Extended abstract for IAREP 2017

German consumers' evaluation of imported organic food products – the importance of geographical distance

Introduction

Over the last decade, the organic food sector has constituted one of the fastest growing segments in the global food market (Sahota, 2015) with Germany being the largest market in Europe accounting for 30% of European retail sales. In Germany, as in several other European countries, the demand for organic food is growing substantially faster than domestic production and supply, which has led to high import shares of many organic foods (Willer & Schaack, 2016). Consequently, domestic consumers are presented with a wide variety of organic products from foreign country-of-origins (COOs).

The growing demand for organic food products is also mirrored in a growing number of publications on consumer preferences for organic foods (Aschemann-Witzel & Zielke, 2015; Hemmerling, Hamm, & Spiller, 2015; Hughner, McDonagh, Prothero, Shultz, & Stanton, 2007; Rödiger & Hamm, 2015). Although there are many studies of consumer preferences for COO on the one hand and organic food on the other, research on COO effects in the context of organic food is scarce (Thøgersen, Pedersen, Paternoga, Schwendel, & Aschemann-Witzel, 2017). More specifically, there is a lack of research on how consumers evaluate imported organic food products.

Within the general field of COO research, geographical distance has been identified as one antecedent underlying COO evaluations (Hsieh, 2004; Rosenbloom & Haefner, 2009). A few studies have focused on understanding and comparing preferences for domestic versus imported organic foods (Dransfield et al., 2005; Kledal, El-Naggar, Sirieix, & Auersalmi, 2011; Schjøll, 2016; Sirieix, Kledal, & Sulitang, 2011; Xie, Gao, Swisher, & Zhao, 2016). These studies confirm that a domestic country bias is also – maybe even especially – evident in the case of organic food products. A study comparing German consumers' preferences for local or organic food products revealed a strong preference - depending on product type and consumers' place of residence – for locally produced food (Hempel & Hamm, 2016). However, to the best of our knowledge, there is no published research on consumers' perceptions of imported organic foods considering the effect of geographical closeness between COO and the domestic market. Hence, the aim of this study is to improve the understanding of consumers' preferences for imported organic food products and especially the importance of geographical closeness to the COO.

Methods

To explore regional differences in German consumers' preferences for imported organic foods, focus groups and in-store interviews were conducted in Hamburg (north, close to Denmark), Munich (south, close to Austria) and Münster (west, close to The Netherlands). The multi-method study design included both between and within-method data triangulation. The aim was to enhance the validity of the findings and reduce inherent method bias.

In-store interviews

Data collection took place in Rewe and denn's Biomarkt in the three mentioned cities. Rewe is the second biggest general retailer for food products in Germany, while denn's Biomarkt is the largest specialty store for organic products in terms of retail sales (Pabst & Dietz, 2014; Tagesspiegel, 2015). These two retailers were chosen due to their distinct positioning and therefore are assumed to attract different target groups. A total of 255 organic consumers (68 % female, overall mean age 45 (SD 14)) were recruited for the in-store interviews during six different days in March 2016 (93 in Hamburg and 81 in Munich and Münster). There was an overrepresentation of consumers intercepted at denn's (160 interviews) as opposed to Rewe (95 interviews), since more consumers naturally fitted the target group in denn's. Two interviewers followed a structured interview guide (in German) designed to elicit consumer knowledge of and associations to COO and organic products and the importance, preferences and reasons for buying organic products. Interviews were audio recorded with consent and transcribed and checked by another researcher to ensure consistency..

Focus groups

Two focus groups (5-7 participants in each) were conducted in each city in March 2016. Participants were recruited through posters in stores and public places and a heterogeneous sample with regard to socio-demographic characteristics was secured. With one exception, there were at least two representatives of each gender in each group. Each group consisted of at least one participant under 30 and one over 50 years. Overall, 63% females participated and the mean age was 36 years. 45% of the participants were students, 47% employed and the remaining ones retired or unemployed.

The focus groups were audio recorded with the consent of the participants, and the participants were informed that they were allowed to leave the focus group at any time. The semi-structured interview guide contained the following themes: country associations, match between country and food products and organic food products including knowledge of and trust in organic labelling. The focus groups lasted between 1 and 1.5 hours and were moderated by native speakers. The audio recordings were transcribed and checked by another researcher to ensure consistency.

Data analysis

Content analysis using Nvivo 11 was conducted for each data collection method, since it was useful for both the rather factual and more quantifiable content of the in-store interviews, as well as the more qualitative content of the focus groups. After an initial open coding, a thematic coding, following the themes in the interview guides, followed for each method. Then the analysis for the two different data collection methods were compared and similarities and differences across the three cities identified – hence, the triangulation had several layers.

Results

German organic consumers were found to be a highly involved target group demonstrating an intrinsic motivation to acquire relevant knowledge in order to elaborate on differentiated product alternatives. This leads to an increased importance of a product's origin and ultimately translates to a higher attention to the COO cue in the purchase situation. Overall, a strong preference for imported organic food products with specific, geographical close COOs were found among organic consumers in three different German regions. Figure 1 shows that Austria was the most preferred foreign COO in Munich; it also ranked amongst the top five origins in Hamburg, whilst it was only mentioned few times in Münster. In Münster, respondents clearly favoured products from the Netherlands. Also in Hamburg most respondents indicated prefer Dutch products, closely followed by French and Danish ones. Apart from Hamburg, Denmark was very seldom or not at all mentioned as alternative COO. Hence, at least for Munich and Münster, the geographically close COO was preferred (Austria and The Netherlands, respectively), while the preferences for Danish products were comparatively more pronounced in Hamburg than in the other two cities.

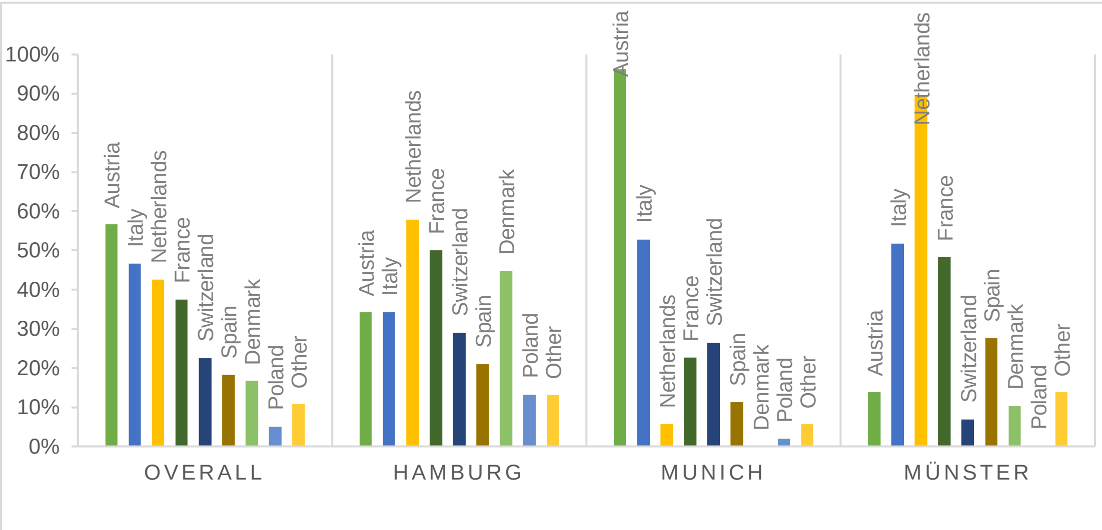

Figure 1. Respondents' preferred COOs (overall/per city)

The findings further suggest that preferences for foreign COOs were strongly influenced by concerns about the negative effects of transport. The prevalence of these considerations can be attributed to a high environmental concern amongst organic consumers. These findings are in line with past research arguing that consumers buy organic food at least partly for ethical reasons, as reflected in such pro-environmental behaviour (Thøgersen, 2011).

This study's findings expand the scarce research on COO effects in the context of imported organic food. In particular, this study offers exporting countries, domestic retailers and policy makers insights into how imported organic products are perceived, possibly revealing growth opportunities for both demand and supply side.

References

Aschemann-Witzel, J., & Zielke, S. (2015). Can't buy me green? A review of consumer perceptions of and behavior toward the price of organic food. *Journal of Consumer Affairs*, doi:10.1111/joca.12092

Dransfield, E., Ngapo, T. M., Nielsen, N. A., Bredahl, L., Sjödén, P. O., Magnusson, M., . . . Nute, G. R. (2005). Consumer choice and suggested price for pork as influenced by its appearance, taste and information concerning country of origin and organic pig production. *Meat Science, 69*(1), 61-70. doi:10.1016/j.meatsci.2004.06.006

Hemmerling, S., Hamm, U., & Spiller, A. (2015). Consumption behaviour regarding organic food from a marketing perspective—a literature review. *Organic Agriculture,* 1-37. doi:10.1007/s13165-015-0109-3

Hempel, C., & Hamm, U. (2016). How important is local food to organic-minded consumers? *Appetite, 96*, 308-318.

Hsieh, M.-H. (2004). An investigation of country-of-origin ef- fect using correspondence analysis: A cross-national context. *International Journal of Market Research, 46*(3), 267-295.

Hughner, R. S., McDonagh, P., Prothero, A., Shultz, C., & Stanton, J. (2007). Who are organic food consumers? A compilation and review of why people purchase organic food. *Journal of Consumer Behaviour, 6,* 94-110.

Kledal, P. R., El-Naggar, A. H., Sirieix, L., & Auersalmi, M. (2011). Organic food consumers' trade-offs between local or imported, conventional or organic products in the Egyptian metropolis of Cairo. *African Journal of Business and Economic Research, 6*(2 & 3), 26-48.

Rödiger, M., & Hamm, U. (2015). How are organic food prices affecting consumer behaviour? A review. *Food Quality and Preference, 43*, 10-20. doi:http://dx.doi.org/10.1016/j.foodqual.2015.02.002

Rosenbloom, A., & Haefner, J. E. (2009). Country-of-origin effects and global brand trust: A first look. *Journal of Global Marketing, 22*, 267-278. doi:10.1080/08911760903022432

Sahota, A. (2015). The global market for organic food & drink. In H. Willer & J. Lernoud (Eds.), *The World of organic agriculture. Statistics and emerging trends 2015* (pp. 120-123). Bonn: Research Institute of Organic Agriculture (FiBL), Frick, and IFOAM – Organics International.

Schjøll, A. (2016). Country-of-origin preferences for organic food. *Organic Agriculture*, 1-13.

Sirieix, L., Kledal, P. R., & Sulitang, T. (2011). Organic food consumers' trade-offs between local or imported, conventional or organic products: a qualitative study in Shanghai : Local and imported organic product. *International Journal of Consumer Studies, 35*(6), 670-678. doi:10.1111/j.1470-6431.2010.00960.x

Thøgersen, J. (2011). Green shopping: For selfish reasons or the common good? *American Behavioral Scientist, 55*, 1052 - 1076.

Thøgersen, J., Pedersen, S., Paternoga, M., Schwendel, E., & Aschemann-Witzel, J. (2017). How important is country-of-origin for organic food consumers? A review of the literature and suggestions for future research. *British Food Journal, 119*(3), 542-557. doi:10.1108/BFJ-09-2016-0406

Willer, H., & Schaack, D. (2016). Organic Farming and Market Development in Europe *The world of organic agriculture - Statistics and emerging trends 2016* (pp. 199 - 224). Bonn: Research Institute of Organic Agriculture (FiBL), Frick and IFOAM - Organics International.

Xie, J., Gao, Z., Swisher, M., & Zhao, X. (2016). Consumers' preferences for fresh broccolis: interactive effects between country of origin and organic labels. *Agricultural Economics, 47*(2), 181-191. doi:10.1111/agec.12193