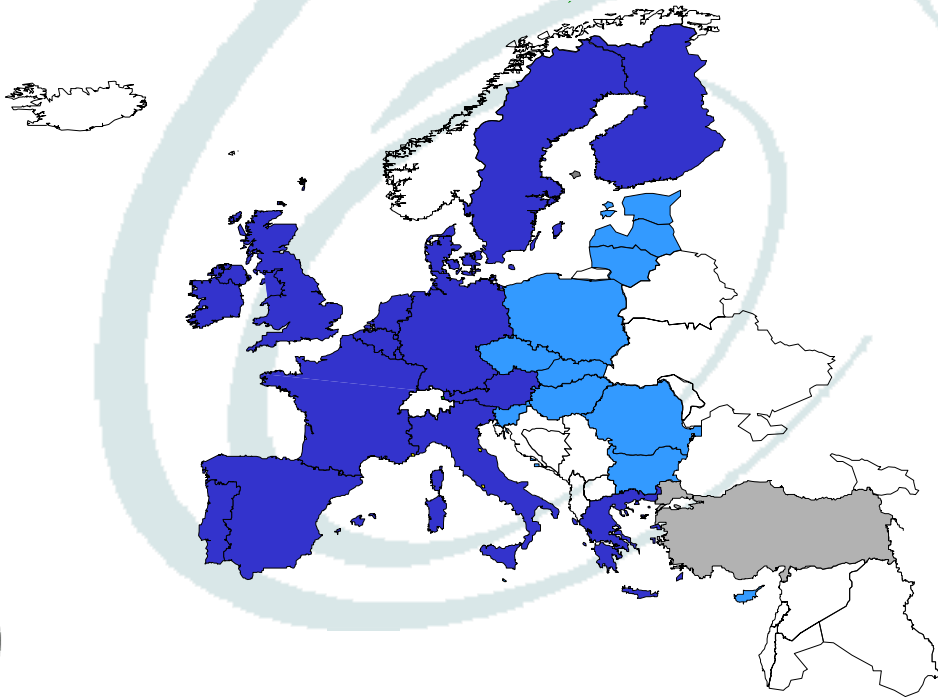




The positioning of organic products: which way forward? How to suit the need of the market by research in organic products



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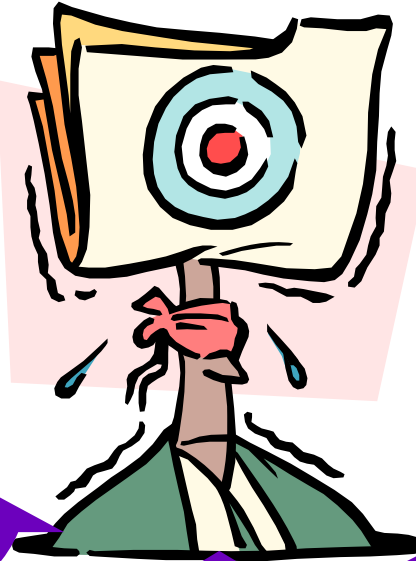
European Commission
Research DG





Maximizing the Customer Satisfaction Addresses 3 Questions

1. How well
do you
meet
customer
needs?



2. How
smoothly do
you solve
your
customers'
problems?

3. How
quickly do
you
anticipate
what they'll
want next?

Source: "The Customer Experience,"
Net Company, Fall 1999.





Marketing organic products

- **Marketing strategy aimed at maximizing Consumer Satisfaction is usually based on:**
 - Segmentation
 - Positioning
- **Is traditional marketing strategy suitable for organic products?**





Segmentation and organic products

- **Segmentation** is about making the market **more focused** and easily targeted
- Segmentation has the double effect of fragmenting the market and making it bigger: in the case of organic products this is not necessarily true.





The organic market segment

- The organic food segments is based on the idea that the *product* itself, given its peculiarity, allows to characterise a (target) market.
- 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.





Weakness of the organic market segment

The needs or benefits sought by many consumers when buying organic food could define a larger segment, while the intrinsic characteristic of a “regulated” market like the organic one lead necessarily to a “niche”, defined by the *product* more than the *needs*.





Product positioning

- Product positioning relates to forming a particular **product image** in the *mind* of the consumer.
- 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.
- Usual characteristics: logical, functional, symbolic, and experiential aspects of products





Current organic positioning

- Current positioning is mainly based on some **attributes** of the products:
 - *positive* (healthy, better tasting)
 - *negative* (produced *without* chemicals, *GMO free*, with *no* added artificial flavouring, preservatives, etc.)
- The “**organic**” **attribute** appears as a further element of differentiation → *all* organic products have a common positioning in the mind of consumers.





A way forward: value-based approach to positioning

- Consumers exert a behaviour as a mean to reach an objective or an end.
- Therefore, consumer see most **product attributes** as a mean to some end:
 - attain **benefits** / avoid **risks** (conscious level)
 - subsequently attain **values**, that is “preferred end states of being and preferred modes of behaviour” (latent, unconscious level)

• **Value**



real



A way forward: value-based approach to positioning

- **Quality** is a benefit sought in all food purchases, and for consumers is a matter of degree: so you can have food of poor, average, high quality, etc.
- **Safety** is “binary” benefit, a matter of kind: either a food is safe or is not. It’s a 0/1, fail/pass concept.





A way forward: value-based approach to positioning

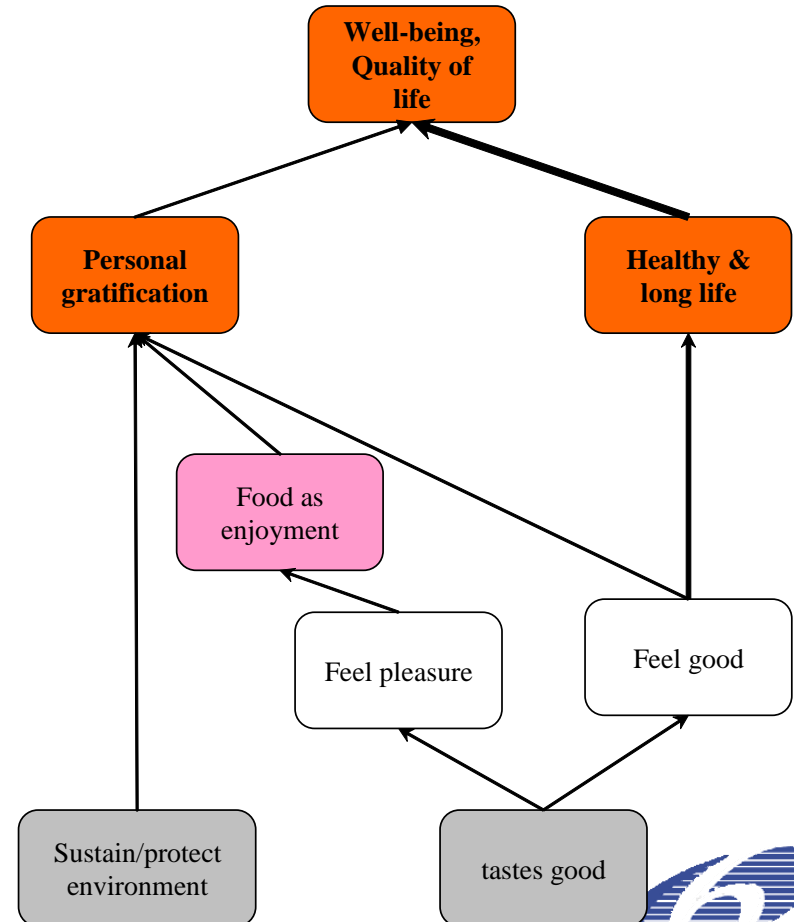
- Organic products are **highly-symbolic**: consumers perceive them mainly on the basis of “*credence*” attributes like the (organic) label.
- Organic products are generally considered safe(r) and sometimes of higher quality.
- If organic products are positioned in terms of **terminal values**, consumer research has shown that this produces a *strong emotional involvement* with the product.





Our QLIF/OMIARD research

- Most organic products are always associated:
- with the **instrumental** value *Health*,
- with the **terminal** value *Well-being/Quality-of-life*, which subsumes also all the hedonistic values associated with *personal gratification*.





Values and organic products

- **Health** as well as **Environment** are quite mainstream values in organic positioning concepts.
- But often organic products are still positioned based on *attributes or benefits*



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Values and organic products

- **Health** as well as **Environment** are quite mainstream values in organic positioning concepts.
- But often organic products are still positioned based on *attributes or benefits*
- Concept of **well-being** positioning need to be explored





Ads courtesy of Toralf Richter – FIBL/Bio Plus -CH

*con loro
sto bene*

SCEGLI
il gusto genuino
e la sicurezza
dei prodotti da
agricoltura
biologica: senza
chimica di sintesi,
senza additivi
pericolosi, senza
manipolazioni
genetiche

AMAB
garantisce
prodotti biologici
ormai da 20 anni
secondo norme
volontarie più
selettive di quelle
europee
effettuando
controlli severi
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secondo norme
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quelle europee
effettuando controlli
severi
e rigorosi in ogni
fase di produzione

*Alla salute dei tuoi
ci pensi tu, noi pensiamo
alla tua tranquillità*

*abbraccia
la salute*

**Un partner naturale
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e della tua famiglia**



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PIÙ IMPORTANTE.**



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Il fine è l'uomo, il principio la terra.





Wellness, well-being positioning

- The **wellbeing** concept combines both the safety & quality issues in one word, and is less semantically connected to the idea of disease.
- **Well-being** = quality of life
- **Wellness**= *wellbeing* + *fitness*
- Research need to focus on enhancing all organic product attributes/characteristics which can possibly lead to an idea of **wellness/well-being** in the mind of consumers.





New attributes...

- **Taste** is in absolute terms the most relevant food attribute for all consumers. Organic food should not dissatisfy taste expectations.
- Taste is associated with *pleasure* and *enjoyment*, and therefore to **well-being**.
- **Other attributes** need to be developed that directly link organic food to well-being: e.g. organic food should be seen as a “**natural**” **probiotic and functional** food.





...but not only!

- **New users**
- **New situations**
- **New point of sales**

- **Organic food are valuable because they possess “spiritual” attributes:**
beautiful OUTSIDE and INSIDE





Conclusions

- Applied natural scientist, market experts and consumer researcher need to meet on a regular basis in order to develop new organic concepts that can help satisfy consumer needs on the global market.
- Consumer needs come first:
a product, even organic, is just a **mean to higher ends.**





Which Organic Future?

- **O**riginal
- **R**eassuring
- **G**ourmet
- **A**musing
- **N**atural
- **I**nnovative
- **C**oncerned
- **F**ast
- **U**rban
- **T**ribal
- **U**niversal
- **R**adical
- **E**thical





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