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MARKETING OF ORGANIC FOOD: THE "GREEN CONSUMER" VERSUS THE GENERAL PUBLIC AND THE ROLE OF STAKEHOLDERS

1. Introduction

A more traditional marketing approach ought to be used in selling and promoting organic products. Instead of practising this, we assume that only environmentally conscious ("green") customers are targeted by ecological products. However, if we concentrate on other tangible benefits that organic products offer to "green" shoppers, we can make them appealing to a wider range of consumers. An increase in the sales of organic food will in turn create greater demand for it, thus triggering expansion of ecological farming. It is now clear why I tend to disagree that sustainable farming generates "less need or no need for expensive marketing and advertising". I rather believe that marketing such products is a necessity (not necessarily advertising!). In this article, I shall try to pinpoint the difficulties in addressing the green consumer segment, as well as provide guidelines on how organic produce should be marketed. I shall also comment on the issue of ethnocentrism, as this also creates challenges in marketing organic produce.

2. The green consumer

The Polish Ecological Club, a Polish non-governmental organisation and creator of the Green Consumer Campaign, provides one of the definitions of a green consumer. According to them [http://www.most.org.pl/

pke-ol/txt1ang.htm, 2003]: a green consumer is someone who displays environmentally-conscious consumerism. A green consumer:

– buys with confidence that a given product is necessary,

– chooses products which can be used over and over again,

– makes an effort to choose products whose composition and origin are well-known,

– is conscious of the condition in which a purchased good is after its consumption,

– recycles waste into appropriate piles of raw materials (*i.e.* glass, paper, cardboard, aluminum, compostable, organic material, ... etc),

– conserves water, electricity, and gas,

– replaces toxic products with non-toxic ones,

– is careful in disposing toxic products, such as: out of date medicine, dead batteries, used motor oil, ... etc.

A major problem is that this definition concentrates on the "symptoms" of green consumerism, not the reasons and logic behind it. The motives of green consumers may differ and that makes targeting them with green products much more difficult. Many authors use more categories than just the dual division into green/not green, based on consumers' willingness to act.

I would only like to make a point by showing that there is no clear, homogenous group of so-called "green consumers". This fact has already been noticed by marketers, like for example the Polish author Klimczyk-Bryk. She divides green consumers into three main groups, based on the motives of their actions [Klimczyk-Bryk, 1998]:

– rational consumers. Their purchasing decisions are based on knowledge and reliable information. Their care for the environment is caused mainly by the need for prestige, as they believe that ecology is in fashion,

– self-orientated consumers. They buy green products only to satisfy their own needs – caring for their own or their family's health,

– ecological fanatics. They value only green products. They often initiate actions that benefit the environment. For the sake of the environment, they may give up using certain products.

According to governmental research carried out in Poland [Radziejowski et al., 2003], there is a pro-environmental group in Poland. Its number has been estimated as: 1992 – 34% of those surveyed, 1993 – 31%, 1997 – 32%, 2000 – 22%.

As we can see, recently there has been a sharp drop in this percentage. The study explains this decrease in two ways:

– less people consider pollution as a major threat in Poland, as people are getting more used to current threats and believe there are relatively easy ways of dealing with them,

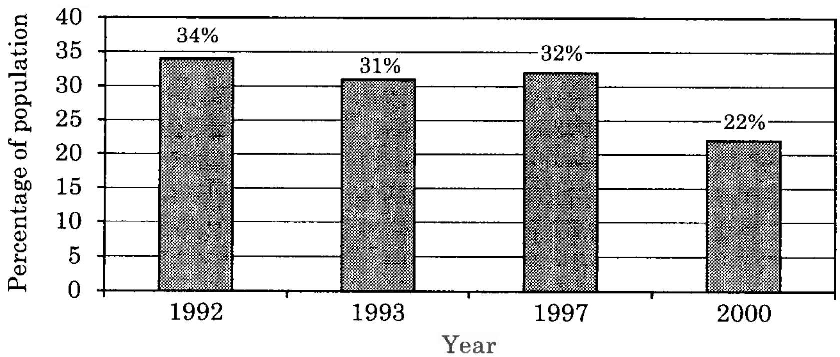

Fig. 1. Pro-environmental groups in Poland
Source: Radziejowski et al., 2003

– a decrease in the acceptance of eliminating industry that causes pollution, as this results in higher unemployment. Environmental issues are less important when citizens are faced with social problems.

We shall now discuss who should be consumers of produce from sustainable farming. If we assume that green produce is of better quality than standard products, but at the same time (due to the different production methods) more expensive, we have two options. In my opinion, we can either target green consumers or we can use more sophisticated marketing and target a bigger segment of the market.

Let us now analyse these two solutions and the need for action in both cases:

1. when organic produce is targeted at "green consumers",
2. when organic produce is not targeted at green consumers, but at health conscious consumers

3. Addressing green consumers

It is widely recognised that selling produce from sustainable farming to green consumers requires less marketing, as it assumes that the consumer:

– has sufficient information to recognise the product (knowledge about eco-labelling),

– will put in extra effort to obtain it (in Poland this means shopping in eco-shops, as opposed to shopping in supermarkets),

– will pay a premium (above the standard price for such a product on the market).

In order to attract green consumers, we have to create them; educate them and as the above statistics show, keep them active, otherwise their number may decline. This is a very complex issue. It cannot be dealt with by commercial organisations alone. To create green consumers, education has to begin at school. In fact, Polish policy towards sustainable development is based on the assumption of creating green consumers, whose buying decisions and buying power will solve many problems associated with unsustainable production [*Polityka Ekologiczna*, 2002, 13].

To create green consumers we have to face certain difficult challenges:

Table 1. Challenges in creating green consumers

Challenges	Comments
Attracting attention	Green and educational messages can seem boring, that is why this can best be done at school, otherwise it is almost impossible
Creating sensitivity to environmental problems and education in this field	Possible almost only with children, "current generations are lost" [Sobiecki, 2002]
Convincing that purchasing decisions do make a difference, promoting activism	Difficult, makes shopping complicated
Convincing consumers to pay more and buy less, in order to be sustainable	Against the tendency to have as much as one can, creates a "why me?" approach
Continuous education and up-dating of knowledge to keep up with latest developments, new problems and possible solutions	This requires activism from consumers. It goes beyond buying certified green products, consumers have to show initiative, learn; this is complicated and connected with culture and lifestyle

Source: Author's own elaboration.

We can market produce from sustainable farming to green consumers and hope that with time there would be more green consumers to generate demand for such produce. But in my opinion, the approach in which the green consumer is the solution to these problems is very optimistic. It is based on the hope that consumers will learn; will show enough understanding of environmental problems; will pay more; and will make their purchasing decisions in order to, using big words, "save the planet". It seems to me this will never happen on a big scale and definitely not soon enough.

To illustrate my point, I would like to use here the example of governmental elections. As we can observe many people do not vote, as they just do not believe that their votes count or can make a difference. Elections, like green consumerism, require active participation, citizenship.

We could assume that these citizens, acting as consumers, would also be sceptical of their buying decisions "changing much".

With green shopping the situation is even more difficult, as we will never see as much money, specialists and attention devoted to promoting green shopping. Also, it involves much more then voting – it involves consumers' money and much more of their attention and time. Basically, green consumerism means a whole new lifestyle that the consumer should adopt.

Another issue is making the "green/environmentally friendly" aspect of a product into its basic advantage and main distinction. This aims it just at green consumers. For years now marketing has addressed more than one feature of the consumer. Even while addressing "green" consumers, we should try to differentiate younger and older ones, richer and poorer, better and less educated, men and women and so on. As mentioned above there are many motives that generate green consumerism. Being green may or may not be a consumer's most important quality, but it is certainly not his/her only one.

Another problematic issue is reaching the green consumer with a product. Usually, we assume that green consumers should be people with higher incomes and highly educated, ones that are aware of environmental issues and at the same time can afford green products.

In Poland the main distribution channel for organic food products are individual eco-shops.[1] This means that the consumer has not only to be environmentally conscious, but at the same time has to put in extra effort to obtain green products. Green shopping consumes more time, because eco-shops do not have parking places and as the shops are usually small, consumers cannot do all their shopping in them and still have to visit other shops.

Research done on Polish consumers shows that highly educated consumers with a high income and living in big and medium-sized cities regularly shop in supermarkets [Dąbrowski, 2002]. So the "best" potential green consumers do not shop in eco-shops. We are talking here about consumers who can afford to be green, but because they care for their time and convenience, extra effort is needed to reach them.

I believe that we should stop assuming that green products should be targeted at green consumers (in the narrow sense of this word) and use marketing to sell it to other groups of consumers as well. Producers will be able to enter big retail outlets, such as supermarkets, only by offering more products. At the same time, of course, we should still educate con-

[1] Small shops dealing only in organic and so called „health" food.

sumers, and convince children to a new, alternative lifestyle and create sensitivity to nature.

4. Targeting non-environmentally conscious consumers

Selling green products, in this case organic food, to non-environmentally conscious consumers is a challenging marketing problem, but not as difficult as might seem at first. To begin with, we are starting with a better product. Marketing and promoting a better quality product with a higher price is a challenge that marketing has been facing for years. There are lots of examples and experience of how this could be done. We should only learn and adopt this knowledge.

To put it simply: it may sound nice that a consumer is saving the planet by buying a certain product, but there are other direct, more practical consumer benefits that should be made centre-points of advertising and marketing. These benefits are the basic reasons for which consumers buy certain goods. They do not shop to save the planet (see Example 1).

Example 1
Reasons for organic shopping [Tregear et al., 1994]

Research conducted in the UK showed that 29 per cent of respondents claimed to that they sometimes bought organic produce. Of this group 45 per cent claimed to purchase organic produce because of concern for their own health, compared with only 9 per cent who claimed to purchase because of their belief that organic production was less environmentally damaging than conventional agricultural production. Among non-buyers, the relative expense was most commonly cited as the reason for avoiding organic food, followed closely by those who indicated that they did not give the matter any thought.

We should concentrate on the tangible benefits a consumer obtains by buying an organic product. This is especially easy in the case of organic agricultural produce, as such products are healthier. One can “play on” or use people’s care for children, for ones health, better quality, higher vitamin content, less allergens and so on.

Ottman suggests that when price or performance are appropriate, consumers will pick the products and brands that will make them feel as if ‘they are doing their bit’. But this is rarely so simple. That is why we need marketing to discover the benefits of green products to consumers, ones that prove that these products are of superior quality.

Again, following Ottman's logic, on top of all the benefits we ought to communicate to our customers, we should add information on the impact on the environment that is obtained by buying our product. This could be one of the aims of an eco-seal, but I am not sure whether only an eco-seal would be sufficient. Of course it adds credibility to producers' claims, but a lot depends on the level of recognition that the seal bears and also probably on its design.

5. Stakeholder involvement

The above approaches have some advantages. However there seems to be the same fault in both: the whole communication process that is going on in them is done on a one-to-one basis. Environmentalists persuade consumers to buy green, producers promote organic food, environmentalists popularise organic farming among farmers, etc.

At the same time, there is a big difference between:

a) what is of key importance to people promoting sustainable farming;

b) what is important to consumers;

c) what is of key importance to farmers and producers of organic food.

Stakeholders (*e.g.* green NGOs) promoting sustainable farming assume that what is important to them is also important to consumers and that consumers should have the same knowledge as they do. Unless we realise that these three groups have different needs and aims, we shall never see good, widespread marketing of organic products.

The environmentalists are probably the most active of all three groups. They start the whole process, but it is difficult for them to understand and address "selfish" consumers without the need to educate them, and especially without the necessary marketing expertise.

Environmental messages often make the mistake of:

- being too long;
- being too boring;
- being too unattractive;
- emphasising other benefits (to the environment) rather than those to the consumer.

I agree with Ottman, that green products should offer meaningful benefits to the consumer beyond appeals to altruism. She suggests keeping in mind that most consumers do not understand a lot about environmental issues and know even less about preferable solutions. On the other hand, as some examples from the United States show, with time consumers are sceptical of industry's environmental claims and suspect retailers of playing around with prices (increased pricing of green products combined with appeals to altruism). This may lead to lower acceptance of green products and decrease the demand for them.

No matter what institutions we are talking about, they should try to satisfy their customers needs. In the case of organic food, as with other green products, businesses are often unaware of consumers and other stakeholders' real needs and expectations [Polonsky, 1995]. Therefore, even if we aim to target those consumers who care most of all for the environment or those who care mainly for their own health, we should try to understand their needs and wants better. One way to do that could be by organising an eco-labelling programme.

I have researched successful eco-labelling programs [Słodka, 2003] and what seems common to all such schemes is stakeholder involvement. Basically, the program only works if it is a discussion forum for all interested parties – businesses, consumers and environmentalists. The scheme may be initiated by government or by interested parties themselves, but success is a result of these three groups of stakeholders sitting at the table together and talking, negotiating and arriving at common standards and criteria for certification.

When a label is designed like this, it requires less marketing and advertising from, for example, government, as it gets additional support from all the interested parties that endorse it in their operations. As businesses have more information regarding consumer demands they face a lower risk of failing and might be more interested in following a green strategy. My research was on industrial labels, not labels for agricultural products. Still, it seems logical that by talking to consumers (represented by consumer organisations), producers can better understand whether consumers care more about pesticide use, artificial colouring, or farming close to main roads and how much extra they are willing to pay to avoid such things.

In the criteria setting process, businesses are aware of the restraints and additional costs each criterion creates, consumers state what they need and decide if it is worth the price and environmentalists act as advisers to both, pointing out problems and offering possible solutions.

Research done over the past 10 years on Polish consumers [Dąbrowski, 2002] shows that most Poles have their favourite shop and that they (like American consumers and I suspect other consumers from CEE countries) do not like changing the brands they buy.

When buying, Polish consumers compare expiry dates and prices. At the same time they are willing to buy a more expensive product, provided it is of better quality. However, they usually have set amount for shopping each month. I think we should concentrate on the fact that most consumers want the best for themselves and will only pay more for a better product, for a product of better quality – a fact that was proved by the research. We have to keep in mind that consumers want to minimise risk at the checkout counter by purchasing brands they know. That is why, for example a small package can be an advantage in encouraging a consumer to try something new [Ottman, 1999].

I would like to emphasise yet again that I believe when promoting organic products we should concentrate on the primary benefits consumers seek from products and promote them so that they appeal to a wider audience. We should not forget that consumers have other needs apart from care for the environment. Consumers themselves know best what they want and need. One of the possible ways to discover these needs is to make them a part of a labelling scheme.

6. Ethnocentrism

Since organic farming can be sometimes seen as an opportunity for Central and Eastern European countries, I should like to dedicate some attention to the issue of organic products and ethnocentrism.

Ethnocentrism in purchasing means that consumers prefer domestic products to foreign products. Research done in Poland by the Oskar Wegner advertising agency shows that 69% of Polish citizens prefer domestic agricultural produce to foreign produce [Grzesiuk, 2002]. What does this mean? In my opinion, it means that Poles (probably similar to consumers from other CEE countries) consider domestic products as healthier and more organic.

That is why there seems to be a smaller market for organic products among consumers, as they consider all products to be more or less organic. We have learnt from many marketing case studies that if you decrease (or increase) the quality of your product slowly without any sudden steps, your customers will not notice the change. So, unless there is an event that makes consumers aware of the decrease in the quality of their food (like for example: an independent analysis on the level of pesticide traces in food), they may not feel the need to buy organic.

But there is also a second, more dangerous assumption made based on this preference for local produce. Many people assume that since we know that our food is healthier and more natural, it will stay this way and people from other countries will notice and appreciate this fact as well.

However, when entering foreign markets with organic products we should keep in mind local preferences, as we will have to challenge or change them.

To illustrate this article I have carried out research in British supermarkets checking the country of origin and organic certification (labelling) on organic fruit, vegetables, nuts and herbs.[2] Almost all products had the logo of the British Soil Association, which is the most popular British label for organic food. Therefore, the first step needed to enter for example the British organic food market would be for the producer to obtain such a label.

Another thing, an example of ethnocentrism, is that buying products grown locally is part of a sustainable lifestyle, which means that foreign producers can compete amongst themselves, but stand almost no chance with British ones (big flags mark most of the British products, while even the county in which a good was produced is given).

There still, however, seems to be a lot of room for foreign producers. As can be seen (Table 3), less than half of organic food products come from domestic farms. It may seem that products coming from other countries would be mostly exotic fruits, for which the climate is not suitable in Europe. This is the case with some, but not all, of the products coming from other countries. There are still several, sometimes shocking, examples: organic onions from Argentina (in Sainsbury's); plums from the USA, tomatoes from Israel, sweet potatoes from the USA (Safeway); peas from Zambia, sweet potatoes from Israel, onions from Argentina, baby sweetcorn from Thailand, herbs from Israel (Waitrose); New Zealand Apples (all supermarkets). This means that these organic products had to travel a long way before reaching their consumers!

So, there seems to be room for such products to come from countries closer to UK than those mentioned above, and there is still plenty of room for new products. Only a small percentage of the fruits and vegetables on offer have organic alternatives available.

Table 2. Number of organic products according to the region of origin in UK supermarkets

	UK	EU	CEE	Other	Total
Sainsbury's	6	1	0	7	14
Somerfield	3	2	0	2	7
Safeway	14	6	0	13	33
Waitrose	13	13	0	22	48
Total	36	22	0	44	102
Percentage	35%	22%	0%	43%	100%

Source: Research done in Sainsbury's, Safeway, Somerfield, Waitrose in Brighton, UK, on 13th and 14th August 2003.

[2] Research done in Sainsbury's, Safeway, Somerfield, Waitrose in Brighton, UK, on 13th and 14th August 2003.

Below I give the percentage of products originating from the UK, other EU countries, Central and Eastern European countries and other countries:

Table 3. Percentage of organic products originating from the UK, other EU countries, Central and Eastern European countries and other countries in British supermarkets

	UK	EU	CEE	Other
Sainsbury's	43%	7%	0%	50%
Somerfield	43%	29%	0%	29%
Safeway	42%	18%	0%	39%
Waitrose*	27%	27%	0%	46%

*The lower percentage of British organic products in Waitrose is caused by the larger number of organic products in stock.

Source: Research done in Sainsbury's, Safeway, Somerfield, Waitrose in Brighton, UK, on 13th and 14th August 2003.

As mentioned above, many of these products could be produced locally or in CEE countries. However, the producers would have to apply to be certified by the British Soil Association and be able to provide enough produce to satisfy foreign supermarkets (assuming we would like to enter the British market). There is plenty of income to fight for, as industry predicts that organic produce could account for as much as 10% of all produce sold in UK stores (in 1997 it stood at 1%). British supermarkets seem to be certain that since food scares and healthy eating are on consumers' minds, the days of organic food being a minority interest are numbered [Lee, 1997].

But to start thinking of exporting abroad, domestic producers should have good information on the expectations, opportunities and demands in foreign markets. Britain, with its large market share of organic products, may seem like a good opportunity. However, this is not always the case (see Example 2).

Example 2
Organic Tomatoes from Uzbekistan [OECD, 2002]

Following the collapse of the Soviet Union, domestic support to the Uzbek fruit and vegetable sector collapsed. This led to the 'forced organisation' of the industry, which turned to natural crop protection agents (etc.) in place of synthetic pesticides and nitrogen fertilisers. Sensing an opportunity, an Uzbek producer concern (UzbekOboshFruktoviProm) sought to have its tomatoes certified by the Dutch industry-led voluntary eco-label Milieuwuste Voedingstuinbouw (Environmentally Conscious Cultivation), which uses a butterfly as its logo. In the early 1990s this was one of the main eco-labels for goods sold through the lucrative Dutch auction system. Unfortunately, it was discovered that the 'butterfly' logo could only be awarded to growers registered with a Dutch fruit and vegetable auctioneer and only Dutch growers and traders are eligible to register.

CEE countries are in a good position (and location) to use the opportunity created by the demand for organic produce in the EU[3], as even foreign experts admit that EU countries themselves cannot satisfy domestic demand. The major markets offer good prospects for organic products which are typically imported, such as coffee, tea, cocoa, spices, tropical fruits and vegetables and citrus fruits. Another niche with good market potential is off-season fruits and vegetables. But they suggest that potential suppliers should also consider a broader range of products, encompassing grains and cereals, all "for the simple reason that the rapidly growing demand in many markets cannot be met by local supply in the medium term" [Kortbech-Olesen, 1998].

I often wonder if the attempts of the Polish government to promote local, national seals are doing this cause any good. Governments would spend their resources more wisely if they set up a labelling program (control over which should be left to stakeholders), sponsor work on mutual recognition of such a label with other countries or distribute information on foreign certification schemes. The last two would enable domestic producers to export more easily.

National labels organised, controlled and promoted by central authorities are only recognised on the domestic market and in the best case are as popular as the amount of money invested in promoting them among consumers, which is not much. I do not think that the Polish eco-seal is of much importance to foreign consumers, as it is also far from being popular on the Polish market. Ottman, who consults American companies on green marketing, while talking about eco-seals, suggests choosing wisely and considering both the credentials of the organisation and recognition of the seal [Ottman, 1997]. (For example the Polish eco-seal has a very low level of recognition).

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[3] In the EU Germany is the largest market in Europe, accounting for roughly one third of the total European market, followed by France, the United Kingdom, the Netherlands and a number of smaller markets with high per capita consumption (like Italy or Spain). Based on Kortbech-Olesen [1998].

7. Careful with green marketing

No matter what marketing strategy we choose, I think that a state policy is required, as there are certain traps in hoping that green consumerism will create enough demand to promote sustainable farming. If we concentrate on the message that sustainable farming is good for our environment and sell its products at higher prices than standard products, this will lead to:

the majority of the public not buying green products; they are reluctant to pay more (all food products are safe and healthy). People ask, "why should I pay more? Unless everyone does I will not". Only the educated (more conscious) consumer pays the premium.

the impression that ecology and sustainability is only for the affluent

the advantages of sustainable farming having to be communicated and promoted to attract and educate green consumers, in order to create a group willing to pay the premium

the idea that we can be driven to a path of sustainable development by market forces alone, that there is not need for government action, as the market and consumers will take care of the problems

the idea that for the public to care for the environment it is enough to make certain purchasing decisions, there is no public activity needed

Smart marketing may boost the demand for produce from sustainable farming and provide incentives for farmers. I hope I have managed to show that the decision on how to market these products is not an obvious one, as it requires a lot of expertise and strategic thinking. However, I do believe that clever marketing can increase the market for organic food beyond the usual segment of educated green consumers. Even so, I should also like to emphasize that market forces alone cannot solve the issue. Market forces will not be enough to attract farmers to sustainable farming on a large scale. Therefore, the government should not step down from playing an important role through its public policy in this matter, no matter how well we market organic food.

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