

Renata Nestorowicz

Bogna Pilarczyk

### **Author Note**

Renata Nestorowicz – Assistant Professor at Poznań University of Economics, Department of Marketing Strategy, al. Niepodległości 10, 61-875 Poznań, tel. 48 61 854 37 68, [r.nestorowicz@ue.poznan.pl](mailto:r.nestorowicz@ue.poznan.pl)

Bogna Pilarczyk – Full Professor at Poznań University of Economics, Department of Marketing Strategy, al. Niepodległości 10, 61-875 Poznań, tel. 48 61 854 37 72, [b.pilarczyk@ue.poznan.pl](mailto:b.pilarczyk@ue.poznan.pl)

# **Marketing communications as a chance to minimise barriers to the development of organic food market in Poland**

## **Abstract**

The organic food market in Poland is in its early stage of development. Despite the fact that over the last 10 years the sales of organic food rose more dynamically than of conventional food, one may have an impression that the potential of the market is not fully exploited. The article addresses barriers to the development of organic food market and possibilities of eliminating these barriers through application of appropriate instruments of marketing communications.

**Keywords:** organic food, health food, barriers to organic food development, promoting organic food, marketing communications

## **Introduction**

For a dozen years the organic food market in Europe has been growing rapidly. In Poland an increased interest in organic foodstuffs can be observed for a few years. According to a study by Inquiry agency, the Polish market of certified organic food in 2011 reached the value of 375 million Polish zloty, which means a 25% rise compared to the previous year (Mroziak 2012). It is estimated that in 2012 the market will amount to 450 million PLN, and in 2015 - 700 million PLN (*Wartość rynku...* 2012). At present 23.4 thousand organic farms and less than 300 organic food processing plants operate in Poland. Organic food can be purchased in nearly 500 points of sale, with about 10% of them based in Warsaw. 20% of Polish consumers declare purchasing organic food, and 8% of Poles indicate buying such food once a week (SGGW 2012).

Despite the dynamic growth of the market, its size is decidedly smaller than in Western European countries. In 2009 an average consumer in Poland spent between 1.3 and 2 Euros a year on organic foodstuffs, that is many times less than in Denmark (€139), Switzerland (€132), Germany (€71) or France (€47) [<http://www.organic-world.net>]. Differences between Poland and other European countries result, among other things, from lower than in other countries (especially the highly - developed Western European ones) level of knowledge about the significance of organic food in human nutrition and substantially higher prices of the products (often by nearly 100%) than prices of conventional food. Insufficient knowledge of Polish consumers about benefits of organic food calls for undertaking educational and marketing activities in order to enhance credibility and popularise consumption of organic food.

The article's aim is to indicate possibilities of using marketing communications in the process of removing barriers to the development of the organic food market in Poland. To achieve this aim we used data from secondary sources, referred to results of research conducted by the authors and to systematic observations of the market.

### **Significance of marketing communications on the organic food market**

Marketing communications on the organic food market is a system of communications of businesses, institutions and organisations with consumers and other subjects operating in the marketing environment. The communications fulfil social aims (propagating the idea of organic farming, a change in citizens' attitudes) and commercial ones (informing and persuading consumers of products from a given producer or distributor) (Pilarczyk, Nestorowicz 2010, p. 198). More on the subject of diversity of aims and consequential ways of marketing communications on the organic food market by enterprises, state institutions as well as non-governmental organisations can be found in Nestorowicz (2010).

Marketing communications is understood as both the process of and the collection of tools for communicating with the environment. The core of marketing communications are instruments of promotion, such as: advertising, personal selling, sales promotions, public relations, and direct marketing. However, an enterprise communicates also through the use of other marketing tools, such as: the product, including the brand and packaging, distribution (distribution channels, location of points of sales, merchandising) or the pricing policy. Integrating communications with the use of these tools should provide a message which will be clear, consistent and convincing. Every encounter of the recipient with the instruments is a potential channel of communication (Choli\_ski 2003).

It is worth pointing out that in the case of the organic food market there are two groups of communication senders (which is related to the aims of such communication, described above):

- governmental and non-governmental entities and organisations, e.g. Ministry of Agriculture and Rural Development, Agricultural Market Agency, European Commission, NGOs, which undertake communication activities in order to raise present and prospective customers' awareness of organic food, its significance and distinctive features, develop the level of confidence in organic food, increase recognizability of logotypes related to organic food;
- associations of organic food processors and producers, enterprises dealing with coordination of production and processing, distribution of organic food, owners of organic food brands, super- and hypermarket chains, retailers specialised in selling organic food, producers of organic food, who unlike the first group of senders, do inform about their offer, location, properties of specific organic products, build confidence in their brands.

Also on the side of marketing communications recipients two main groups can be distinguished:

- consumers (regular, occasional and prospective)
- business entities operating (or potentially operating) on the organic food market.

Communications recipients who are business entities:

- are encouraged to change the production into ecological one - e.g. [www.rolnictwoekologiczne.org.pl](http://www.rolnictwoekologiczne.org.pl).
- are informed about possibilities of co-operation with other entities operating on the market, co-operation in integrated channels of distribution, producer groups or in clusters;
- are informed about training options and taking advantage of support offered in the framework of the EU programmes, etc.

In the further discussion we will focus on consumers as recipients of marketing communications. The consumers are in turn recipients of informational and educational activities. In the consumers' group worth noticing is the segment of regular customers whose level of awareness of organic food is high compared to other groups. For this reason they are recipients of mainly commercial communications from producers and distributors. The remaining two groups of consumers should be recipients of communications with social objectives, although commercial communications can also persuade them to consume organic food.

### **Barriers to the development of the organic food market in Poland**

The market of organic food in Poland is expanding, but not as dynamically as earlier expected. Both, supply and demand, can be responsible for such a situation. Generally speaking, the main barriers to the organic food market development in Poland are (Jo\_czyk 2011):

- Fragmentation on the side of supply, insufficient organisation of the market
- Lack of professional counselling for farmers and entrepreneurs

- Consumers' low level of income
- Distorted picture of organic food in consumer awareness.

On the basis of research conducted in recent years in Poland and in other European countries (Bonny 2006, \_akowska-Biemans, Gutkowska 2003, Pilarczyk, Nestorowicz 2010) one can divide the reasons for not purchasing organic food into several groups connected with specific marketing instruments:

- an overly high price
- distribution (limited - according to prospective consumers - availability of the products)
- marketing communications.

The very product is the least responsible for customers' refraining from purchasing organic products. Even lack of trust, mentioned by some respondents, is more related to appropriate communicating features of organic products rather than with the product itself. Lack of trust is also connected with customers' low ecological awareness, lack of knowledge about organic food, certificates, etc.

A high price (the main cause of abstaining from buying organic food) results from higher production costs incurred by organic farms (according to \_uczka-Baku\_a (2007), the costs are on average by 10-40% higher than in conventional farming).

It is important to communicate to consumers positive aspects of organic food and the way it is produced, which is the main cause of such vast price differences between organic and conventional foods. If we fail to educate consumers about these issues, there is a risk of a permanent vicious circle of pricing strategy on the organic food market (Spiller 2001). The vicious circle is about high prices of organic food causing a decrease in demand for it, which in turns prevents producers from yielding returns to scale and, consequently, leads to low profitability. Low profitability forces producers to raise prices and thus the vicious circle.

In a study conducted by \_akowsk\_-Biemans (2010) Polish consumers as the most common reasons for not buying organic food indicated:

- unfamiliarity with location of organic food stores and stands,
- inability to differentiate organic foods from its conventional counterparts,
- lack of organic food in points of sale where respondents do their shopping,
- too high prices of organic food.

Among the barriers to purchasing still predominate those related to information. This is also confirmed by research conducted among organic food producers - when asked about barriers to the market development, they indicated insufficient demand, followed shortly by lack of promotion, limited distribution and lack of support from the local government (Jo\_czyk 2011).

Research conducted by the authors in Pozna\_ confirmed that reasons for not purchasing organic food stem first of all from limited knowledge of consumers about organic food, its properties, its distinct features when compared to conventional food, points of sale, etc. Similarly to the other, above-mentioned, studies one of the main reasons for not purchasing organic food is according to customers its high price<sup>1</sup>. However, even perceiving the price as too high is to some extent dependent on customers' level of awareness of organic food. Lack of knowledge about distinct features of such food and how it is produced, as well as ignorance of origins of price differences between conventional and organic foods have an impact on how the latter is perceived. On this account, applying appropriate marketing instruments and education would help to increase the sales of organic food.

---

<sup>1</sup>It is advisable that organic food is slightly more expensive than conventional, as a high price is associated by consumers with a high quality. Still, the differences in prices should not exceed 15-20%.

## **Opportunities for eliminating barriers to the development of the organic food market through applying instruments of marketing communications**

One of the options to eliminate the barriers to the development of organic food market in Poland on the consumers' side is taking advantage of instruments of marketing communications. It is important that they are used both by organisations and institutions responsible for growth of the organic food market and subjects offering such products. Both sources of information should be consistent, and communications senders should co-operate, only then it will be possible to minimise barriers to the development of the organic food market in Poland (Nestorowicz 2010). The fragmentation, on the side of organic food producers and farmers, restricts using mass tools of communications due to the subjects' limited financial resources and limited scope of activity. Only integration in the distribution channel (vertical or horizontal - producer groups, clusters) offers a possibility of joint promotional actions. The EU financial support for projects connected with organic farming gives the subjects pursuing commercial objectives practically ready-to-use tools to be used in communication with consumers (e.g. the EU-wide campaign "Good for nature, good for you" [www.organic-farming.europa.eu](http://www.organic-farming.europa.eu)).

Marketing communications used by market subjects should take into consideration two basic groups of recipients' - heavy users and occasional consumers. Both the communication channels and the message should be a little different, as the two groups represent a different level of nutritional awareness and do shopping in different places of sale. Spiller, Lüth i Enneking (2004) indicate that occasional buyers more readily buy organic food in conventional distribution channels because they feel more anonymous there. In Poland buyers comprising the so-called core of buyers - regular customers definitely more often do their shopping in specialised shops (\_uczka-Baku\_a 2007). Such knowledge allows for an



appropriate choice of place if senders would like to use instruments of consumer promotion, such as tastings, larger packs for the same price, an extra product when buying a basic one.

In order to eliminate, or at least reduce barriers to the organic food market development it is essential to undertake activities implementing a consistent informational policy. This includes for example:

- running educational campaigns by governmental and non-governmental institutions; activities by producers or distributors in this field will not produce satisfying results. The aim of such activities should be to inform consumers about specificity of organic food, indicate reasons for higher prices of organic when compared to conventional foods, extend consumers' knowledge about organic farming, organic products and their labelling;
- informing consumers about the certification process, in order to build more trust in organic certificates. Polish consumers do not trust certificates granted to foodstuffs, not only the organic ones (Krajewski, \_wi\_ tkowska 2006; Nestorowicz, Nowak 2010);
- taking into account the significance of personal selling, one would need to undertake activities aimed at developing knowledge about organic food of shop assistants working in points of sale where the food is available. Limited knowledge about organic food and lack of motivation of shop assistants in conventional channels of distribution makes counselling impossible.

In order to increase sales of organic foodstuffs, a promotional campaign is not enough, and one needs to apply instruments of integrated marketing communications. An enterprise communicates with the environment not only through advertising or sales promotions, but with other marketing tools, such as the look of the product, its packaging, name of the brand, distribution channels and interior design of points of sale, price levels. All these elements have an effect on the consumer's image of the product, brand, company or the idea of organic food.

The perceived value of organic food is influenced by the level of organic awareness of customers, their previous experiences with such products, reputation of enterprises certifying organic food, publications in the press, TV and radio programmes about organic food, and also promotional campaigns. Major campaigns on the market of organic food are concerned with promoting the idea of using organic food, rather than purchasing products coming from a specific organic farm, or from a particular distribution point. Large-scale advertising targeted at informing consumers about properties of products from particular manufacturers is not something individual producers can afford, the only chance is to take advantage of the power of the cluster or of the government or the EU programmes. However, such subjects on their own can successfully use other promotional instruments, such as:

- Internet websites containing information about the enterprise, its products, purchase options including online shopping;
- personal selling at market places, in agritourism farms, specialist shops;
- informational leaflets and brochures about ecological products, points of sale, benefits of organic food, ways of using such food in everyday nutrition (e.g. recipes<sup>2</sup>);
- tastings and sampling;
- price promotions, discount coupons;
- loyalty programmes (e.g. frequent customer cards);
- participation in trade fairs, festivities, fairs;
- point of sales materials;
- gadgets.

In marketing communications on the organic food market packaging plays a significant role, especially in the case of supermarkets where such products are becoming more and more common. It is worth noticing that the EU logo of organic farming on the

---

<sup>2</sup> In Poland culinary programmes and magazines have for the last few years enjoyed a growing popularity, which organic food producers could take advantage of.

packaging of Polish products is exhibited more visibly than in the case of packaging of products coming from countries where, on the one hand, customer awareness is higher and, on the other, organic product brands are stronger and more recognizable. The Polish consumer needs a clear message e.g. via the logo of a certifying organisation or the EU labelling, because they are not used to such products. Illustration 1 presents examples of differences in labelling packaging of organic foodstuffs from Poland and Western Europe. The photograph was taken prior to the change of the EU logo. The very change of the EU logo made it necessary to undertake activities aimed at heightening consumer awareness of its look, meaning, etc.

Illustration 1. Examples of organic labelling on packaging of foodstuffs from Poland and Western Europe

In reference to merchandising organic products, one can observe two approaches in conventional supermarkets - independent stands, separate shelves with organic products or placing particular organic products next to their conventional counterparts with clear indication that they are organic. The first solution is beneficial provided consumers represent a certain awareness of organic matters.

## **Conclusion**

In order to eliminate specific barriers or at least to limit their impact on the size of demand common activities need to be undertaken by producers and distributors, with the support of NGOs. Considering the possibilities of using the EU funding, such activities are realistic and the first steps have already been made (e.g. the Poland-wide campaign promoting organic food conducted by Agricultural Market Agency).

The development of the organic food market requires all subjects operating on it to intensify the marketing communications activities. At the disposal of producers and intermediaries (distributors) are numerous, effective tools of marketing communications, such as advertising, product packaging, consumer promotion or marketing events and social portals aimed at informing about and encouraging to purchase organic products. It is important in the process of applying them to take care of their internal consistency and integration with other elements of the offer, i.e. the product, price and distribution. The tools indicated above require a certain financial investment, indispensable to activate the demand on the organic food market. Introducing appropriate marketing means, appropriate communications with customers will contribute to an increase in purchasing organic food, yet it is a long-lasting process.

## **Bibliography**

Bonny S. (2006), "Organic Farming in Europe: Situation and Prospects", (accessed February 18 2011), [available at [www.marketing-trends-congress.com/papers](http://www.marketing-trends-congress.com/papers)]

[www.notre-europe.eu/fileadmin/IMG/pdf/Bonny\\_Agribio-EN.pdf](http://www.notre-europe.eu/fileadmin/IMG/pdf/Bonny_Agribio-EN.pdf)

Choliński A. (2003), „Droga do jednolitego przekazu”, *Marketing w Praktyce*, 2.

<http://www.organic-world.net> (access February 18 2011]

Jończyk K. (2011), „Klaster Dolina Ekologicznej żywności jako ponadregionalna platforma współpracy i promocji rolnictwa ekologicznego”, presentation at EKOGALA, Rzeszów (accessed September 28 2012), [available at <http://www.dolinaeko.pl/200.prezentacje>]

Krajewski K., Witkowska M. (2006), „Rolnictwo i produkty ekologiczne wspierane działaniami promocyjnymi”, *Przemysł Spożywczy* 12.

Łuczka-Bakuła W. (2007), *Rynek żywności ekologicznej*, PWE, Warszawa.

Mroziak P. (2012), „Dyrektor MyEcolife: Spodziewamy si\_ spadku cen \_ywno\_ci ekologicznej i dalszego rozwoju rynku” (accessed July 5 2012) [available at <http://www.portalspozywczy.pl/owoce-warzywa/wiadomosci/dyrektor-myecolife-spodziewamy-sie-spadku-cen-zywnosci-ekologicznej-i-dalszego-rozwoju-rynku,66769.html>]

Nestorowicz R. (2010), „Komunikacja marketingowa na rynku \_ywno\_ci ekologicznej w Polsce” in: Komunikacja rynkowa. Skuteczne narz\_dzia i obszary zastosowania, ed. B. Pilarczyk, Z. Wa\_kowski, Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu, Pozna\_.

Nestorowicz R., Nowak L. (2010), „\_ywno\_\_ bioaktywna a preferencje nabywców” in: w: Zarz\_dzanie produktem. Kreowanie marki Zeszyty Naukowe nr 154, ed. J. Kall, B. Sojkin, Wydawnictwo UEP, Pozna\_.

Pilarczyk B., Nestorowicz R. (2010), *Marketing ekologicznych produktów \_ywno\_ciwych*, Oficyna a Wolters Kluwer business, Warszawa.

SGGW (2012), „\_ywno\_\_ ekologiczn\_ raz w tygodniu kupuje 8 proc. Polaków” (access July 5 2012) [available at <http://www.portalspozywczy.pl/handel/wiadomosci/sggw-zywnosc-ekologiczna-raz-w-tygodniu-kupuje-8-proc-polakow,71396.html> ]

Spiller A. (2001), „Preispolitik fuer oekologische Lebensmittel, Eine neo-institutionalistische Analyse“, *Agrarwirtschaft*, 7.

Spiller A., Luth M., Enneking U., „*Analyse des Kaufverhaltens von Selten- und Gelegenheitskäufern und ihrer Bestimmungsgründe für/gegen den Kauf von \_ko-Produkten*“, Geor-August-Universität Göttingen (access July 2008) [available at <http://orgprints.org>]

Warto\_\_ rynku detalicznego \_ywno\_ci ekologicznej stale idzie w gór\_ (2012), (access July 5 2012) [available at <http://www.portalspozywczy.pl/zywnosc-ekologiczna/wiadomosci/wartosc-rynku-detalicznego-zywnosci-ekologicznej-stale-idzie-w-gore,66960.html>]

\_akowska-Biemans S., Gutkowska K. (2003), *Rynek \_ywno\_ci ekologicznej w Polsce i w krajach Unii Europejskiej*, Wydawnictwo SGGW, Warszawa.

\_akowska-Biemans S. (2010), „Trendy w rozwoju rynku \_ywno\_ci ekologicznej w Polsce i innych krajach Unii Europejskiej”, (access September 2012) [available at <http://www.dolinaeko.pl/200.prezentacje>]

Illustration 1. Examples of organic labelling on packaging of foodstuffs from Poland and Western Europe



Source: A. Zieli\_ska, Photoholic Studio.

## **Author Note**

Renata Nestorowicz – Assistant Professor at Poznań University of Economics, Department of Marketing Strategy, al. Niepodległości 10, 61-875 Poznań, tel. 48 61 854 37 68, [r.nestorowicz@ue.poznan.pl](mailto:r.nestorowicz@ue.poznan.pl)

Bogna Pilarczyk – Full Professor at Poznań University of Economics, Department of Marketing Strategy, al. Niepodległości 10, 61-875 Poznań, tel. 48 61 854 37 72, [b.pilarczyk@ue.poznan.pl](mailto:b.pilarczyk@ue.poznan.pl)