# **Czech University of Life Sciences Prague Faculty of Economics and Management**

# **Department of Humanities**



# **Diploma Thesis**

Social aspects of the demand for local food (a farmers' markets case study)

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## ČESKÁ ZEMĚDĚLSKÁ UNIVERZITA V PRAZE

Provozně ekonomická fakulta

# ZADÁNÍ DIPLOMOVÉ PRÁCE

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**European Agrarian Diplomacy** 

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Social aspects of the demand for local food (case study on farmers' markets)

Název anglicky

Social aspects of the demand for local food (case study on farmers' markets)

#### Cíle práce

General goal of the thesis is to explore consumers' motives within the alternative food networks with respect to the following points: (1) how are the alternative food networks initiated, (2) what forms they take, (3) what are the motives of consumers, (4) how these forms contribute to sustainability of food production and consumption.

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Secondary analysis and primary research focused on existing examples of farmers' markets. The study will be designed as a case study research.

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Social aspects of the demand for local food

(a farmers' markets case study)

Sociální souvislosti poptávky po lokálních potravinách

(případová studie na farmářské trhy)

Abstract: The aim of the thesis was to conduct sociological research on customer trust

in the original concept of farmers' markets. The literature review first explains the basics and

the background of this topic. Farmers' markets are categorised within Alternative Food

Networks and then the trust is described from a sociological point of view. At the end of the

theoretical part, the tools of customer protection are introduced, as well as cases of abuse of

customer trust in the basic principles of farmers' markets. For qualitative sociological research,

the semi-structured interview method was chosen.

**Keywords**: customer, ethical rules, farmers' market, origin of food, trust

Abstrakt: Cílem této práce bylo provést sociologický průzkum týkající se důvěry

zákazníků v původní koncept farmářských trhů. V literární rešerši je nejprve vysvětleno pozadí

a základní informace této problematiky. Farmářské trhy jsou uvedeny v rámci alternativních

potravinových sítích a dále pak popsána důvěra ze sociologického pohledu. Na závěr teoretické

části jsou představeny nástroje ochrany zákazníka a rovněž případy zneužití původního

konceptu farmářských trhů. Pro kvalitativní sociologický průzkum byla použita metoda polo-

strukturovaného rozhovoru.

Klíčová slova: důvěru, etická pravidla, farmářský trh, původ potravin, zákazník

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# 1 Introduction

The topic of the thesis was chosen because in last few years, farmers' markets have gained popularity. At the same time, with increasing popularity of the markets comes growing uncertainty about the concepts the markets should have. There might also be a growing distrust of some customers of the farmers' markets. This thesis focuses not only on the description of farmers' markets as such but also the research of customer trust in farmers' markets.

Alternative food networks including farmers' markets have lately become an important source of many peoples' foodstuffs. Not only have people started to care much more about what food they are buying, but it has also become popular to seek products produced within state or regional borders (FritzSimmons, 2008). This is closely connected with the fact that customers were not satisfied with the quality of products offered in supermarkets on many occasions. Usually transported across the whole continent, the supplies could not meet the current requirements of the consumers mostly because of the dull taste, the short consumption time caused by inappropriate treatment during transport, etc. Hand in hand with the issues already mentioned above also goes the fact that in the case of a mass production, it is not possible to treat every single piece of vegetable or any other product properly (Hnutí DUHA, 2012).

In the interconnected world of today, where ordering anything from the other side of the globe and having it delivered to our hands in a surprisingly short time is not a problem, it has become obvious that we miss knowledge or details about the origin of products. With the increasing globalisation of the world, people have started to think, paradoxically, more locally. Somehow, we have started to care more about what we have "at home" and appreciate it (FritzSimmons, 2008). The single market, which is one of the basic pillars of the European Union, has made the Czech Republic open itself to all the producers from the EU, to gigantic concerns for mass production in particular. Mass production companies have the huge advantage of lower costs for one piece of their product, which means lower price for the final vendor and supposedly also lower price for the consumer. This has resulted in a situation where many super- and hyper-markets import goods from abroad in order to have the highest possible profit on the market with relatively high competitiveness due to the high number of vendors. On the other hand, local producers are disadvantaged because the price of their products cannot be that low as their production is not as enormous (Renting, et al., 2003). This is a reason why foodstuffs of Czech origin (not including the specialities) started to disappear from markets (Hnutí DUHA, 2012).

As people started to care more about the food they eat and specifically its origin, they found out that the ingredients in their meals had travelled thousands of kilometres before they finished the journey on their plates. Even the taste of imported foodstuffs from mass production companies is not as rich, which is often judged by mostly people living in rural areas who try to grow their own seasonal fruits and vegetables such as strawberries, tomatoes, cucumbers, etc. (Pospěchová, 2011). Massive production is also closely associated with high usage of fertilisers or pesticides, specifically herbicides and insecticides, which changes the quality on a biological basis and, from a long-term point of view, has a negative impact on the human organism and the environment as well (Union of Concerned Scientists, 2008). The use of some of the pesticides can even be prohibited in the destination country, which raises the question of whether it is even legal to sell a product treated with a substance that is not allowed in the country of its consumption; however, this would be more a matter of ethics and compliance with local regulations and interdicts.

Following production, the vast majority of raw products continues to the processing industry. As fresh products such as meat, vegetables or fruit cannot stay fresh for long time, there had been practiced processes how to conserve them so that they can be used after a longer period of time. And here comes the chemical industry, which is produces a wide range of preservatives and other substances not only to preserve the product but also to improve the appearance or taste of the semi-finished or finished products so that they look more attractive to the customer or taste richer. It has even been scientifically proven that some of these substances (such as sorbic acids and its salts or azo dyes) are dangerous for the human body, but their use is still not banned (Gudelj, 2011). How the consumer is informed about the use of such compounds depends on the legislation system, which usually differs from country to country. Another problem caused by mass production is decreasing biodiversity in the environment (Harvard T.H. Chan School of Public Health, 2016), which also has a negative impact on our planet.

But extensive production does not only have negative aspects. The positive side of these big companies, namely agriculture cooperatives (typical for rural areas of post-communist countries), is that they employ many people from local areas. This is connected with the fact that these cooperatives guard a stable source of income for inhabitants of rural areas preventing the total movement of the populations to the surrounding towns and cities, commuting to work on everyday basis (Hnutí DUHA, 2012).

Obviously, there are many ways to get food in today's world. With the growing breadth of supply, customers have to make decisions about where and how they buy food every day. In

order to make the right decision, consumers need a lot of information. In the case of farmers' markets, finding out, for example, the true origin of the food sold is often a problem.

# 2 Objectives and methodology

## 2.1 Objectives

The main objective of the thesis is to find out whether farmers' markets are still a place of trust. Yet there are cases of abuse of the original concept with the intent to profit on someone's trust. In other words, the aim of this thesis is to find out what the level of customer trust in the original concept of farmers' markets is today.

This thesis analyses customer trust in the original principles of farmers' markets in Prague farmers' markets. This is achieved through several specific points explained below.

The theoretical part of the thesis first briefly identifies farmers' markets as a part of alternative food networks. It continues with the description of trust as a psychological term. Next, current instruments of customer protection are introduces, such as legislation as a part of state control, followed by the comparison of Czech laws and regulations which secure basic rules that producers and especially sellers are obliged to follow. These represents the mandatory basis for every marketer who wants to offer their goods at farmers' markets unless they want to be penalised by government institutions.

The next section of this chapter introduces the Code of Farmers' Markets. This set of rules and recommendations proceeded by the Association of Regions, Local Government Associations and mainly by organisers of farmers' markets, is informal guidance for sellers, and at the same time it serves customers as identification of reliable tradesmen controlled by the organisers.

The main research section is focused on the trust of customers in the idea of farmers' markets and the quality of the products sold at the markets.

#### 2.2 Methods

This chapter describes the selected methods used in this thesis. The principles that need to be taken into account when determining the approach of the thesis are described. How the data are collected and the methodology of sociological research are also described. The description of the methodology will focus on the case study.

The aim of this work is to find out whether farmers' markets are still a place of trust. In recent years, farmers' markets have become increasingly popular for the purchase of food. Therefore, this thesis will answer the question of whether these markets deserve their popularity or, on the contrary, whether they might be a paradise for those who want to parasitize its basic principles.

#### 2.2.1 Methodology of sociological research

Sociological research should provide answers to questions about the existence, extent and development of social phenomena and processes. The research study can be approached in two ways, quantitatively or qualitatively. The inductive method will be used in this work. This method is based on observation. It looks for regularities which should exist in objective reality. At the end of the process, a new theory will emerge (Is.mendelu.cz, 2018).

#### 2.2.2 Approach of the thesis

It was decided at the start that this thesis would take the approach of an empirical qualitative study. Even though there are typical characteristics of the qualitative study structure, there are fewer criteria compared to the quantitative one. The study first starts with the abstract, followed by an introduction to the theses and then sets up objectives and defines the structure of the work. The next section is dedicated to the familiarisation of the author with the available literature, explaining the researched phenomena or finding white spots which the thesis intends to explain. The theoretical passages need to cover the basic theories that are further observed in the field research section. Before the main analysis, it is necessary to describe the methodology used for designing the fieldwork, the data collection method, the observed sample, the research process and the main analysis. The final section of the work is dedicated to the interpretation of the results obtained from the analysis and the conclusions (Šeďová & Švaříček, 2013).

#### 2.2.3 Fieldwork

In order to obtain the data needed for the analysis, the methods of observation and interview were chosen for data collection. Observation is the systematic and organised tracking of expressions of the aspects and phenomena, which are further analysed. The interview is a personal data collecting method which might provide the interviewer with even more

information than intended. Interviews are further subcategorised as structured, semi-structured and open ended (Is.mendelu.cz, 2018).

#### 2.2.4 Selection procedure

Participants must be chosen before the interview itself. Purposive sampling is a selection procedure which relies on the subjective judgement of the person conducting the research study. This selection method provides the researcher with a sample, which enables the researcher to find answers to his or her questions and therefore to achieve the objectives (Dudovskiy, 2019).

#### 2.2.5 Semi-structured interview

For the semi-structured interview, the researcher prepares only the basic outline of the interview in advance. The order of questions can be changed as needed to provide the researcher with more flexibility. The advantage of the semi-structured interview is that it offers more space for the interviewee to express his or her subjective opinions. It is possible to clarify possible misunderstandings during the interview. It allows to go more in-depth and uncover new and unforeseen topics (Veselý, n.d.). The initiation of the interview must be very tactful because the researcher wants the respondent to talk. The overall success of the interview depends on the researcher's ability to gain the confidence of the teller. It is good to emphasise the importance of the respondent's statement and to confirm the respondent's anonymity (Olecká, Ivanová, 2010).

#### 2.2.6 Case study

The case study is one of the best ways to achieve credibility. It is often used by entrepreneurs to get the customer on their side. According to a Content Marketing Institute study from 2016, the case study is the third most effective tool a company can use to convince its client, customer or another party. The case study shows through the example of a specific client how the project was ran from start to finish, how individual problems can be solved, and what the result was. The case study is mainly intended to create opportunities and show the impact of your knowledge on the client's business (Ilijič, 2017).

## 3 Literature review

# 3.1 The development of farmers' markets in the Czech Republic

This chapter will describe how the history of farmers' markets in the Czech Republic has evolved. At the same time, it will describe how the local concept of farmers' markets found inspiration abroad. Attention will be focused on the reasons why the first markets in the Czech Republic have gained such popularity and what rules were applied to these primary markets.

Farmers have been selling their products at markets throughout history. The barter exchange system was practised first, and then, with the development of society came also the development of the exchange system. However, considering the current form of farmers' markets, the first farmers' markets can be traced back to the year 1994 in the United States (Agmrc.org, 2016). Europe was not missing out on the new trend either – the first "modern" farmers' market was formed in the United Kingdom in September 1997 (Farma.org.uk, 2016) and then farmers' markets spread all over the continent. In the Czech Republic, the 90's belonged to markets as well – not farmers' markets but markets full of cheap clothes, accessories, shoes, low-quality electronics, etc. usually made in China, which took place at the squares in bigger cities and towns. As the welfare of Czech citizens increased, they could afford more and more products of higher quality, and these "cheap" markets diminished.

After a while, in 2006, when the last markets had closed, a new society called *Archetyp* was established. Originally an organisation for the tracking of old tiles, veneers, etc. in Prague historical development, it soon started focusing on former market places as well, and according to the new phenomenon from abroad represented in New York or London, they brought up the idea of connecting agricultural producers directly with customers. The society developed a plan of potential locations where farmers' markets could take place and introduced it to the Prague City Hall the following year. The concept of giving the consumer a new food resource option, especially one supporting local producers with fresh and high-quality products who usually cannot compete with super- or hyper-markets due to the low-priced big supplies of imported goods from abroad, was accepted positively; the supposed perception of farmers' markets as places not intended for the intensive exchange of money for goods but places of social contact for customers and small producers, who were being largely disregarded or not respected for their small production or small competitiveness, also met with positive acceptance (Farmarsketzziste.cz, 2016).

The first farmers' markets in Prague were more or less not as remarkable as the markets we know today. The small producers addressed by the organisers were usually very sceptical

about the concept and had to be strongly persuaded. Public interest was lukewarm at the beginning as well.

A big breakthrough came in the autumn of 2009, when two neighbours in Klánovice (an outlying district of Prague) decided to change the situation regarding the lack of available Czech farmers' foodstuffs. They decided to organise a farmers' market on the grounds of a local school. The two ladies took care of promotion via posters in the neighbourhood and persuaded farmers from far and near, who certainly felt negative about their participation at the beginning, especially because of the farmers' market location in Klánovice; the organisers nevertheless managed to find enough producers with an adequately wide range of goods of the required parameters and quality. Their first farmers' market was so successful that all the producers had nothing to sell within only two hours. And it was the producers' enthusiasm and social contact as they talked about their products in details to the customers which made for a very friendly atmosphere, the absolute opposite of the one of having to rush quickly through a supermarket (Michopulu, 2011).



Picture 1: Farmers' market in Klánovice (source: ceskyfarmarskytrh.cz)

Farmers' markets suddenly became very trendy, and their popularity resulted in the establishment of new markets all over the Republic. However, the biggest interest was still in the capital city, Prague. The founder of the farmers' market in the Prague district of Dejvice, which is among the first few markets in Prague, had to fight similar obstacles as the founders

of the Klánovice farmers' market as well. But this market, along with the one at the Jiřího z Poděbrad square or on the Vltava riverside, turned into centrepieces of places in the metropolis where many people can buy fresh groceries or seasonal goods (Michopulu, 2011).

All the success, on the other hand, is opening doors for people who would try to abuse the concept and profit on the trust built on hard-won good reputation. Unfortunately, farmers' markets have also become a victim of dishonest entrepreneurs who are determined to earn money through any possible, often unethical, way. The unethical way should be highlighted as there are still gaps in the law (in the case of the Czech Republic) used by corrupt sellers, who offer goods allegedly produced locally but in reality, they import cheaper products from abroad (Mezinárodní potravinářský veletrh, 2012).

Czech farmers' markets were set up principally in 2010. Their creation was organised, which means the impulse did not come directly from the farmers. The founders of the markets were mainly municipalities and other non-participants. Some organisers thought that they could claim the title 'Farmers' market' as a their own 'marketing brand'. The goal of all the organisers was to create an alternative marketing channel that would allow the distribution of unconventional food. These atypical foodstuffs should be different from those produced in an industrial way. The differences in food quality between the farmers' market products and food produced in an industrial way will be described in the following points. Here are some of the opinions of farmers' market organisers: (Zagata, 2012)

- "Food at the farmers' market must be 100% local (i.e. Czech) and cannot be available in a retail chain store... I mean supermarkets and hypermarkets" (Zagata, 2012)
- "Everything is shiny in the supermarket, but after 10 years, people decided that they would also like something different... they started to understand that there is no point to shopping at (retail chain stores) Tesco, Albert, Lidl" (Zagata, 2012)
- "We do it because we want to offer people an alternative, so they don't have to buy food only in supermarkets" (Zagata, 2012)

The boom of the farmers' markets is also confirmed by a *penize.cz* article. The article confirms that farmers' markets had pessimistic forecasts until 2010, when an unexpected turn came and one market after another started operating. It was said that a certain unmet need had accumulated. A lot of people wanted to eat better so they started looking for fresher and tastier goods. It is true that these markets have become fashion trend. As far as prices are concerned, it has been found that farmers' market prices are comparable to prices in supermarkets. This

can be explained by the fact that farmers are selling directly while supermarkets take commissions (Dlouhá, 2011).

There is a long discussion under the article on *penize.cz*. As an excursion into people's thinking in 2010, some of the posts in discussion are listed here:

- The post with the highest number of positive votes: "In my opinion, we should promote the development of farmers' markets as much as possible. We'll eat healthier, we can meet our friends here, we are out getting fresh air instead of in the overheated, depressive supermarkets, and over time we will be able to get back our fields of food instead of the whopping fields of solar panels. Put pressure on communal politicians make them support the development of farmers' markets!" (Dlouhá, 2011)
- "This is typical, when somebody comes up with something beneficial, such as the farmers' markets, people with doubts are the loudest. I like the idea in many ways. Even if the products at the market were not strictly non-chemical, they would be healthier than those which come here from the other side of the world, and importers therefore have to somehow make sure that the food does not get bad or rotten until that time … it is very good that we are supporting our farmers … and helping to change the senseless logic that we eat garlic from the other side of the planet when we have our own, Czech and better." (Dlouhá, 2011)

Farmers' markets organizers are key market figures, because it is them who set the organisational structure and connect buyers directly with local food producers. The boom of farmers' markets sparked debate on whether to create some universal standards. Discussions of this type took place in 2011 at the initiative of the Ministry of Agriculture. Market organisers participated in the debate and the debate resulted in the creation of codified rules (Code of Farmers' Markets) (Zagata, 2012).

The first goal of the Code clearly states that small farmers should be supported. It also repeatedly states that local food especially should be marketed at farmers' markets. It also establishes the rule that the food producers should also be the sellers. The second goal was to prevent resellers who would never achieve the same relationship with customers as the food producers themselves. The appearance of farmers' markets varies in many ways, despite the fact that the organisers share the same interest – quality alternative foods. The appearance and organisational structure is determined by the organisers themselves, each market reflecting their personal values and visions. Based on observations of farmers' markets, several common characteristics can be found. Firstly, most farmers' markets aim to offer fresh food, including

seasonal vegetables and fruits originating in the Czech Republic. Secondly, the processed foods have added value in that they contain only quality ingredients and are mainly produced in small volumes (Zagata, 2012).

A very specific feature is meat quality. Meat usually does not have to be organic, but it should not originate from conventional production at the very least. On the other hand, the meat most in demand is chicken from slow-growing breeds and ecological cattle breeds. Another advantage of farmers' markets is that customers can meet food producers face to face. However, due to the lack of time, farmers sometimes do not know how to produce and sell food at the same time. There is the difficult issue of how to ensure that consumers always have contact with the busy farmers. For this reason, some organisers allow farmers not to be personally present at the market if they can be represented by a different, well-informed person (Zagata, 2012).

Another problem is the issue of how to correctly define the concept of quality food on which farmers' markets are based. Other organisers of farmers' markets base the markets on wide assortments and others on quality. Some even allow the sale of foreign goods. Nonetheless, they all believe that the visit and purchasing at farmers' markets should give consumers new experiences. Recipes for culinary specialties are often part of the advertisement of farmers' markets. Other farmers' markets promotion is bases on the quality and impact of humans on the environment. However, the rule is that emphasis is always placed on foods from all producers except those who produce food in a large scale mode. What Czech people see under the term 'farm food' is mainly local, fresh and authentic foods. This brings the question of what is understood under the term 'local'. Most organisers understand it as 'Czech'. The third rule says that farmers should also be sellers and farmers at the same time. Thanks to this understanding of the concept, there is a greater chance there will be a wider range of product. It would be very limiting to restrict markets only to regional producers. At the same time, this understanding helps to distinguish between agricultural products and globalised products from supermarkets. Another aspect is the relationship of markets to their venues. In many cases, markets brought life to these places. With the increase of farmers' markets popularity comes a growing demand for new markets. The (alleged) shortage of venues in some cities pushed organisers to look for alternative locations. As a result, farmers' markets also started taking place in spots such as car parks in shopping centres. Such ingenuity can help both – the shopping centre and the farmers' market can both profit (Zagata, 2012).

Farmers' markets organisers in the Czech Republic can be divided into three categories of actors: non-governmental organisations, municipalities and private organisations.

Farmers' markets have proven their economic viability today. They bring a competitive struggle to those who wants to organise farmers' markets in specific places. Nowadays, local councils in Prague are under big pressure because private organisations want to take over the organisation of markets from current civil organisations (Zagata, 2012).

# 3.2 Key concepts

The basic phenomena weaved through this thesis must first be introduced. The two following chapters will introduce and describe farmers' markets and trust as such.

#### 3.2.1 Farmers' markets as a part of Alternative Food Networks

In the following paragraphs, the context of the Czech concept of farmers' markets as a member of the Alternative Food Networks will be described. The chapter will focus on the reason why farmers have begun to invoke change. It will be explained that one of the main aspects of the calls for a change was the growing power of large food chains, which farmers cannot compete with.

Before we start with the description of farmers' markets, let's begin with a short introduction of the whole concept of Alternative Food Networks (AFNs).

AFNs are described as a new option of food sources closely connected with organic (bio) products, Fair Trade, and local, high-quality and premium specialty foods, differing from conventional supermarkets. The main idea lies in shortening the distance between production and consumption from either spatial, economic or social perspective (Goodman, 2009).

AFNs can also be recognised by the following aspects (Jarosz, 2008):

- there is a short distance between the producer and the customer (Renting, et al., 2003),
- the customer has a commitment to the environmental, economic and social dimensions of sustainable food production, distribution and consumption (Renting et al., 2003),
- farmers have a smaller volume of production due to their smaller farms (Kloppenburg et al., 1996),
- there is a special place for purchasing products such as farmers' markets, food cooperatives or community-supported agriculture (Trobe, 2001).

The already mentioned author Renting (2003) more deeply explains AFNs as "newly emerging networks of producers, consumers, and other actors that embody alternatives to the more standardised industrial mode of food supply". Further, he emphasises the importance of the word 'short' instead of 'alternative' or 'new' as a better determinant of this phenomenon and links the term 'short food supply chains' with organic farming, quality production and direct selling due to the fact that new networks for foodstuff provisioning are essential to create positive relationships of society with sometimes overlooked agriculture. Short food supply chains also represent the chance for face-to-face communication of the producer and the customer to create closer bonds from which both sides of the economical transaction benefit.

But let us focus more on farmers' markets. This source of foodstuffs, categorised under the short food supply chain of the AFNs, was able to develop due to the fact that people became more curious about the origin of the foodstuffs they buy and eat. This increase in interest happened to be a potentially strong base for producers whose volume of production did not achieve high levels. New chains were organised as customers connected with small-scale producers instead of international supermarket concerns with products from the food industry (Maye, 2010). Marsden (2000) also accents the concept of direct marketing, specifically the direct and personal communication between the selling producer and the buying customer.

Farmers' markets have various forms and organisations but the principles lie in the redistribution of market forces and in providing a rather socially-oriented experience with the opportunity to gain new knowledge in contrast with the habitual queueing and listening to the beeping of barcode scanners operated by uninterested shop assistants at the cash registers (Sage, 2007).

The establishment and functioning of farmers' markets is one of the basic principles which indicates that the new way of development of rural areas and the differentiation of food markets from multinational foodstuff retailers with massive supply is basically caused by the reorientation of opinions in society (Renting et al., 2003).

There is also a significant difference in the packaging of products (if the products have any packaging). For products in supermarkets, it is usually typical that they have a sophisticated design created by a marketing department team. On the other hand, products offered and sold at farmers' markets are in this case unconventional – their packaging doesn't have the obligatory purpose of attracting the customer because the sellers themselves can raise the customer's interest instead (Wakeman, 2010).

Sage (2007) states that farmers' markets "embrace all the necessary elements of a moral economy of food, representing the embodiment of the local, more sustainable ways of producing

and distributing food, and the recovery of trust between producer and consumer". He also points out the idea that AFNs in general reduce the concentrated power in the hands of the food industry and shift it more towards small-scale producers.

As a proof of the benefits mentioned in the paragraphs above, we can take a look at the practical examples in Wakeman's et al. (2010) study on farmers' markets, where customers in communication with the producers are given instructions on how to proceed the farmer's products (for example, different kinds of meat), and the producers are visited by the same and also new customers next time.

It would also be interesting to mention the regional differences in the perception of farmers' markets as Maye (2010) states the differences between the European and North American attitude. While the farmers' markets (and AFNs in general) in Europe are seen (outside the source of healthy food) as a support for small business and entrepreneurs based in rural areas and from a wider perspective also as helping the development of the rural area, the perception of AFNs in the North America differs in the act of "politicized discourses of oppositional activism".

Over the past decade, much information has been reported about the emergence of new ways for producers and consumers to co-operate in parallel food networks. This has often been inconsistent with the rising popularity of the prevailing globalisation trend in the food markets.

Renting in his 2012 research first focused on the contribution of local farming to the society. In recent years, more frequent cases have emerged in which citizens want to establish a relationship with producers or consumers themselves. Surprisingly, this demand did not give rise to any marketing activities. The driving force of the demand comes from the customers' network.

It turns out that the demand for organic food is niche. The proof of this claim are consumers' cooperatives – the increasing effort to buy local and organic food that has grown rapidly in recent years in various countries. Reports on the founding of various associations come from various countries. Some associations were established for example in France in 2005, in Italy in 2011 and in Spain in 2010. In other parts of the world, references are made to the formation of similar associations, for example in the northern and southern parts of America as well as in all other European countries (Renting, 2012).

Another example of the initiative is other forms of involvement of citizens in key sources to support the development of local and organic food. Such development can be represented by the establishment of community gardens, where citizens themselves can grow vegetables.

Thanks to this way of consumer thinking, the consumers themselves move away from being the passive customers towards being more active citizens. Through these negotiations, customers are reluctant to re-supervise food production. This has forced farmers not only to increase their efforts to sell their products, but also to make their products a basis for further processing of agricultural products. And farmers have also started to be interested in the distribution of food in a wider sense, such as the political context. People themselves are interested in converting food from a simple stage into food and its broader perception in a social, cultural and environmental sense (Renting, 2012).

The emerging food networks evoke the urge to change governmental principles in agriculture. Building a democracy in the area of food has also brought a new issue to the government about the role of the markets from a political point of view. In this issue, the principles of volunteer, social, and other forms of participation play a key role. The need coming from citizens is very strong and the mechanism of the system of innovation and transformation in the agricultural system starts (Renting, 2012).

The question is: What benefits will these new principles have in the future? Will these changes be of a greater and more permanent character and will they change the agricultural system or just stay on its edge? One of the problems is that conventional agricultural principles are very strongly rooted and it will be very difficult to change them. However, there are also other connections, such as logistics, stockpiling and other food chain schemes. In addition to food production, it is also necessary to focus on the distribution system. That is the journey that leads from the production of raw materials (crops, meat, etc.) to its placement in stores or other ways of sale. Since 2012, the situation in Alternate Food Networks (AFN) has still not become satisfactory despite the persistent attempts to understand the current dynamics of the food system that is part of the civic amenities of human settlements (Renting, 2012).

One central issue is that there is no clear AFNs concept without a normative framework. Renting has attempted to define AFNs as a broad-based term that seeks to capture a description of the network of producers, consumers and other stakeholders that represent an alternative to the standardised food industry. On the other hand, Tregear attempts to define the concept rather as the provisioning of different types of food, which in a way is opposed to the habits of the majority. Another problem is the distinction between conventional and alternative foods. However, development brings a new food system which describes the so-called hybrid system. In this case, food chain stores combine the sale of standard foods with the sale of alternative foods. This results in a transitional phase between the existing system and the alternative food distribution system (Renting, 2012).

In his article, Renting proposes the concept of the Citizens' Food Network (CFN), which could serve as an alternative to the conventional distribution system. The CNF is an initiative that, through its internal organisation, becomes strong enough to negotiate at government level. This would make it possible to become a factor of change. CNF can also exert pressure in several ways. One possible way is the education of the population. Additionally, the main food system may be weakened and, as a result, public awareness of food issues and the creation of new themes for political action can be promoted. Another way could be a new definition of rules associated with various demonstrations and protests. The CNF may become a member of various local organisations, movements or institutions (Renting, 2012).

Change also brings with it growing public concern about food and increasing awareness of existing food models. Consumers also feel a strong need for change because of the fear associated with the preservation of food safety. On the part of state administration is a need to adapt some rules, such as hygiene regulations or environmental certification requirements (Renting, 2012).

#### 3.2.2 The meanings of trust

In order to determine how big the trust in the farmers' markets is, it is first necessary to determine what trust is. It is obvious in advance that 'trust' is an abstract term that can be understood in many ways. This chapter will describe how trust is determined according to various sources. It will also explain how to look at the customer in connection with the term 'trust'.

Trust can be interpreted from three dissimilar viewpoints. The first meaning of trust is described by theorists as a specific part of individuals' characteristics. The second approach to trust involves two or more participants involved in a certain relationship. The third and last approach, which is the most important one in the context of this work, is the view which considers trust to be a constituent part of a social or especially economic transaction (Paliszkiewicz et al., 2013).

In addition to all of the above, Paliszkiewicz et al. (2013) explains more in-depth as follows.

In connection to the understanding of trust as a part of individuals' characteristics, trust is perceived as a psychological state where individuality lies in different intensity levels of trust for different situations. The willingness to trust and its intensity is affected by:

- individuals' personality (Luhmann, 1979 via Paliszkiewicz et al., 2013),
- cultural background and experiences from development (Mayer et al., 1995 via Paliszkiewicz et al., 2013),
- tendency or disposition to trust (McKnight et al., 1998 via Paliszkiewicz et al., 2013),
- individuals' prediction as to the chance that trust will be returned (Kramer & Tyler, 1996 via Paliszkiewicz et al., 2013),
- individuals' promptness or decision to be dependent on the other party/parties in the relationship (McKnight et al., 2002 via Paliszkiewicz et al., 2013).

In opposition to trust as a feature of an individual person is the second conception of trust, which says that if the individual did not have any relations with others, he or she would not have any need for trust or encounter situations in which he or she would have to operate with trust. In other words, there is no objective need for trust if the individual is not involved in a certain relationship or connection with others. This idea stresses the sociological function over the psychological one from the perspective of the utilisation of trust as a developing element and subsequently a maintaining element of an interpersonal relationship between two or more individuals (Lewis & Weigert, 1985 via Paliszkiewicz et al., 2013).

For further explanation, here are three exact definitions:

"Trust is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party." (Mayer et al., 1995 via Paliszkiewicz et al., 2013),

Moore et al. (1993) via Mayer et al. (1995) describe trust as "the willingness to rely on the other party",

"Trust has been viewed as a belief that no partner to the exchange will exploit the others' vulnerability." (Dwyer et al., 1987 via Paliszkiewicz et al., 2013).

And finally, the third approach views trust as an important part of social and economic exchange. In the case of social exchange, it is expected that an individual is investing something in others and is motivated to do this by the fact that the amount invested is going to be returned (or even increased before being returned) by the other party/parties. That something which is being put into the exchange is presented as a benefit of social exchange which usually does not have any specific value or tangible form (Blau, 1964 via Paliszkiewicz et al., 2013).

This is specific for both social and economic exchange because there is an obligation to participate in the relationship and trust is more or less balanced on both sides equally, which results in a situation where trust can be perceived as continuing (Buskens, 1998 via Paliszkiewicz et al., 2013). Molm et al. (2000) via Paliszkiewicz et al., 2013 also add that there are different levels of risks and insecurities on each side.

On the other hand, trust in an economic transaction differs in one important point. Trust within economical transaction is supposed to be strictly bound by a formal or even an informal contract. This binds both parties to an obligation presented in that bargain. The contract should also provide both exchangers certain guarantees to facilitate trust for each party (Buskens, 1998 via Paliszkiewicz et al., 2013).

The economical approach to trust is defined as:

- "Trust viewed from an economic standpoint is an expectation that people will not be exploited by others, which exists when there are no strong incentives for people to behave opportunistically." (James, 2002 via Paliszkiewicz et al., 2013)
- "Trust can be treated as a state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually acceptable manner." (Sako, 1992 via Paliszkiewicz et al., 2013)
- "Trust is the reliance by one person, group, or firm upon a voluntarily accepted duty on the part of another person, group, or firm to recognize and protect the rights and interests of all parties engaged in a cooperative endeavour or economic exchange." (Hosmer 1995 via Paliszkiewicz et al., 2013)

As mentioned by Paliszkiewitz (2013), it is necessary not only that both parties act and react to each other in a predictable way, which relates to mutually acceptable manners, but also that they both act in a way that does not abuse or cause damage to either party. With reliable behaviour on both sides, they can form an anticipatory vision of future relations based on past experiences.

When one party is represented by a customer, who is defined according to Paliszkievicz (2013) as "any person, who had, has or can have some interaction with a salesperson...", we have a more specific subcategory of trust.

Customer trust is more specifically defined as follows:

- "The customer believes that what the salesperson says or promises to do can be relied upon in a situation where the failure of the salesperson to be reliable will

cause customer problems." (Swan & Trawick, 1987 via Paliszkiewicz et al., 2013)

- "The emotion or the affection of a buyer feeling secure or insecure about relying on the salesperson; and beliefs about the trustworthiness of a salesperson in a situation where the buyer faces some risk if the salesperson is not trustworthy." (Swan et al., 1988 via Paliszkiewicz et al., 2013)
- "Customers' confident believes that the salesperson can be relied upon to behave in a manner that serves long-term customer interests." (Crosby et al., 1990 via Paliszkiewicz et al., 2013)

The relationship between a customer and a person who wants to trade with his customer (salesperson) rests on two elements. The first of them is affect, which makes the customer willing to feel either secure or insecure about trusting the trader. The second element is defined as cognition, meaning the trader is motivated and especially has the qualification needed to be trusted by his or her customer (Paliszkiewitz, 2013).

According to Simmel, one of the most valuable human qualities is truthfulness. Mistrust is much more tolerable for small groups of people. The point is that people get huge amounts of information every day. And it is not in humans' power to validate all claims presented to us every day (Shapin, 1994).

Luhmann says that credibility is one of the prerequisites for negotiation. Trust is one of the cornerstones of society, without which one could not even get out of bed in the morning. Trust consists of events that happen every day during social interactions. If we deal with a person who has lost confidence, we risk. Trust affects our basic behaviour and reasoning (Shapin, 1994).

In the past, trust was associated only with interpersonal relationships. It was associated only with interpersonal actions, and today we have to trust systems that are not human. According to Giddens, modern times determine a series of 'disembedding mechanisms'. As for Simmel and Luhmann, Giddens sees the perception of trust in a modern concept as a change in the system of abstract systems, whereas in the past, trust was only a question of face-to-face interactions (Shapin, 1994).

#### 3.2.3 Forming customer trust

The previous subchapter described what 'trust' is. In this chapter, we will describe what the subject of customer trust should be. In general, it may be said that in the case of farmers'

markets, the most important factor is the trust between the customer and the seller – in particular, customer confidence in the origin of the goods being sold.

Within customers' current options of obtaining foodstuffs, as mentioned previously, there is a risk that the product bought in a super- or a hyper-market will not adequately satisfy customers' expectations about the quality of mass-produced goods. Not to mention the treatment of goods during the transportation across several countries or even continents. Hand in hand with this goes the trend of the increasing importance of commodity embeddedness within an area or a procedure system that creates or emphasises the natural origin and the spirit of the area in particular. The connection of a product with the place of its origin (often included in the product name) undermines truthfulness and credibility, which are supported even more within a short food supply chain (Sage, 2007).

"At a time when the acquisition of products is becoming depersonalized (by supermarkets, hypermarkets, self-service and other modern facilities), the public appreciates being able to trust someone who knows the product, someone they can speak to personally, and who can offer information and advice about the origin and the characteristics of the desired purchase." (Medina, 2004)

Originally presented by economic historian and philosopher Karl Polanyi, born in Vienna in 1886, trust, social connectivity and proximity represent the essential principles in the studies of alternative food networks where embeddedness has become a vital concept. The above mentioned factors are important throughout the whole economic life, but especially within agricultural marketing initiatives, where those are the underpinning fundamentals. In discouraging malfeasance and generating trust, there is a strong emphasis on the role of relationships between specific persons, structures or networks (Granovetter, 1984).

An old Dutch proverb goes: 'What farmer does not know, he will not eat.' It basically says that in the past, foodstuffs used to be produced mainly in the area surrounding a household or even in the household itself. Quality indicators were therefore perceived through personal observation or experiences shared during events symbolising former social networks in a close neighbourhood. Renting et al. (2003) point out that the delinking of food production, processing and consumption engaged in the industrial environment created an urgent need to establish institutionalised food-quality guarantee. This is in connection with a report of the Dutch Council for Rural Areas (Council for Rural Areas, 1998) via Renting et al. (2003) claiming that the development of food markets is conditioned by the identification of capacities and the need to gain of the customers' trust.

"In order to trust the food, one must first trust the producer, and direct personal interaction offers consumers the opportunity to make their own judgment." (Sage, 2007)

Trust between partners in the exchange process or between individuals is built through every single experience or interaction over time. Even though time is an important element, leaving the level of trust in a key supplier-customer relationship only to the effect of time is irresponsible. Both sides or parties of the transaction should be willing to get to know each other by investing resources, effort and time to speed up this process. It is helpful for the relationship if both partners are managing the dynamics of this process (Paliszkiewitz, 2013).

Although this is not to preclude the relevance of price or instrumental behaviour, Sage (2007) wrote that trust and social connectivity appeared to be vital elements in transactions involving food.

Offer (1997) goes on to say: "Personal interaction ranks very high among the sources of satisfaction. It can take many forms: acknowledgement, attention, acceptance, respect, reputation, status, power, intimacy, love, friendship, kinship, sociability. To wrap it all into one term, interaction is driven by the grant and pursuit of regard."

Regard provides a very strong motivation for trust, and trust itself resembles a gift. It is supposed to be a one-way transaction with no certainty of reciprocity. However, trust "economizes on the 'transaction costs' of monitoring, compliance, and enforcement." In other words, regard becomes a supplementary motivator for economic transactions, offering a level of advantage (Offer, 1997).

The next valuable thing for a small-scale producer is to gain and maintain customer loyalty. This can be achieved by giving signals of effort to get in touch with the customer and percieve his or her preferences (Sage, 2007).

Probably the most complex description of how to establish trust in business transactions was published by Dwyer et al. (1987) via Paliszkiewitz, 2013. Their work rests on that principles that business relationships evolve according to these five following phases:

- 1. Awareness
- 2. Exploration
- 3. Expansion
- 4. Commitment
- 5. Dissolution

Every phase mentioned above requires specific kinds and levels of cooperation, implicating the creation of expectations, direct experiences and mutual dependence. For example, in the exploration phase, there are sub-processes such as attraction, communication, negotiation or expectations of possible development, that prepare the platform for possible trust or distrust. It is continued after the main purchase of a product or service which provides the desired performance (Paliszkiewitz, 2013).

"Trust is created when the trustor's knowledge about the trustee allows the trustor to predict the trustee's behaviour in the future." (Doney & Canon, 1997 via Paliszkiewitz, 2013)

Customers buy organic foods especially because they believe it will benefit their health. Therefore, the greatest advantage of organic foods is that they bring health benefits. However, there are plenty of opinions on whether organic foods are really linked to better health. According to some customers, the purchase of 'expensive organic food' means only wasted money (Zagata, 2012).

The question is – when did the demand of Czech consumers for organic food begin? Before 1989, organic foods had been completely unknown. In 2010, 10.59 % of agricultural land was cultivated organically. In 2007, when an information campaign was launched to raise awareness of and demand for organic food, Czech people's awareness of organic food began to rise. The demand for organic food is based on positive customer expectations (Zagata, 2012).

The fears and preferences of consumers have invoked the need for change and other options for obtaining food. Various catchphrases began to appear, such as: 'In goodness we trust' or 'Organic farming good for Nature, good for you' etc. Consumers' demands have created institutions that have explored the quality of organic food (an alternative to the agrofood network). At this point, customers have also started to focus on quality. However, the notion of the term 'quality' can be explained in several ways. Systematic analysis distinguishes three types of quality:

- 1. product-oriented,
- 2. process-oriented,
- 3. user-oriented.

Product-oriented quality relates to strictly measurable and documentable product parameters. Process-oriented quality is associated with the method and conditions under which the product was produced. User-oriented quality is an unmeasurable parameter because it expresses the subjective perception of the product by users (Zagata, 2012).

The main reasons for the demand for organic food are the notion of the purity and naturalness of organic food, positive impacts on health and a broader range (assortment) of products (Zagata, 2012).

# 3.3 Tools of customer protection

#### 3.3.1 Consumer protection

With the growing popularity of farmers' markets accrued also the number of vendors who do not always communicate the complete truth to the customer. These misconducts naturally called for tools that would protect the customer.

The Department for Technical Harmonization and Consumer Protection Legislation is primarily concerned with the implementation of consumer policy priorities. Priority areas include, in particular, the safety of products and services, the protection of consumers' economic interests, market surveillance, law enforcement, legislative activity, cooperation with consumers' organisations, education and consumer education, and support for self-regulatory activities (Mpo.cz, 2018).

The tools of consumer protection include information tools. Currently, various information portals are known across the Internet. In the Czech Republic, websites such as www.spotrebitel.cz, www.spotrebitele.info, www.mpo.cz, www.konzument.cz, www.dtest.cz, www.potravinynapranyri.cz are very popular nowadays and are some of the well-known consumer protection tools. Among printed tools of consumer protection are magazines such as dTEST or SOS Magazine.

There is also an effort to protect the health and ensure food security and protect consumers' interests within the European Union. The European Union has begun to set standards for the control of food and feed hygiene, animal health, plant health and the prevention of food contamination by undesirable substances. The EU also regulates food-labelling (Euroskop.cz, 2018).

The European Union manages the RAPEX-Rapid Alert System for Non-Food Products, a network thanks to which dangerous products are subject to mutual reporting between EU countries. The European Commission has set up a rapid alert system for dangerous non-food products. It is a system tasked with alerting consumers about dangerous non-food products. The Commission ensures that measures are taken to prevent and restrict the launching of dangerous products on the market. A part of this system is the use of coercive mechanisms. In 2012, the European Consumer Agenda was established and laid down 62 measures for European

consumers. These measures have four main pillars: product safety, increasing consumer awareness of their rights, enhancing the enforcement of consumer rights, integrating consumer interests into key sectoral policies e.g. telecommunications, energy, transport and food (Euroskop, 2018).

The second important system of the European Union is the RASFF (Rapid Alert System for Food and Feed). It focuses on reporting damage to human health caused by food. Thanks to this system, information on dangerous food and feed can be shared quickly and efficiently (Eagri.cz, 2018).

The functioning of RASFF in the Czech Republic is governed by Government Regulation No. 98/2005 Coll. It establishes a rapid alert system for the emergence of a risk to human health caused by food and feed (Eagri.cz, 2018).

# 3.4 Legislation

This chapter introduces issues of legislation. It first focuses on the product issue and its introduction to the market. The following subchapter presents current legislation and regulations: trade business, EET, verified weight, sales of fresh poultry meat, fresh meat, fresh beef and beef products, decree of the Ministry of Health and the specifics of the sale of meat.

#### 3.4.1 Product safety

Act No. 102/2001 states that the purpose of this Act is to ensure, in accordance with the law of the European Communities, that products placed on the market or in circulation are safe for consumptions (Mpo.cz, 2018).

#### **Product**

The product can be perceived in several ways. The following is the description of the product as it is defined in Czech law.

A product, for the purposes of Act No.102/2001 Coll., is any movable thing that has been produced, mined or otherwise obtained irrespective of the degree of its processing and is intended for supply to consumers or can reasonably be expected to be used by the consumer. This includes goods provided in a service, even if it was not intended to be offered to the

consumer in a case where it was supplied in the course of business activities for cash or free of charge, as a new item or a modified item (Mpo.cz, 2018).

A safe product is a product that is considered not to be unsafe under normal conditions or it presents only a small danger about which the consumer is warned. Its characteristics, its service life, its ingredients, the method of packaging, the marking of warnings or the information about the manufacturer must be given in the Czech language. In addition, a consumer's risk must be written on the product if consumers are at risk when using it, especially children and people with reduced mobility (Mpo.cz, 2018).

#### Launching products on the market and putting them into circulation

Every product is launched on the market for the first time at some point. Here are the legal conditions that the process must meet.

The producer is the person who produced the finished product or any other person who acts as the producer. That is, by placing a business name, trademark, or other distinguishing sign on the product. The manufacturer is also the person who modified the product. The importer or other persons who have a demonstrable influence on the quality of the product are also considered to be producers. The producer must limit the imminent risks (Mpo.cz, 2018).

# 3.5 Current Czech legislation and regulations

Many new vendors do not know what requirements they need to meet to be allowed to sell at a farmers' market. This chapter provides a brief list of requirements sellers must meet.

A seller at a farmers' market must have a trade license or a certificate of incorporation. Under certain conditions, vendors must also have an electronic cash register (EET). The scale used for weighing unpacked goods must be certified. These are the three important formal demands placed on every seller.

#### **Trade business**

There is also the question of when a vendor needs a trade certificate. The Trade Certificate is not required in the case of the sale of one's own products if the sale is not systematic. Sometimes it is difficult to prove the continuity of sales. If it was a regular sale without a business license, it would be unauthorised business. In case of doubt one must consider the

wording of the Trade Act (Živnostenský zákon). For example, selling Christmas trees, even if they are sold once a year, is also a trade. Therefore, it is always recommended that sellers operating at the market have a trade license. Even if the seller only sells occasionally, the same conditions as for sales in stands apply. The stand must be visibly marked with the business name, name and surname of the seller, and the seller's identification number (IČ). As far as taxes are concerned, non-systematic sales must also be taxed. Tax exemption applies to occasional activity of an operator who does not sell goods for more than 200,000 CZK per year. In this case, the taxpayer is exempted (Vesecký, 2014).

#### **EET** (Electronic Sales Records)

In the Czech Republic, EET is a highly debated issue. Since March 2017, retailers must be registered, and their transactions must be operated via this system. EET has been obligatory for farmers, growers and sellers of refreshments since March 2018 and for manufacturers of articles since June 2018. Surplus sellers are not obliged to have EET. The question is what effect the EET obligation will have on the seller at a market (Ferulíková, 2017).

#### Verified weight

Verified weight must be legible according to legislation. It must also be lawful. That is usually proven by stickers attached directly on the scale (Vesecký, 2017).

#### Yard sale (Prodej ze dvora)

This decree about yard sale sets out the conditions for the distribution of small quantities of products coming from the farmers' farms. The decree describes the veterinary conditions for launching animal products, veterinary and hygienic requirements for certain food companies, technical conditions, equipment and layout. Furthermore, the procedures and criteria by which the animal health and hygiene requirements and regulations can be adapted to EU requirements. An important point of the decree is determining which food businesses are considered to be small-scale producers and which are considered to be retails. Thanks to this decree and in accordance with it, exceptions to the standard requirements of operation with a small volume of production or retails which are still operating marginally may be granted.

For the yard sales, there are set conditions for the sale of fresh poultry meat, fresh minced meat, game, raw milk and fresh eggs (Eagri.cz, 2018).

#### Fresh poultry meat

The maximum annual production of live animals is 2,000 turkeys, geese or ducks or 10,000 of other poultry.

For a small quantity that can be sold to the final consumer on the farm, the maximum for market or market place or at a local retail shop is 10 pieces per week and the meat may not be further distributed.

#### Fresh rabbit meat

A breeder keeping small rabbits can sell or deliver uncooked fresh rabbit meat in small quantities with similar conditions as fresh poultry meat, i.e. 10 pieces per week at most (Eagri.cz, 2018).

#### Game

A shooting person or a member of a hunt can sell or deliver caught game in skin or in feathers in small quantities directly to the final consumer or to a retail shop with a similar assortment within the respective region which sells it directly to the final consumer. For a small number of game animals intended for sale, it is no more than 30 % of the number of hunts actually caught per year. This game shall no longer be put into circulation (Eagri.cz, 2018).

#### Raw milk

Raw milk and raw cream must not be put into circulation for direct human consumption with the exception of direct sales to the final consumer in small quantities (direct sale of raw milk).

For a small quantity of raw milk and raw cream intended for direct sale to one final consumer, that quantity of milk must correspond to the usual daily consumption of that milk in the household of the given consumer (Eagri.cz, 2018).

#### Fresh eggs

Fresh eggs are the subject of direct sales to the final consumer. Fresh eggs can be sold in small quantities not only on the seller's own farm but also at the market. They must not be put into circulation after that. Small quantities are understood as a maximum of 60 eggs. The farmer can deliver up to 60 eggs per week to the nearest grocery store (Eagri.cz, 2018).

#### **Bee products**

Bee products can be sold at the market and they can also be delivered to grocery stores within the district. The amount must not exceed 2 tonnes per year. Honey must not be put into circulation after that (Eagri.cz, 2018).

#### **Decree of the Ministry of Health**

The Decree on Hygiene Requirements and the scope of equipment of the sale describes the principles for the sale of food according to the assortment of sold food. This Decree regulates not only the sale in shops but also the sale in booths and mobile shops adapted for long-term or seasonal sale. It also regulates sales in over-the-counter shops designed for short-term sales (for example racks, trays, tables and portable stands) and vending machines for long-term self-service sales. This Decree also regulates the compatibility of foodstuffs with each other, packaging, protection against food contamination, pests (insects, rodents, birds and other animals) and others (Sagit.cz, 2002).

#### Sale of meat

Law concerned with the sale of animal products is regulated by the State Veterinary Administration.

#### 3.6 The Code of Farmers' Markets

The Association of Farmers' Markets of the Czech Republic has issued the Code of Farmers' Markets (After.cz, 2018).

#### 3.6.1 Organisation of the farmers' markets

This chapter describes under which organisations a particular farmers' market can be registered. Subsequently, this connection with an organisation can be a guarantee that the market will follow certain principles.

A farmers' market is a place where the products sold are mainly food. Non-food goods may not constitute more than 10 % of the total farmers' market sales outlet. As non-food, it is possible to identify goods that are not directly related to food. An example of such goods may be wicker baskets, wooden lobsters, etc. If the organiser is a member of the Association of Farmers' Markets (AFT), he or she must clearly give preference to goods of Czech origin (After.cz, 2018).

Farmers' markets organised by a member of AFT are required to mark the market with the logo of the association. Shoppers are informed about the membership of the organiser in the association through market websites, information and promotional material, etc. Farmers' markets must have market rules approved by the relevant state administration authorities. The places where farmers' markets take place must be in well-accessible localities – not only by car but also on foot, by public transport or by cycling. AFT rules do not allow farmers' markets to be held in shopping centres. This also applies to the adjacent areas of shopping centres such as car parks and similar places. Farmers' markets must have at least 10 food sales points and be held at least once a month. Individual sellers are vetted by the organiser and have all the necessary documents required for selling food. Sellers are responsible for complying with all applicable legislation related to the sale at farmers' markets. All stands and sales points must be legibly marked with the sellers' name and surname or business name, address, registered office, brief information about sold goods and the location of origin. Farmers' markets are not just places to sell food and other goods, they should also be a good place to meet people and develop interpersonal relationships (After.ez, 2018).

#### 3.6.2 The character of food sold at farmers' markets

This subchapter describes what characteristics goods sold at farmers' markets must have. Or rather which requirements as to the characteristics of the good must be met.

Products that are sold at farmers' markets should come directly from the farmer or food producer. He must guarantee the origin of the goods sold from his own resources and have the opportunity to prove the origin of the sale. If there is a case where a producer cannot sell his goods personally, he or she can be represented by a vendor, by a written mandate from the producer himself. The representative vendor must have all the necessary documents.

The proportion of food products at the market must be over 90 % at farmers' markets. The proportion of foods of regional origin (the Czech Republic) must be at least 50 % (except the capital city of Prague). The proportion of Czech food at farmers' markets must be at least 90 %. Foreign food is also allowed (only in high quality) and equivalent goods cannot be available on the Czech market (e.g. oil from a small Greek farm, etc.). If something of foreign origin is being sold, it must be visibly marked and the sale must also be logically explained. For example, there can be refreshment stands with coffee or tea. Coffee, tea or chocolate sold as snacks to shoppers should be of high quality, organic quality or it should come from Fair Trade sources (After.cz, 2018).

# 3.7 The Ten Commandments of State Veterinary Administration for Sale at Farmers' Markets

The Regional Veterinary Administration (KVS) supervises the markets held at a place approved by the municipality, which were authorized by the municipality and the relevant regional veterinary administration approved the market rules of the operator, if it was not issued by a regulation of the municipality. The state administration rules say that only products from own-farm animals may be sold. Thus, from animals not obtained in an approved and registered breed or only a registered production company under the following conditions. Meat must have the inscription that it is not treated with veterinary treatment and that it is intended for consumption by the consumer after heat treatment. Rabbits must not have separated head. The seller can sell a maximum of 10 turkeys, ducks or geese per week. Additionally, maximum of 35 poultry or rabbits per week can be sold. The meat must be stored at a temperature of up to 4° C. Raw milk and cream can be sold using a vending machine (machine must be registered). On fresh eggs, there must be written name and address of the breeder and can be sold in maximum number of 60 pieces to one final consumer. Bee products must be marked with the farmer's name, surname and address and in the case of honey, a type of honey and its quantity must be written. There can be sold live fish as well (killing and other fish processing must be reported to the appropriate KVS seven days in advance) (Duben, 2018).

It is not permissible to sell meat from domestic slaughter on the farm (excluding poultry and rabbits) and products from that meat. Other sellers of animal feedstuff food must ensure that they sell food and raw materials produced in an approved and registered business. Foods

must be stored at the specified temperatures. For the foods mentioned above, the origin must be documented on request. Foods must be labelled according to legislation and can be labelled as 'suitable for children', 'home', 'fresh', 'live', 'clean', 'natural'. But this designation must not be misleading. Selling food with expired shelf life is inadmissible. Also, the sold food must be protected from contamination and from direct weather (Duben, 2018).

All equipment that comes into contact with food must be clean and must not pose a threat of contamination. Means of transport of foodstuffs and all containers intended for them must be clean and kept in good condition. People who manipulate with food must keep personal hygiene, wear clean clothing, and a source of drinking water must be available when selling unpacked food (Duben, 2018).

### 3.8 Cases of abuse of trust

This chapter describes specific cases of abuse of customer trust. Most of the cases of abuse of trust were revealed by public authority reports. This chapter also describes how it works at a specific market - at Kulat'ák in Prague 6.

#### Egg sale case, June 2017

According to an article on idnes.cz from June 2017, misconducts were uncovered in 28 percent of the veterinary inspections which were carried out compared with classic stores where veterinary inspections uncovered misconducts in just 9 percent of the checks (Řezníčková, 2017).

"One seller bought eggs and poultry somewhere, maybe in Makro, and then repackaged them and sold them as farm products. That's a lot more serious," said Semerád, one of the veterinary inspectors (Řezníčková, 2017).

### State Veterinary Administration press release, new phenomenon, farmers' markets

A press release from October 2011 showed the result of an inspection performed by the State Veterinary Administration of the Czech Republic. Only approved and registered marketplaces and markets were checked. There were 195 markets which counted as such in the Czech Republic according to this report, 142 of which were so-called farmers' markets (Duben, 2011).

The most frequent repetitive defects found were as follows: unsuitable temperatures when selling food, the sale of a product produced in an unauthorised/unregistered place, goods in the possession of unknown origin not affixed; missing or incorrect food labelling, designation of products by the term 'domestic', import of food – the seller was not registered as a trader, sale of unlabelled eggs, insufficient protection against unfavourable environmental influences (temperature, contamination). For these reasons, it is recommended that buyers at the markets pay attention to product labelling, way of sale and compliance with prescribed refrigeration. Customers should not be afraid to ask questions in case of doubt. Upon request, a vendor has to inform customers in an exhaustive manner about the goods sold and their origin. If the customer thinks that something is wrong, he or she should alert the local competent regional veterinary authority, which should investigate the case and possibly resolve it (Duben, 2011).

### The case of forged honey, June 2017

Two successive sales of honey from the same batch, which were falsified, occurred shortly after. The sale occurred at farmers' markets in the capital city of Prague. The State Veterinary Administration has observed that honey is one of the commodities that are often falsified. That is why the inspections regularly focus on honey (Vitalia.cz, 2017).

A laboratory analysis showed that the honey samples did not comply with sensory examination parameters. The smell and taste were strange and did not match with the taste of honey. Furthermore, the honey did not even match the alleged ingredients. The conclusion of the investigation was that the seller had mislead consumers. The product to which the vendor referred as honey did not meet the sensory or physio-chemical requirements for honey. The Veterinary Inspector banned further product entry into circulation. Nevertheless, the product was subsequently found in the next market (Vitalia.cz, 2017).

The evaluation of the level of seriousness of the offence also took into account the fact that the sale of inadequate honey took place at the farmers' market (Vitalia.cz, 2017).

### Misleading place of origin

If buyers come to the farmers' market, they expect to have the option to buy a higher volume and wider range of vegetables and fruits from Czech fields, gardens and farms. According to data from June 2015, there were 265 places identified in our country which counted as farmer's markets. Unfortunately, some traders are parasitic in the name of farmers'

markets and offer goods the character of which is remote from what they are supposed to be. A model example happened in Prague 10 where the customers faced this specific problem. The situation was much debated on Facebook social network – the question is: who should be responsible for the quality? The responsibility should lie primarily with sellers themselves. That is how society perceives the situation; however, market organizers themselves are also responsible. They can decide whether to voluntarily enter the AFT or not. It is a bit unfortunate that many well-known farmers' markets are still not members of the association. Another part of the problem is the use of misleading concepts. Such misleading concept is for example a 'traditional product'. The big risk is also that the smuggler will not be detected. However, it has been shown that many shoppers do not know about these risks (Havel, 2015).

### Sellers try to sell products from the supermarket as products from a farm

A misleading offer of food was found, for example, at the Farmers' market at Kulat'ák (Dejvice, Prague 6). At one of the sales stands, the delivery notes revealed that the seller offered goods which are normally available in the common market and therefore not supposed to be at a farmers' market. This violated the Food Law. The product was offered in a deceptive manner because the website of the market operator indicated that these offered foods are directly from farmers. The fact that the fresh meat was unpacked from consumer packaging before sale and sold to give the impression that it was sold directly from the breeder is also proof of the deceptive behaviour. If the market organisers get information that someone has committed such actions, they should immediately quit cooperating with that person. Unfortunately, the organisers do not know about all the bad dealings. Checks are often performed as a response to a notice from previous customers (Krbcová, 2016).

### Checks performed in 2015

Veterinarians performed checks at 61 farmers' markets in the year of 2015 and discovered 94 misconducts. The most common problem was the failure in setting too high temperature for meat on offer and an insufficient protection against insects and rodents. In Prague, veterinarians imposed fines exceeding CZK 200,000 in 2015. In serious cases, they ordered sellers to immediately close the stand. In many cases, sellers at the markets were unable to prove who produced the goods and in many cases, the vendors brought for example sausages from a retail chain and smoked the meat from home. Every meat vendor must be registered with the State

Veterinary Administration (SVS). The inspectors also checked the documents of the origin of the meat.

Compared with 2013, the number of misconducts found had decreased. The number of inspections at farmers' markets grew from 75 in the previous year to 473. The Nielsen survey in 2015 says that at least one-third of the population buys good at farmers' markets. People at farmers' markets are most interested in fruits and vegetables, dairy products and sausages. The markets are popular mainly due to the presumed quality of food that customers do not find in regular stores (Metro.cz, 2015).

### Checks performed in 2016

In the Central Bohemian Region, the SVS performed 49 inspections at farmers' markets and found only 9 cases in which a law was breached, which means in 18 % of all inspections. The most common deficiencies remain the same: missing documentation, temperature chain discontinuation, and lack of personal hygiene. In another case it was the lack of protection against contamination. Additionally, food was not stored at temperatures specified by the producer. A non-registered sale of animal products has also been a frequent problem (Svscr.cz, 2017).

### The Farmers' market at Kulat'ák – an example of how it works

A well-known market in Prague is the Farmers' market at Kulat'ák (in Dejvice, Prague 6), which held its seventh season in 2016. The organisers have declared that not everyone who wants to sell here is allowed to do it. About five to six thousand people come to the market regularly, not only from Prague 6 but also from all over the city and its surroundings. A large number of people take care of the organisation of the market. They build the market every Friday and clear out on Saturdays (Krbcová, 2016).

There are farmers from all over the Czech Republic at this market. They must be present at least one and a half hours before the opening, at half past seven. The market opens at eight o'clock and closes at two o'clock. Some farmers from farther away arrive home at seven and still have to take care of their farms, which has become challenging for them for them. Some of them are forced to quit due to this difficulty, but there are not many cases. On the contrary, their farms more often increase in popularity due to farmers' markets and sometimes the farmers announce that they no longer have to travel to the markets, because customers start to come

directly to them. For farmers, the increasing demand means they have to start making decisions about what they should do next. Increasing production could mean a decrease in quality. The farm is also not allowed to increase production due to the capacity limits. Farmers often do not want to sacrifice quality because it would mean everything would have to change. That is why farmers often refuse to deliver to supermarkets (Krbcová, 2016).

The organisers try to ensure visibility for the group of sellers and are also trying to establish cooperation with foreign farmers. They work with embassies in those countries from which the products are imported (Krbcová, 2016).



Picture 2: Farmers' market at Kulaťák (source: farmarske-trziste.cz)

# 4 Empirical study

### 4.1 Farmers' markets at present

The author of the thesis has chosen two farmers' markets. The first market is the Farmers' market at Kulat'ák, which takes place at Vítězné square in Dejvice, Prague 6, and the other is the Farmers' market in Karlín.

The Farmers' market at Kulat'ák takes place every Saturday from 8:00 to 14:00. The traditional Farmers' market at Kulat'ák (Prague 6) has been among the largest and most popular farmers' markets in the Czech Republic for a long time. It is regularly visited by five to six thousand people not only from Prague 6 but from all over Prague and its surroundings. Sellers come to Kulat'ák literally from the whole country.



Picture 3: Farmers' market at Kulaťák (source: farmarske-trhy.cz)

The Farmers' market in Karlín takes place every Saturday from 8:30 to 15:00. More than 50 sellers from the Czech Republic and Slovakia come to offer their products here. This market is also one of the largest in Prague. In addition to the shopping stands, Prague 8 also organises a varied cultural programmes and makes sure that customers can drink coffee there or buy other delicious refreshments.



Picture 4: Farmers' markets in Karlín (source: facebook.com/karlinsketrhy)

### 4.2 Case study on farmers' markets

### 4.2.1 Description of study participants

The study sample involved market participants who were not further differentiated. In most of the cases, the interviewer talked especially to those of the market visitors who had not been shopping at that time but rather were hanging around somewhere at the market or drinking coffee, etc. It should be stated that approximately one third of the addressed customers were willing to spend some time with the interviewer, were very helpful and wanted to respond.

From about 25 individuals, couples or groups of people, the interviews were performed with 8 of them. Most of the customers were in couples, and in one case the interview was done with a group of 7 ladies (young mothers with strollers) who happened to answer randomly to the brought up interview topics. Further identification of the interview participants is provided below in *Table 1: Interview participants*.

On the other hand, it cannot be easily specified how long the customers talked about the topics of the interview as some of them shared a lot of their feelings and experiences and some of them less. This varied also in regards to the topics.

Identification	Short description
Participant 1	a couple, about 35 years old, who do not attend farmers' markets regularly but rather occasionally with kids
Participant 2	a couple, above 30 years old, who attend farmers' markets randomly
Participant 3	a man, approximately 30 years old, who attend farmers' markets once or twice a month
Participant 4	a younger woman, above 30 years old, who due to lack of time shops more in the farmers' shops but tries to attend farmers' markets at least once a month
Participant 5	seven younger ladies with strollers who attend farmers' markets more or less regularly to meet and spend time together with their babies and kids
Participant 6	a couple, about 35 years old, that did not use to attend farmers' markets often but as they are starting to like them, their attendance is increasing
Participant 7	a lady, about 50 years old, who attends farmers' markets regularly
Participant 8	a couple, around 40 years old, who go to farmers' markets more often in spring and fall

Table 1: Interview participants

### 4.2.2 Recruitment of participants for the study and interview structure

Even before the interviewer began his own research, an overview of question areas had been prepared. At first, three areas were set as a starting point for the interview guideline.

The first section focused on more general information about the customers and their habits. The interviewer asked about intensity of attendance at the farmers' markets, the usual content of their shopping bag or goods that customers shop for there, and the reason why customers prefer farmers' markets to farmers' shops (i.e. 'Sklizeno', etc.), box sales or super markets etc.

The second part of the interview focused on the topic of quality. In this area, the customer was questioned as to their interpretation of quality. The aspects and characteristics or criteria of quality were then described by the customer, followed by what the meaning the products from farmers' markets had for the customer or whether these products had some special added value for their consumers. The end of the second section targeted the qualities of the sellers, how they act, what their representation is, if they appear to be trustworthy, how much they are willing to talk about their products, etc. and even whether the customers are even observing such qualities.

The last section of the interview examined satisfaction, trust, experiences and knowledge. Customers at farmer's markets were asked about what makes their favourite farmers' market so special and how they found out about it. They were also questioned about what their feelings are about how the sellers act and what their experiences are in terms of shopping at farmers' markets in general or about the products they had bought there. Regarding knowledge, the customers were asked whether they were aware of the tools of customer protection such as The Code of Farmers' Markets, the Ten Commandments of State Veterinary Administration for Sale at Farmers' Markets, etc. At the very end of the interview the customers were asked whether they had ever experienced any behaviour that would not have complied with their expectations of how a farmers' market should work, and if that happened or were to happen, how they would try to deal with it.

The questioning took place at the farmers' markets themselves and the market participants were asked to answer a few questions. As mentioned above, the sample of interviewed people was purposefully selected (i.e. non-probability sampling procedure) and the participants were led in a semi-structured interview. Customers were queried in specific topic areas but depending on the development of the interview, some questions were added or removed.

The answers within the interview were recorded with the approval of the participants using a mobile recording device and then rewritten in digital form for easier processing of results afterwards. Most of the interviews lasted from 30 to 45 minutes, but there were cases where the interviews were very straightforward and took about 15 minutes. The results were processed in accordance with the individual questions and the connections of the answers to individual participants were identified. The evaluation of the responses of several research participants to the same question made it possible to draw conclusions that should generalise the patterns.

### 4.2.3 Expectations in terms of offered products

In the first part of the interviews, the interviewer asked about the range of products that customers buy at the market. Vegetables and fruits were mentioned most often, as well as eggs, meat, bread, sweet pastry, dried fruits, nuts, cider, pelmeni, raclette, milk or daily necessities. From food and drinks that can be consumed directly at the market, the interviewed people mentioned also: "something for breakfast", "something for lunch", hot coffee of wine. From non-food assortment, customers also buy various handicrafts such as pottery or for example flowers.

The disadvantage of farmers' markets in terms of assortment is that customers see, in particular, that it is incomplete or, in other words, that customers cannot count on being able to buy everything they have planned. At the same time, customers expect goods on the market to be a bit more expensive than in a supermarket.

Participant 1 said, "We buy the usual. Vegetables, fruits. We also like to get coffee or some cake there, but that's what we like to enjoy there with the atmosphere actually, not to bring it home. Otherwise we like to buy cheese there, also dairy products in general. Also meat. And with meat, we often buy meat from producers or farms that we already know from Rohlik.cz for example. So we noticed them at farmers' markets so the choice was pretty easy to make." They also added, "You have the feeling that you can get high-quality milk there. We also know a fish seller who has his shop nearby, so we can get fish from there." From the interviewees' answers, it is clear that they come to the farmer's market because they expect to buy the same things as in the current supermarket. This type of customer expects to get the same things they would buy in the supermarket but in better quality.

Other assortment is mentioned in the following answer, "Well, usually we buy vegetables, coffee, potatoes and bread or something for lunch." (Participant 5).

Farmers' market customers expect the goods to be a little more expensive than in the supermarket, so the following reply is not surprising: "Honestly, it is more expensive, I must say. It is much more expensive than in supermarkets." (Participant 5). Together with a higher price, customers also expect to get better quality and that goods will meet their expectations. Customers prefer quality over low price.

When it comes to the added value of farmers' markets and the products sold there, interviewees mention quality of the products and interaction with the producers: "For me, the added values is the interaction with the sellers who are usually the ones that produce the stuff, who work very hard to produce it and then go to the market to sell it so when you ask them, they really know about the production." (Participant 1). Some of the people also mentioned the support of local production and the fact that small-scale production does not have dramatic impact on the environment. On the other hand, Participant 8 has different point of view: "I don't think it would have some specific additional value. It is just that you don't need to stand bored in a queue in the supermarkets. It is more interesting here."

From the above, we can deduce that the customers visit farmers' markets not only to get the products that they would be able to get in supermarkets as well but also to enjoy the atmosphere at the markets, spend some time there and to consume products there directly. It can be said that some of the interview participants appreciate farmers' markets from the perspective of helping local producers while getting their shopping done.

### 4.2.4 Trust and the subjective definition of quality

The level of customer trust in goods increases in particular with the visualisation of the place of origin. Sellers can be advised to place a photo of their farm, the contact information or a link to their website or Facebook page on their stand.

For vetting the vendors, customers sometimes look for additional information. In particular, they emphasise that they do not buy goods from resellers who claim to be producers. This is related to trust. Inquiries revealed that a large number of customers are not worried that they buy from the resellers and they think they would recognise the resellers. Customers often associate the quality of goods with the way vendors communicate.

Customers examine the goods, specifically the taste. Those who go to the farmers' markets more often buy primarily from those sellers they know already and with whom they have built a good relationship. Customers prefer it if they can taste or check the goods sold before buying.

The quality of the goods sold is seen, for example, in the sellers' approach: "It is more personal. It is a nicer experience when you know the story and much more reliable than shopping in 'Sklizeno' for example, where you can get just the product and no story." (Participant 1). Customers expect to buy directly from the producers, and so to verify where the goods come from. For such customers, one of their preferences when shopping at a farmers' market is knowledge of the origin of the goods. These customers come here also for the pleasant and personal atmosphere.

In order to be convinced of the quality of the product, customers often look for different information: "I test them of course, what they know about the products, if he is not just the reseller who's trying to earn money this way, and if he or she has some relationship with it, because if they don't, you can find out pretty easily. Because to most of them selling their products is a matter of the heart." (Participant 1). This answer shows that some customers verify the vendor's personal relationship with what they sell. This is a form of testing how trustworthy the vendor is.

It is not an exception when customers are interested in, for example, sellers' certificates: "Yes, we do, that is why we go here, because we can see the product, we can see if it has some certification for example." (Participant 5). The answer indicates that it is important to some

customers whether the stand is marked with a certificate or other vendor information, so customers can check the seller.

Customers are not worried that the goods at the markets could be re-sold: "Well, not much, although it came to our minds – what if the seller went to the market to get some tomatoes when he sold his own stocks, but you would actually find that out because of the taste because the taste is usually much richer. And you have no reason not to trust especially when you see the home-made cakes or the sweet pastry in general." (Participant 1). Participant 2 has no bad experience either: "I don't remember having any problems at all. And that's because you can actually try the product, the tomato or the wine to taste it, to get a sample of what you are supposed to buy before you actually buy it. So there is basically no room for that. Maybe sometimes we had different expectations, but we didn't need to buy it as we'd sampled it before." Some customers do not require proof of supplier's credibility. They are happy with the current situation. It suits them that they can try the goods before buying (in the case of food to taste).

Other customers think that the goods should be controlled in some way to prevent possible fraud: "I think that the products at farmers' markets should go through some inspection to make it impossible to buy some products there that do not follow the rules or concept of farmers' markets. And I guess that you can actually recognise that in the taste. For example, the tomatoes. The ones bought at farmers' markets taste much better than the ones from supermarkets." (Participant 3). If customers believe that the products and vendors should be controlled, there must be a premise that there is a reason to worry about fraud.

If fraud were detected, customers would not stop buying at farmers' markets. They would only stop buying at that particular retailer: "I would definitely stop going to the seller but not the whole market. Because the other sellers should not be punished this way. Also, I guess we wouldn't be the only ones who would realise something is not ok and, I guess, the seller wouldn't sell much afterwards anymore." (Participant 2). It is clear from the answer that customers tend not to generalise and keep their wits about them.

Customers are often not very interested in different customer protection tools or other documents (e.g. Code of Farmers' Markets or the Ten Commandments of the State Veterinary Administration). When asked whether they have already heard about these tools, most of them said they have not. "No, we don't know about this. We haven't had a need to look up something about this." (Participant 1). Participant 2 also expresses his view on consumer protection tools, "I have actually heard of it a bit because there has been some discussion about some sellers selling stuff from abroad, pretending it's locally produced, and some frauds, but I don't know

the details that well." These tools do not interest Participant 3 much either: "I don't know all the details, what the main points of it are, but I know it exists." Participant 8 felt a bit differently: "I have read it. I like that it is controlled, and it seems that the conditions are a bit stricter than they used to be in the beginnings, but it is good. You can feel more secure when you are shopping here."

Customers see quality in particular in what they can verify – that is, in quality or taste: "Regarding the vegetables, for example, you focus on how they looks or how they taste. For me personally, as I go to the market regularly, I already have a few stalls that I can trust, so I basically go directly there once I see them because I know that here, they have good tomatoes because I have tried them and I haven't had a bad experience with them. There I can get good bell peppers because I prefer from this farmer, I know I can get nice flowers from this particular stall because I already know that the flowers stay looking fresh for a week or longer." (Participant 2). Many customers who buy at farmers' markets regularly have a stereotyped way of shopping. They mainly look for sellers whose goods they have already tested and with whose goods they have always been satisfied.

Customers also assess the quality of goods based on how sellers communicate: "Of course, and it is a part of the bargain. It is much better when the seller is happy and excited to offer you his own product and he can sell it and you have a nice conversation. It feels very good for the customer, definitely. If the seller did not behave nicely, you would probably not visit his stall next time. It is what makes you go or not to go there in the future." (Participant 6). The answer indicates that the way the vendor expresses himself or herself is quite a matter of principle. Customers prefer shopping with nice sellers who are willing, kind and well-acquainted with their goods.

Based on answers from the interviews, it can be concluded that customers have not had a bad experience with fraud or abuse of the basic concept of farmers' markets. All the customers trust the sellers and those who like to be certain ask sellers questions that help them to build a solid trust in the vendor. It can also be stated that the interview participants can also easily build trust with the sellers by tasting the products, which is usually possible, and so to find out if the offered products have the quality they are searching for at the market.

### 4.2.5 Motives for shopping at farmers' markets

The study also explored why customers come to buy food at a farmers' market. The reason was often quality, the atmosphere at farmers' markets or the approach of sellers, who are mostly

very friendly and nice. Another reason is the competitive advantage over other alternative food sources. For example, the farmers' box delivery distribution method has the disadvantage that the customers cannot select the goods and must therefore receive everything that was chosen for them by someone else. Many customers buy at the market to support local food producers, the welfare of animals and a friendly approach to the environment. Furthermore, because they also believe that healthier food is sold on the market. One of the benefits that customers perceive is that at farmers' markets, they have personal contact with the producers. At the same time, sellers are more friendly than supermarket vendors.

Customers who go to farmers' markets usually shop in the supermarket as well; however, if they have a choice, they prefer shopping at farmers' markets. In supermarkets, customers are particularly concerned about the large amount of imported goods, the 'artificial flavours' of vegetables, and they do not like the way it is grown.

Another reason for buying at farmers' markets is the connection with alternative sources: "First of all, the prices, because organic shops like 'Sklizeno' or similar ones mostly don't have vegetables at all, or when you go there to get something, the prices seem to me way too high. Secondly, there is a wide range of everything at farmers' markets." (Participant 2). Alternative ways of obtaining food are also mentioned by Participant 2, who says he prefers to shop at a farmers' market rather than use other alternative sources, "We know there are other ways to get good food, we were also thinking about it a few years ago, but considering the fact that in farmers' box delivery you usually have seasonal products, I don't think we would be able to use them all. I am afraid we would throw half of it away."

The advantage to other competitive sources is also described by Participant 1, who says, "...and especially when you go somewhere to a farmers' market, you want to see the product or maybe even taste it before you buy it, and you want to actually choose what you want. Or you maybe even get an idea of what to make of the product, so you might decide what to do only when you see it." Participant 3 says basically the same thing, "Because I feel like at a farmers' market, I can really choose what I want, I can see the specific piece I want to buy. In the boxes, you don't know what you will get and it is more than I need. And, as I mentioned, I like to see what I buy." Answers also expressed that customers want to support local food producers: "Definitely, I have to say that I look for the quality of the products. Also, by buying things there, I am supporting the local small production." If customers want to buy from local producers, this indicates they feel they should be socially and environmentally responsible.

Another argument for purchasing at farmers' markets is health and environmental impact: "I think that the products from farmers in the farmers' shops or at farmers' markets are much

healthier. I just have this feeling. Also, I think that in the case of these farmers, it is much more environmentally friendly for nature than mass production. I have to admit I like animals a lot, but I'm still a meat eater and regarding the animal welfare, I assume mass production is really not good." (Participant 4). The customer expressed her social and environmental responsibility. This is based on the variety of environments in which customers live, who they are and what affects them.

Participant 5, mentioned another advantage – that buying is connected with a social event: "We have it connected here with our meetings. Our kids can play here. We combine it with shopping in supermarkets as well. I haven't tried the farmers' box sale because I cannot choose what to buy and I cannot see what I buy. We cannot have contact with the products." At present, people have to face bigger and bigger technological superstition. That is why they are increasingly seeking the company of real people and friends. A farmers' market is one of the places that are great for gathering.

Customers often do not come to the market with a specific idea of what they want to buy. The goods are picked according to their current mood: "We usually buy food, but now we got some glasses as a present, but usually food, and we specifically like the pancakes here, vegetables, eggs and flowers also, dried fruits or almonds for example. It is changing, we don't go here directly to get something but more like to get what we find here and what catches our attention." (Participant 6). Customers do not expect the whole assortment to be at the market like in a supermarket. On the contrary, they expect the assortment to be somewhat more diverse.

The disadvantage of purchasing at farmers' markets can be the limited range, and customers cannot always rely on buying everything they need from the market: "Well, in these stores like 'Sklizeno', you probably have a wider range of products you can buy. At farmers' markets, it sometimes happens to me that I cannot get something because they just don't have it there at the time, so I have to get it somewhere else. So at a farmers' market, it's more like an additional sale." (Participant 3). One of the disadvantages of farmers' markets is that the available range of goods is seasonal. On the other hand, this can also be considered an advantage because it shows that, for example, vegetables are not imported from southern states but are local.

The reason why customers buy these goods is quality, which, in their opinion, is presented: "Well, we just believe that the products are high quality. I hope we can believe that the products have been produced by the farmers, with love and without chemicals." (Participant 1). At the same time, it is possible to recognise what is rather an assumption in her choice of

words – the word 'hope'. It is obvious that this person is not sure that the products are what she expects them to be, but she hopes so.

On the other hand, one respondent expresses greater scepticism and mentions other reasons why he is shopping at the farmers' market. At the same time, he admits that when buying at the farmers' market, customers behave as much more emotionally connected: "From my point of view, I am a bit more sceptical that the person is not exactly the owner of the farm, that he might be some reseller. Because, for example, close to a place where we have our cottage, there is a farm where you can get freshly made cheese and obviously you believe it much more because it is genuinely the place of the origin. But when the sellers have there some contacts or some picture of the farm, you can visualise that the farm is real and that he is truly herding cows etc." (Participant 1). The use of the vendors' farm photos or other places where the products are produced can serve sellers as excellent advertising. If customers can imagine where the products come from, it is a sufficient enough proof for them of the seller's credibility.

The same customer continues: "I take it as the products at farmers' markets have higher quality compared to what I can get in supermarkets, and also the people go there regularly so you somehow get influenced by this as well, and even you might not think about it more rationally, you are driven by the emotions that the products are healthier, have higher quality, so you believe it and if you like the products as well, you don't mind paying even a slightly higher price for that." (Participant 1).

Customers assume that if they buy more expensive goods, they will also get higher quality. Foodstuffs will be healthier, tastier and generally better.

Customers compare shopping in the supermarket and at the farmers' market: "I don't want to say that I don't like going to some grocery shops or bigger markets, but I prefer to buy something 'home' produced, as Josef mentioned with the quality, you can smell the tomatoes, you can actually try them and feel the actual taste of the tomato. It is completely different, because if you buy it in the grocery shops or a supermarket, compare the tomatoes imported from Spain, grown in glass houses basically just with water and artificial fertilisers, so I would definitely choose something which was planted by some farmer but with rich taste." (Participant 2). Customers consider shopping at farmers' markets more as a complementary way of obtaining food and other goods. Nobody relies on farmers' markets as the only way to shop. However, if customers can choose where to purchase specific goods such as tomatoes, they prefer to choose a farmers' market where they expect higher quality.

The same reason applies in the case of participant 2, who shops at farmers' markets primarily to support local farmers who work hard and thinks that it is absurd to buy goods

imported from Poland or Spain: "For me, the added values is the interaction with the sellers who are usually the ones that produce the stuff, who work very hard to produce it and then go to the market to sell it, so when you ask them, they really know about the production. You can get information about the species, when they harvested the product. So it is basically about the interaction, because you can trust more with all the information that you'll get something locally produced, that it has some story and, especially, I know that by buying it I am also supporting the farmers themselves so they don't need to export it somewhere else and we don't need to buy things imported here from Spain or Poland, which I find very absurd." (Participant 2). Customers do not shop at the farmers' market for only a single reason. In most cases, there is a combination of several reasons.

Sellers are more friendly at the farmers' market: "I don't remember any bad experiences as compared with the supermarket, where it is very hard to get basically any information. It can of course happen that the person doesn't know something, but if you have a nice conversation and they are nice to you, you forgive them totally." (Participant 1). If customers come to the farmers' market (among other things) because sellers are more lovely and friendly, it is obvious that customers think that supermarkets salesmen are often hostile and aloof. For the customers of the farmers' market, the personal aspect of the business is important.

Some customers see the markets' disadvantage also in the large number of people, or rather crowds, that come to the markets, but realise at the same time that this is not a problem of the sellers but rather their subjective view: "Except the farmers' market on the riverside, but that's not the problem of the sellers, that's because there are big crowds of people going there. There was no problem with the products though." (Participant 1). Many customers can be bothered by the large number of people coming to the market. However, it is more likely a proof of the increasing popularity of the markets than an organisational problem. Participant 8 mentions a different aspect of the importance of farmers' markets: "I would say that it is very positive for the city. Big cities need such events to make the city alive."

The conclusion for this part of the interview may be that the addressed customers prefer farmers' markets to other alternative food networks such as farmers' box delivery of farmers' shops for the following reasons: the farmers' box delivery means to the customers that they cannot choose the exact content of the box themselves and sometimes the amount of products may not be possible to consume in time. On the account of farmers' shops, usually the prices there are even higher compared to farmers' markets which plays a significant role as well. With the above mentioned information and information also mentioned in the previous chapter,

customers motives to shop at farmers' markets are mainly the quality of the products, interactions with the sellers and atmosphere at the markets.

#### 4.2.6 Customers' behaviour when detecting fraud

Most interviewees are not sure what they would do if they noticed a problem with a dishonest farmers' market seller's behaviour. Many of the markets' visitors admit that they would only inform their friends and the people around them or stop going to the specific market seller. Some also see a solution in warning people through social media. Some customers would inform the market organiser or they would try to return the purchased goods directly to the vendor and talk to them. Some would consider informing the CTI organisation (the Czech Trade Inspection) or another inspection authority, which they cannot name specifically.

Some of the visitors would not solve the issue. Eventually, they would only tell the people in their neighbourhood: "I think that we wouldn't try to bother ourselves. I cannot imagine what kind of a problem it would need to be that would make us try to somehow solve it. I guess we would say to each other that we won't go there again. I'm just thinking that it might damage the image of the whole market for me actually, although I know it is not good, but I guess next time we would go to a different farmers' market. Or at least for some time... people forget easily, you know." (Participant 1). Josef would also like to spread the warning only in his surroundings: "Also, I would try to find some contact on the web or social media and let them know about it." Participant 4 would also behave similarly: "Well, if I found something was wrong with the product at home, I guess it would be too late, and if it were at the farmers' market, I would just not buy it. I am not sure if I would turn to someone. I guess karma would find the bad person." As a result, customers of farmers' markets think about the market as something that is a matter of their immediate surroundings, not something global. It also proves that customers realise that the deceiver can be just one seller out of many, and they do not want to damage the reputation of many other honest vendors.

Some people would contact the CTI (the Czech Trade Inspection) or some inspection of hygiene: "It would probably be the Czech Trade Inspection or hygiene." (Participant 2). It is obvious from the reply that the customer is unsure who exactly he should contact.

Some also see a possibility in informing the market organiser: "I would say maybe the organiser of the markets, but it never came to my mind to think about it. But I don't think I would like to actively seek for some complaint. I think I would let it go." (Participant 3). The organiser would be contacted also by one from the group of young mothers: "We would

probably find some contact information for the organiser, or it depends on the personality, I would not have a problem to complain directly to the seller if I didn't like something." (Participant 5). The organiser of the market would also be contacted by Participant 7: "So firstly, you have the organiser of the market, but I would rather try to solve it with the particular seller, but I am not much of a complainant. But you can be sure if ten people had a problem with one seller, he wouldn't sell a thing here. The sellers are very much aware of this, so they do their best. Maybe some of the sellers are a bit slower, that might happen."

One of the customers would solve the situation by asking the seller to return her the money and she would solve the problem directly with him: "I don't know. I think it would have to be something very serious that would make me complain. I think if we bought a bad product, we would probably not return to the specific seller or maybe notified him about this so he would have some feedback." (Participant 6).

In conclusion, when it comes to the potential detection of fraud, customers believe that following the main principles of farmers' markets, the sellers who abuse trust would be revealed within the community very quickly, and so they would not be able to sell at the markets. Additionally, if customers felt that the fraud should be announced, the ways on how they would act differ. Some of them would contact an organiser of the market, some of them would use social media and some of them would just inform their acquaintances. Nevertheless, it can be claimed that customers feel secure and can easily build trust with the seller based on the seller's approach and behaviour, so all of the above mentioned situations were, so far, very hypothetical solutions in, for them, extreme situations.

### 5 Conclusions

The main aim of the thesis was to find out whether farmers' markets are still a place of trust. In order to achieve the main goal, the theoretical basis had to be obtained first. It was important in particular to describe what is meant by 'trust' and to describe the current situation regarding farmers' markets. As far as farmers' markets are concerned, the thesis focused on the following areas: development of farmers' markets in the Czech Republic and explanation of the key concept. The term 'trust' was then examined in terms of what it is and how it is created. Other important examined areas were tools of customer protection, legislation, current Czech legislation and regulations, the farmers' markets code and similar ethical rules and cases of abusing of trust.

In total, 8 groups of respondents were interviewed in an empirical research study. A semistructured interview was conducted with respondents at two farmers' markets. Regarding the issue of whether farmers' markets are still a place of trust, i.e. customer confidence, it can be, upon assessment, claimed that they rather are. Although it is necessary to add that there is no unlimited trust among customers, and some customers check sellers before they buy their goods, or they buy at the same sellers who they have verified.

The thesis may have practical benefits, especially for market organisers and market sellers. Research has shown that there is still great interest in organising markets. This is shown in a statement of one of the respondents, who mentioned excessively big crowds as a disadvantage of farmers' markets. Sellers can also benefit from the research – they can be assured that it is important for sales promotion that they meet the following conditions: they establish a personal and lasting relationship with customers and if they have time, they should talk to them in a friendly way about their production and products as such. Photos of their farm can be attached to their stand as proof of origin of the goods they are selling. And finally, they should have their stand always at the same place so that regular customers know where they can always find them.

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# 7 Appendix

#### Set of interview areas

- 1) Farmers' markets what, when and why?
  - a. Intensity of farmers' markets attending
  - b. Products that are usually bought
  - c. Reasons of preferring farmers' markets
- 2) What is quality?
  - a. Interpretation of quality
  - b. Criteria of farmers' markets products quality
  - c. Meaning and added value of products from farmers' markets
  - d. Quality of sellers
- 3) Satisfaction, trust, experiences and information
  - a. Finding about farmers' markets
  - b. Appearance of sellers on farmers' markets
  - c. Experiences with farmers' markets
  - d. Knowledge of customer's tools of protection
  - e. Have you experienced untrustworthy acting from sellers?
  - f. How would you react if you'd experienced untrustworthy acting on farmers' markets?