



Communicating with customers

Susanne Padel and **Katrin Zander** consider how organic businesses can successfully communicate their values to customers

The growth in demand for organic and Fairtrade products is a clear example of the emerging importance of 'ethical consumerism' in the food sector. But as the popularity of organic food grows, so too does the range of mass produced organic products. Indeed, competition between many organic products is now predominantly a question of price. As a result, there are concerns that the ethical values and objectives of the organic movement are no longer central to large sections of organic production.

The rise of ethical consumerism

Some consumers see these developments as fundamentally opposed to the underlying principles of the organic movement. They are willing to pay an additional premium for organic food which is produced according to their personal values, many of which go beyond the basic ethical

criteria set by the EU regulation on organic farming.

Understanding the concerns of these consumers, and ensuring that any additional ethical attributes of farm and product are effectively communicated, are essential tasks for many organic businesses. The Farmer Consumer Partnerships project was established to identify the most promising 'ethical' marketing and communication strategies among organic businesses across the EU which exceed the baseline EU organic farming standards – and investigate how these are received by consumers and, thus learn from their success.

Ethical concerns

Ethical concerns relating to organic food and farming can be broadly categorised according to the three pillars of the concept of sustainability: ecological (such as the desire to preserve biodiversity and minimise pollution),

ABOVE: The Well Hung Meat Company, Devon, sell meat from a small number of local farms in the Southwest through various outlets. Animal welfare and meat quality are key priorities and these core values are communicated to customers. www.wellhungmeat.com

social (such as civic responsibility or human health) and economic sustainability (such as fair prices to producers). Other important ethical concerns which fit less well under these headings include the desire to support regional/local supply chains, traditional processing, and high animal welfare farming.

But while the EU regulation on organic farming (EC/834/2007) integrates key environmental concerns and assurances of high standards of animal husbandry we know that it does not necessarily address a number of key areas which are of concern to today's organic stakeholders. For example, minimising environmental impact is a clear objective of the EU regulation and is a likely outcome if organic standards are followed. But while the regulation makes some reference to sustainable resource use and the protection of biodiversity, there are very few detailed rules on how organic farmers and businesses should actually implement these principles.

Similarly, high animal welfare standards are stated as a key objective in the EU regulation and that, for example, organic livestock must have free range access. Yet there are areas where the rules are not very detailed and it is certainly possible to enhance the welfare benefits of organic standards through using local slaughtering facilities to minimise stress or enhancing poultry ranges.

The EU regulation also does not address issues like 'fair prices for producers' or the benefits of local/regional production. With the rapid growth in sales of mass produced organic products, an increasing number of consumers state a clear preference for shorter, less anonymous local or regional supply chains, which can offer fresher food and better traceability.

While the EU regulation strictly limits the food additives and processing techniques, the use of artisan or traditional processing methods is another issue which is not covered by the regulation – and which may attract additional interest from ethical consumers.

Consumer preferences

Our research shows that some organic consumers are willing to pay more if they feel that an organic product incorporates ethical values which go beyond the basic organic standards. We call these additional attributes 'OrganicPlus'. But although many organic producers and processors are already going beyond the minimum requirements of organic standards set out by the EU regulation, we know that communicating these additional ethical attributes of their products to potential consumers is not always as effective as it could be.

So which OrganicPlus arguments offer the greatest opportunity for differentiation in the market? We tested seven OrganicPlus attributes with nearly 1,200 consumers in five European countries. We found that 'regional/local production', 'animal welfare', and 'fair prices for farmers' were the most important to consumers, while issues like 'care farming', 'protection of biodiversity', 'consideration of cultural features in production' and 'social aspects of production' (such as working conditions) were less relevant.



"Organic businesses should target their communication efforts towards the key concerns expressed by their customers"

Regional/local

Research showed that consumers prefer precise information on where the product was produced – or at very least the specific production region. Clearly, consumers appreciate being able to judge themselves if a product is locally produced or from a particular region. We highly recommend defining the production place as precisely as possible, rather than using 'regionally-' or 'locally-produced'.

Animal welfare

Communicating any attributes on 'animal welfare' is particularly difficult as consumers already associate organic farming with high animal welfare. While most consumers are clearly very interested in animal welfare, the reality is that they know only little about it – and even less about any potential shortcomings in the organic regulations. Nevertheless, the fact that several companies we studied are already successfully communicating OrganicPlus attributes on animal welfare to their customers clearly demonstrates that this strategy may be worthwhile, but only where appropriate claims can be made.



A German organic retail outlet: sales of organic food in Germany are worth more than €5.8 billion

Fair prices for farmers

The success of using a 'fair prices for farmers' message to differentiate products in the organic market depends on exactly how it is communicated. Concise information, such as the exact premium on the average prices, appears to work rather well. But one word of warning: marketers must take care not to connect any 'fair price' arguments too strongly with 'Fairtrade', as consumers do not see the situation of domestic farmers as comparable to those of farmers in developing countries.

Communication strategies

Effective communication is essential: it is only when consumers know about a company's ethical activities that they can act on their personal concerns and change their buying habits accordingly. Comparing the additional ethical attributes preferred by consumers with those most regularly communicated by producers reveals that while there is a lot of common ground, there are also significant differences.

While our research shows that consumers mostly prefer organic food with additional characteristics relating to 'regional/local production', 'animal welfare' and 'fair prices for farmers', it is clear that most producers and processors currently focus on promoting 'regional/local production', 'nature conservation' and 'biodiversity' in their communication efforts. Our research suggests that organic businesses should therefore try to reorient their



FIND OUT MORE

Farmer Consumer Partnerships – How to successfully communicate the values of organic food is a 35-page booklet providing producers and processors with practical advice and numerous case studies on how to target marketing strategies to the growing number of 'ethical consumers', and how to improve customer communication. To order a free copy call **01488 658298** or email **elmfarm@organicresearchcentre.com**

Communication strategy

How can you develop an individual 'ethical' communication strategy?

- First, you need to reflect on your core values which influence your production system. Are you mainly concerned about preserving cultural landscapes or is high animal welfare your main incentive?
- Next, it is important to identify the differences between what you do and the basic organic standards. Only clear cut differences that you can easily explain – and which allow consumers to easily differentiate your products from others – will work
- Finding some common ground between the company's ethical philosophy and your customer values is absolutely essential. Look at consumer research and consider carrying out your own customer survey. You can then determine which 'OrganicPlus' attributes your customers will most value
- Using the information you have gathered you should be able to match the particular strengths of your company with the key concerns of your customers – and then focus your communication efforts on highlighting these specific issues
- Consumers are bombarded by a huge range of marketing information, so make your messages as short and concise as possible. Try to keep any additional information – such as extensive descriptions of your firm's philosophy – as a supplement, rather than as your main message.

activities and target their communication efforts towards the key concerns expressed by their customers.

The main aim must be to remain credible both in action and in word. While a number of tools and concepts are available to help companies review those activities and procedures which relate to ethical issues, they often require significant investments of time and resources – which can be a problem for small to medium companies with limited marketing budgets. Much more detailed advice – together with a range of useful case studies – is available in our project booklet, *Farmer Consumer Partnerships – How to successfully communicate the values of organic food* (to order see 'Find out more', left).

Dr Susanne Padel is principal researcher at the Organic Research Centre, Elm Farm. The Farmer Consumer Partnership project was coordinated by University of Kassel (Germany) and the following institutions were also partners: University of Natural Resource and Applied Life Sciences, Vienna; Università Politecnica delle Marche, Ancona; Mediterranean Agronomic Institute of Bari; the Research Institute of Organic Agriculture (FiBL).