

The positioning of organic products: which way forward?

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Abstract – The current positioning of organic products is based on a segmentation approach that recognise the organic market basically as a (enlarging) niche. Research conducted by the Authors through various EU projects shows that the positioning of organic products cannot simply hinge on attributes/characteristics that differentiate organic products from their competitors, nor a strategy based on benefit segmentation is enough. A value/need based positioning of organic food products is proposed, based on a lateral marketing approach.¹

INTRODUCTION

Marketing strategy, in traditional marketing management, is based on segmentation and positioning. Generally, segmentation is based on some sort of classification within a market, either based on people, situations, needs or products. The organic food segments is indeed based on the idea that the product itself, given its peculiarity, allows to characterise a (target) market. But this approach inevitably makes the market “fixed” since there is not any possibility to enlarge the market beyond the barrier of what can be legally defined an “organic” product. To make it clearer, although the needs or benefits sought by many consumers when buying organic food could define a larger segment, the intrinsic characteristic of a “regulated” market like the organic one lead necessarily to a “niche”, defined by the product more than the needs. This is an inherent “weakness” of the organic market that has important implications for positioning.

In general, the advantage of segmentation is that certain groups of consumers find their need better covered in a segment, and therefore they will increase their consumption. In other words, segmentation provokes the double effect of fragmenting the market and making it bigger (Kotler & Trias De bes, 2003). In the case of the organic market this is not necessarily true.

CURRENT POSITIONING OF ORGANIC PRODUCTS

Product positioning relates to forming a particular product image in the mind of the consumer (Ries & Trout, 1972). In traditional marketing terms, positioning consists of highlighting some characteristics of the product in order to differentiate it from its competitors and to acquire competitive advantages

in the competitive arena. Marketers tend to position with logical, functional, symbolic, and experiential aspects of products, ignoring other possibilities (Kotler & Trias De Bes, 2003).

In the case of organic products, current positioning is mainly based on some attributes of the products, either positive (healthy, better tasting) or negative (produced *without* chemicals, GMO *free*, with *no* added artificial flavouring, preservatives, etc.). Further, current positioning is usually pursued with a general symbolic reference to the need/goal of *maintaining health*, which appears one of the most relevant values in our long-living, aging Western society.

Besides, the organic attribute appears as a further element of differentiation in category management (you have the full-fat yogurt, the probiotic-added yogurt, etc. *and* the organic yogurt), although *all* organic products have a common positioning in the mind of consumers.

MEANS-END CHAINS AND PRODUCT POSITIONING

A means-end chain (MEC) is a knowledge structure that links consumer knowledge about product attributes with his/her personal knowledge about consequences and values (Gutman, 1982).



Figure 1. The means-end chain model

The means-end approach suggests that consumers think about product characteristics or attributes in terms of personal consequences. These may be perceived as positive (benefits) or negative (risks). In other words, the means-end chain model gives the possibility to explicitly link consumers needs and products characteristics, and reveals their goals/motivations in purchasing a product. In means-end chain theory consumers exert a behaviour (as an example: acquire a credit card), as a mean, to reach an objective or an end (ex: not to pay cash) (Reynolds and Whitlark, 1995). Besides, consumer also see most product attributes as a mean to some end: at the conscious level this may be represented by some positive consequences, in a more abstract and subconscious level their end is to attain values, that is “preferred end states of being and preferred modes of behaviour” (Peter et al., 1999).

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Positioning in a means-end framework will look at product attributes, consequences of product use, and values attained by product use (Peter et al, 1999).

A VALUE-BASED APPROACH TO POSITIONING

In case of highly-symbolic products like organic products, which consumers perceive mainly on the basis of "credence" attributes like the (organic) label, it is therefore of paramount importance that the product is positioned in terms of terminal values. This would favour a strong emotional involvement with the product, while in general food products are associated with low consumer involvement (Zaichowsky, 1985).

Our previous research (Zanoli & Naspetti, 2002; Zanoli, 2004) has shown that most organic products are always associated with the instrumental value *Health*, and – most importantly - with the terminal value *Well-being/Quality-of-life*, which subsumes also all the hedonistic values associated with *personal gratification* (Figure 2).

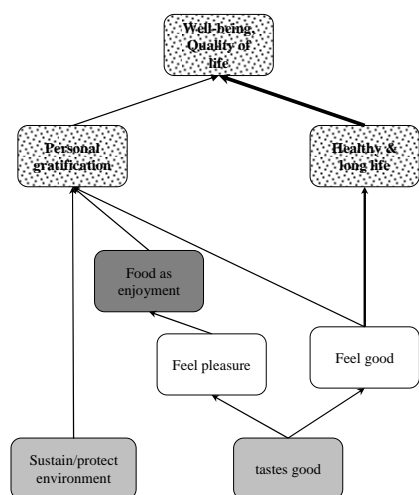


Figure 2. Partial cognitive map (Source: Zanoli, 2004)

We already mentioned that the positioning based on health is quite mainstream in the organic market, while we think that the concept of a well-being positioning strategy is still almost unexplored.

To make an example, we will use a product drawn from the conventional yogurt market. It is the case of Actimel, from Danone. It was launched at the end of 1990s, and it is neither a yogurt neither a soft drink (like Dan-up). It is a new category, a probiotic milk-based nutraceutic. But the interesting thing is that Actimel consumers are not people with health problems, but it is sold in the yogurt section of supermarkets to people who want to take care of themselves and enjoy life. It is a product with a *wellness concept*. Actimel is not only healthy (due to the L. casei immunitass) but has a good flavour. Besides, it is relatively expensive and sold in small packages.

Actimel is from a brand that with the Bio*Danone (now Activia: an ordinary yogurt but with special probiotic addition that ensure bowel regularity) has been a controversial competitor of organic products. Nevertheless, the organic market should learn the lesson, and consider that a new marketing concept

is needed to (re)position the whole sector in the mind of the prospects.

The *wellness/wellbeing* concept could be a way forward. As our research has highlighted it combines both the safety & quality issues in one word, and is less semantically connected with the idea of disease. Wellness is a concept that combines fitness and enjoyment; e.g. gyms know that staying fit is a hard task, therefore why not combining this with massages, solariums, saunas, etc.?

Seemingly, organic (re)positioning could consider new users (e.g. the constant business travellers, striving for the quality of life), new situations (e.g. open-air sport competitions), new point of sale (e.g. automatic vending machines in airports or wellness centres). A concept that eventually combines a gourmet/slow food diet, with an ecological and healthy lifestyle.

CONCLUSIONS

In order to make the organic sector grow beyond its natural boundaries, due to the fact that the segment is strictly defined upon specially-labelled and regulated products, a lateral marketing value-based strategic approach is suggested. "Lateral marketing restructures a product by adding needs, uses, situations or targets unreachable without the appropriate changes" (Kotler & Trias De Bes, 2003). Claiming and building on a well-being positioning, the organic sector could develop new products, uses and situations that would add to the current volumes of sales, without cannibalizing the current targets.

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