes (11%)	Yes (27%)	Yes (12%)	Yes (25%)	Yes (11%)	Yes (29%)	Yes (18%)
Sign	Yes (19%)	Yes (52%)	Yes (52%)	Yes (59%)	Yes (50%)	Yes (39%)	Yes (53%)	Yes (42%)
Billboards	0	Yes (4%)	Yes (8%)	0	0	Yes (11%)	Yes (12%)	Yes (3%)
Magazines	0	0	0	0	0	0	0	0
Store	Yes (19%)	Yes (19%)	Yes (46%)	Yes (47%)	Yes (25%)	Yes (28%)	Yes (44%)	Yes (49%)
Frequency of seen ads								
Frequency	Once a day(19%) Once a week (13%) Once a month (44%)	Once a day(30%) Once a week (15%) Once a month (15%)	Once a week (43%) Once a month (30%)	Once a week (41%) Once a month (24%)	Once a week (25%) Once a month (25%) Once a year (25%)	Once a week (11%) Once a month (44%) Once a year (11%)	Once a week (35%) Once a month (18%)	Once a week (33%) Once a month (18%) Once a year (21%)

Source: [Results of the author research]

APPENDIX 2. SYRVEY ON CONSUMERS OF ORGANIC FOOD UNDER PRIVATE LABEL

Section 1. Filter questions

1. Have you ever made any purchases in the «VkusVill» store?
   - Yes
   - No

2. Have you ever noticed that «VkusVill» mainly sells not products of well-known manufacturers, but products under its own private label?
   - Yes
   - No

3. Did you know that your own trademark is a brand (of a store) under which goods produced on its order are sold and for which the store itself bears full responsibility to the consumer?
   - Yes
   - No

Section 2. **Food category selection. Certification knowledge. Behavioral questions**

1. Which of the products of the «VkusVill» store do you buy most often?
   - Cottage cheese
   - Sour cream
   - Milk, cream
   - Butter
   - Cheese
   - Kefir
   - Yogurt
   - Hen
   - Turkey
   - Beef, pork

2. Have you ever noticed that the products of the «VkusVill» store are organic?
   - Yes
   - No

3. What statements about «VkusVill» organic products do you agree with? (Rank from 1 to 5)
   - Have a good taste
   - Good for the health
   - Rich in vitamins and minerals
   - They are expensive to buy
   - They can be easily found on the shelves of «VkusVill» stores.
   - Have an attractive appearance
   - Contains less chemicals and other harmful substances
   - Their packaging is environmentally friendly
   - Natural because they have a shorter shelf life than regular products
   - Stores often have a small selection of such goods.
   - I am interested in the organic products of the «VkusVill» store, because they are delivered from local producers.

4. With what associations do you agree with regarding the packaging of «VkusVill» organic products?
   - The packaging design of «VkusVill» organic products is minimalistic
   - I like that the packaging design of «VkusVill» organic products is made mainly in white and green colors.
   - The packaging of organic products «VkusVill» differs from the same products in other stores
   - I like the material (paper, plastic), from which the packaging of organic products «VkusVill» is made

- It would be convenient for me to return used packaging from organic products "Vkusville" in order to get a discount on the next purchase

5. Do you distinguish between the concepts «eco», «bio», «organic», «organic», «natural», «farm» (and their derivatives), found on product packaging, or do you perceive them as synonyms?
   - I take all the above concepts as synonyms.
   - I see the difference between some concepts, but the rest are synonyms for me
   - I can distinguish all of the above concepts

6. What labels on the packaging do you trust?
   - Eco
   - Bio
   - Organic
   - Farmer
   - Natural
   - None
   - I do not pay attention to these inscriptions

7. To use on the packaging of which of the following concepts does the manufacturer need to comply with certain requirements for technology and composition?
   - Eco
   - Bio
   - Organic
   - Farmer
   - Natural
   - All of them
   - None

8. Do you pay attention to whether the products you purchase are certified (is there an environmental label on the packaging)?
   - Yes always
   - Yes sometimes
   - No

9. If you see such a sustainable certifiable will the product generate more trust?
   - Yes
   - No
   - I hesitate to answer

10. How much are you willing to pay per month for organic products of the «VkusVill» store?
    - Up to 3,000 rubles
    - 3,000-5,000 rubles
    - 5,000-10,000 rubles
    - more than 10,000 rubles

11. What events organized by the VkusVill store have you heard about?
    - ReBooks (acceptance of old books for rural libraries)
    - "Caps of kindness" (taking caps from plastic bottles)
    - "Second Breath" / "Thank You" (taking in old things)
    - Acceptance of soft packaging in VkusVill stores
    - Bonuses for the delivery of recyclable materials in "MEGA"
    - "Fandomat" (accepting plastic bottles and aluminum cans)
    - Refusal from paper recipes
    - Transition to the electronic card holder "Wallet" (delivery of plastic discount cards)
    - "Cash with purchase" (reusable eco-bag for withdrawing cash from a Mastercard)
    - Receiving trays from products
    - Batteries trade-in (battery acceptance and discount for new purchase)

- "Christmas tree cycle" (accepting Christmas trees for processing)
- Planting trees in Kaluga
- Promotion #PackageNot Needed (fabric rented grocery bag)
- "ElectroVesna2019" / "ElectroOsen2019" (acceptance of electronic equipment for processing)
- Separate waste collection near the VkusVill store
- Other
- None of the above

12. How often do you need to visit the «VkusVill» store?
    - Everyday
    - Every two days
    - Every three days
    - Once a week
    - Other

13. How far is «VkusVill» from your place of residence or work?
    - A stone's throw
    - 10-15 minutes by walking
    - up to 30 minutes on foot
    - more than 30 minutes on foot
    - about an hour walk
    - Other

14. What is the most convenient way of making purchases in the «VkusVill» store?
    - Shopping in the store
    - Order on the official website "VkusVill"
    - Order through the VkusVill mobile application
    - Ordering through food delivery services (igoods, Sbermarket, Delivey club, etc.)
    - Other

15. How long have you been a customer of the «VkusVill» store?
    - less than 6 months
    - about 1 year
    - 2-4 years
    - 5-7 years
    - 7-9 years

16. In which stores, besides «VkusVill», do you shop for organic products?
    - "Lenta"
    - "Metro"
    - "Okey"
    - "Auchan"
    - "Carousel"
    - "Azbika vkusa"
    - "Perekrectock"
    - "Pyaterochka"
    - "Dixie"
    - Other

17. Which store format is the most convenient for you for making purchases of organic products?
    - Hypermarket - a store with a huge area with a wide range of products (for example, «Lenta», «Okey», «Auchan»)
    - Supermarket - a store with a medium retail space with an average assortment (for example, «Perekrestok», «Azbuka Vkusa», «Globus Gourmet»)
    - Convenience store - a small store with a limited range of essentials (for example, a 24-hour store)
    - Discounter - a store with a small assortment of goods at a reduced price (for example, «Fix Price», «Semishagoff»)

- Cash & Carry store - a store with a huge sales area with a wide range of goods in small wholesale (for example, «METRO»)
- Specialty Stores - Small organic stores (e.g. «NaturaSanat», «Green Point»)

Section 3. Loyalty card

1. Do you use the «VkusVill» store discount card called «Let's be friends! »
    - Yes, I have a card and I use it
    - Yes, I use the map and mobile app
    - Yes, I have a card, but I do not use it
    - No, I don't have a discount card
    - I have never heard of a «VkusVill» discount card

2. Have you ever noticed that the «VkusVill» store promotes environmental protection campaigns through the «Let's Be Friends!» mobile application?
    - Yes
    - No

3. What are the options for the loyalty card «Let's be friends!» and a mobile application do you use?
    - 20% discount on «Favorite product»
    - Writing bonuses off the card
    - Promotion «Diverse food»
    - Subscription «I'm in the store» (20% discount on certain products)
    - Promotion «Yellow price tags»
    - Promotion «Orange price tags»
    - Promotion «Red Price Tags» (40% discount on goods that will no longer be on sale)
    - Personal coupons
    - Discount subscription (10% discount for the whole month for 490 rubles)
    - «Kids club»
    - Delivery of products
    - Refusal of printed recipes
    - Create a product list
    - Other

Section 4. Question in response to the tested model

1. Rate the statements about the «VkusVill» store from 1 to 5
    - The «VkusVill» store satisfies my needs in purchasing products with natural compositions and a short shelf life
    - I believe that «VkusVill» carefully checks the origin of the products it sells
    - I am sure that «VkusVill» protects consumer rights in relation to quality assurance
    - It is important for me that «VkusVill» is engaged in charity work

2. Evaluate the environmental promotions statements of the «VkusVill» store from 1 to 5
    - I think «VkusVill» cares about the environment
    - It is important for me that «VkusVill» is engaged in plastic recycling
    - It is important for me that «VkusVill» provides its consumers with information about the importance of caring for the environment on the official website
    - It is important for me that «VkusVill» encourages consumers to sort garbage, refuse plastic and dispose of hazardous waste by providing them with various discounts and bonuses.
    - It is important for me that «VkusVill» is engaged in preserving the environment by planting trees

3. Evaluate the claims about «VkusVill» private label products presented in the store.
    - I think that you can be confident in the quality of products under private label «VkusVill»
    - I can trust the quality of goods under private label «VkusVill»
    - Customers of the «VkusVill» store can always rely on its products for the naturalness of the composition.
    - Products under private label «VkusVill» always keep their promises in terms of quality, taste and composition

4. Evaluate the claims about organic products that are presented in the store from 1 to 5
    - I think you can count on organic products for the natural composition
    - I can trust the quality of organic products
    - Buyers can always be confident in the quality of organic products
    - Organic products always deliver on their promises in terms of quality, taste and composition

5. Rate the claims about the «VkusVill» private label organic product you selected earlier in the survey from 1 to 5?
    - You can be sure that the organic product under private label «VkusVill» company has high quality
    - I can trust the quality of organic goods under private label «VkusVill»
    - Customers of the «VkusVill» store can always count on the fact that its organic products have a natural composition.
    - The organic product under private label «VkusVill» always keeps its promises in terms of quality, taste and composition.

6. Evaluate the statements about your intention to pay for organic goods under your own brand «VkusVill».
    - I consider buying an organic product under private label «VkusVill» reasonable, even if it costs more than other products
    - I am willing to pay a higher price for an organic product under private label «VkusVill»
    - I will still continue to buy an organic product under private label «VkusVill», even if other products become cheaper

7. How likely is it that you will recommend the purchase of organic products under private label «VkusVill» brand to your friends, acquaintances, relatives or colleagues? Rate from 0 to 10

8. Evaluate statements about your desire to continue buying organic products under private label «VkusVill».
    - I prefer organic products under private label «VkusVill» among other products
    - I will definitely buy organic products under private label «VkusVill»
    - I would prefer to buy organic products under the private label «VkusVill» the next time I make a purchase
    - With the same characteristics of organic products from other companies, I still prefer organic products under private label «VkusVill»

Section 5. Question in response to the consumer clusters

1. What statements about the impact of humans and retail stores on the environment can you agree with?
    - Over-packaging plastic is one source of pollution that could have been avoided if manufacturers were more environmentally conscious.
    - Our planet's resources are limitless and must be fully utilized to improve the lives of people
    - The amount of energy I consume does not have a significant impact on the environment
    - I attend various events dedicated to the protection of the environment
    - I think that an ordinary person cannot do anything significant to save nature for the next generations of people.
    - My involvement in environmental activities today will help save the environment for future generations
    - I do not buy products that cause environmental pollution
    - I think that worrying about environmental issues is in vain, because I cannot help solve them.
    - I can describe myself as an environmentally responsible person

2. Which of these statements about a healthy lifestyle can you agree with?
    - I am conscious of my health
    - I am attentive to my health
    - I often check my health in hospitals / clinics
    - It's hard for me to go in for sports 3 times a week
    - It's hard for me to give up unhealthy snacks and sweets.
    - It is difficult for me to constantly eat fresh vegetables and fruits.

- I avoid eating foods with additives and preservatives
- I do sports on a regular basis
- No matter how hard I try, I can't reduce the stress in my life.
- I find it easy to find a work-life balance between

3. What statements about responsible consumption can you agree with?
   - Everyone must stop increasing food consumption so that the resources of our planet are not depleted.
   - Natural resources need to be conserved, even if it forces people to do without some types of food
   - Consumers should be forced to pay a higher price for products that pollute the environment
   - The production of non-degradable bottles and cans should be banned at the legislative level
   - Government should subsidize research on waste recycling technologies
   - I think people worry too much about pesticides in food
   - I think that a person should urge their friends / loved ones not to use products that are harmful to the environment
   - The government should impose a tax on those goods that harm the environment
   - I rarely think about the effects of smog on my health and the health of my family.
   - Trying to control water pollution brings more problems than benefits

4. How important is each of the concepts to you in life?
   - Feeling of belonging to someone or something
   - Having pleasure in what I do
   - Good relationships with other people
   - Self-actualization
   - It is important for to be respected
   - Safety
   - Self esteem

Section 6. Question about marketing communications

1. Where do you usually get information about the «VkusVill» store?
   - Online chat on the VkusVill website
   - Official site «VkusVill»
   - VkusVill mobile application
   - Official page of «VkusVill» in Instagram / Facebook / Vkontakte
   - In the store itself
   - Other

2. Check the statements you agree with (rank from 1 to 5)
   - It is important for me to know about new promotions and events of the «VkusVill» store
   - I often discuss my shopping experience in the «VkusVill» store with my friends / relatives

3. Where is the most convenient place for you to receive information about promotions / innovations in the VkusVill store?
   - In the store itself
   - Newsletter by email
   - Events from the company
   - Social networks
   - Other

4. What social network do you often use?
   - Odnoklassniki
   - Vkontakte
   - Instagram
   - TikTok
   - Facebook
   - Other

5. Where do you usually see an advertisement for a «VkusVill» store?
   - On TV
   - YouTube
   - Social networks (VK, Instagram, Facebook, etc.)
   - Bloggers / vloggers
   - Contextual advertising (advertising on the Internet)
   - Friends / relatives / acquaintances tell me
   - I pay attention attention to the sign of the VkusVill store itself
   - Advertising on billboards
   - In magazines, newspapers
   - In the store itself
   - Other
   - None of the above

6. How often do you see advertisements for the «VkusVill» store?
   - Once a day
   - Once a week
   - Once a month
   - Once a year
   - Other

7. I am satisfied with the advertisement of the «VkusVill store», rank from 1 to 5

Section 7. Socio demographic characteristics

1. Please indicate your gender
   - Male
   - Female

2. Please indicate your age
   - 18-25
   - 26-30
   - 31-35
   - 36-45
   - 46-50
   - 51-60
   - Over 60

3. Please indicate your education level
   - 9 years of education at school
   - 11 years of education at school
   - College
   - Higher education: bachelor
   - Higher education: specialist
   - Higher education: Master
   - Postgraduate education
   - Other

4. Please identify your occupation
   - I work full time
   - Student
   - I work part-time
   - Freelancer
   - Entrepreneur
   - Unemployed
   - Householder / Housewife
   - Retired
   - Other

5. Indicate your marital status
    - Married
    - Not married

6. Please indicate if you have children who you support financially?
    - None
    - 1 child
    - 2 children
    - 3 children
    - More than 3 children

7. How can you describe your family's income?
    - There is not enough money even for food
    - There is enough money to buy food, but not enough to buy clothes and shoes
    - There is enough money to buy clothes and shoes, but not enough to buy small household appliances
    - There is enough money to buy small household appliances, but not enough to buy such expensive things as a computer, refrigerator or washing machine
    - We can afford almost everything, but in order to buy a car, an apartment or a country house, we need to accumulate money or take it out on credit
    - We can afford everything

8. Please indicate the city of your residence
    - Moscow
    - St. Petersburg
    - Novosibirsk
    - Yekaterinburg
    - Krasnoyarsk
    - Kazan
    - Ufa
    - Other